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Ms. Tania Homan
Director – Aurizon Network
Queensland Competition Authority
GPO Box 2257
Brisbane QLD 4001

31 July 2014

Dear Tania,

Proposed FY2014 Adjustment Charges

I am writing to seek the approval of the Queensland Competition Authority (QCA) for FY2014 Adjustment Charges of \$71.1 million to be reimbursed to Access Holders in the Blackwater and Goonyella systems.

The Adjustment Charges have arisen due to record railings in the Blackwater and Goonyella systems. For the first time, over 200 million tonnes were railed across the Central Queensland Coal Region. This achievement reflects the sustained efforts and aligned planning by all service providers, including mines, ports, rail operators and Aurizon Network, and is despite significant weather events affecting port operations, substantial capital works in the Blackwater system and an increased capital renewal program.

No Adjustment Charges are proposed for the Moura, Newlands and Goonyella to Abbot Point (GAPE) systems as Take or Pay amounts were triggered in those systems and capped to the extent of the relevant System Allowable Revenues.

The submission comprises an explanatory memorandum and a financial model. The memorandum is presented in a format which is suitable for publication should the QCA choose to do so. The model contains specific information on individual Train Services and accordingly Aurizon Network requests that it is not published.

For transparency, Aurizon Network provided separate extracts of the financial model to the relevant Access Holders (Aurizon Operations, Pacific National, Rio Tinto, BMA Rail and Glencore) in advance of this submission. No comments were received that resulted in amendments to the Adjustment Amounts.

If approved by the QCA, the Adjustment Charges will be returned to Access Holders concurrent with the invoicing of Access Charges for the month in which the QCA's approval is provided.

Should you have any queries in relation to this submission, please do not hesitate to contact Cissy Ma (Pricing and Economic Modelling Manager) on (07) 3019 5548 or by email at cissy.ma@aurizon.com.au.

Regards,



Lana Stockman
Vice President - Regulation
Aurizon Network Pty Ltd