

22 April 2019

Charles Millstead
Chief Executive Officer
Queensland Competition Authority
Level 27, 145 Ann Street
Brisbane QLD 4001

Dear Mr Millstead

Confidential

I refer to the draft amending access undertaking submitted to the QCA for approval by Aurizon Network on or about late April 2019.

Yarrabee Coal Company Pty Ltd ACN 010 849 402 (**Yarrabee Coal**) is writing this letter in its own capacity.

Yarrabee Coal is satisfied that the draft amending access undertaking in the form submitted by Aurizon Network to the QCA on or about late April 2019 contains a significant number of increased and material benefits for access seekers, access holders and their customers, and that those benefits justify the financial outcomes the proposed amendments to Aurizon Network's undertaking secures for Aurizon Network.

Yarrabee Coal's support of the draft amending access undertaking submitted by Aurizon Network to the QCA on or about late April 2019 is conditional on that draft amending access undertaking being approved by the QCA in the same form as it was submitted to the QCA. Yarrabee Coal does not by this letter support a draft amending access undertaking that is different to the draft amending access undertaking submitted by Aurizon Network to the QCA on or about late April 2019.

There are some matters contained in the draft amending access undertaking on which Yarrabee Coal does not express a view and in respect of which Yarrabee Coal is happy for the QCA to determine in accordance with its discretion. Those matters are listed in the attachment to this letter.

Subject to those matters and the terms of the attached 'UT5 DAAU Implementation Deed' between Aurizon Network and the Company (including the condition that the QCA approves of the UT in the exact form (subject to immaterial changes) submitted by Aurizon Network to the QCA), Yarrabee Coal supports the QCA's approval of the draft amending access undertaking.

If the QCA makes a final decision to refuse to approve the draft amending access undertaking, does not make a final decision to approve the draft amending access undertaking by the 'Specified Date' in the 'UT5 DAAU Implementation Deed' or Aurizon Network breaches clauses 3.1, 4.4, 5, 6 or 10 of the 'UT5 DAAU Implementation Deed', then the Company may make further submissions to the QCA including in connection with the draft amending access undertaking.

Please feel free to contact Mike Dodd at Mike.Dodd@yancoal.com.au should you have any matters you would like to discuss.

Yours sincerely



Mike Dodd
GM, Infrastructure

Attachment 1

Yarrabee Coal Company Pty Ltd does not express a view in respect of the following matters contained in the draft amending access undertaking and Yarrabee Coal Company Pty Ltd is happy for the QCA to determine the following in accordance with its discretion.

- 1 the Reference Tariff values in Schedule F (7.2, 8.2, 9.2, 10.2, 11.2);
 - 2 the System Allowable Revenue values in Schedule F (7.3, 8.3, 9.3, 10.3, 11.3);
 - 3 any changes to payloads in Schedule F compared to those shown in the approved UT5;
 - 4 loading times for additional mines not included in the approved UT5;
 - 5 GtK forecasts within Schedule F, to the extent that they differ to those contained in the approved UT5; and
 - 6 the values shown in Schedule K.
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