

Schedule F

Reference Tariff

1 General provisions

1.1 Purpose

This **schedule F** will be used for the following purposes:

- (a) Aurizon Network's formulation of Access Charges for a Train Service to which a Reference Tariff applies; and
- (b) where Access Charges, and related provisions, in an Access Agreement that were originally determined based on this **schedule F** or schedule F of an Applicable Undertaking, to allow for the adjustment of those Access Charges, and related provisions, in accordance with that Access Agreement for consistency with this **schedule F** (as amended or replaced from time to time).

1.2 Application of Reference Tariffs

The Reference Tariffs in this **schedule F**:

- (a) apply to coal carrying Train Services from the Commencing Date to the Terminating Date; and
- (b) are based on a Reference Train Service for each Coal System.

1.3 General characteristics of Reference Train Services

The Reference Train Service in respect of the Reference Tariffs:

- (a) **(Commodity)** carries only bulk coal;¹
- (b) **(Operational characteristics)** meets the following criteria:
 - (i) the criteria listed in **clauses 7.1, 8.1, 9.1, 10.1 and 11.1** for the relevant Coal System in which the Reference Train Service would operate;
 - (ii) complies with the maximum speeds permitted on the Nominated Infrastructure as specified in the relevant Preliminary Information;
 - (iii) complies with Aurizon Network's Rollingstock Interface Standards applicable to the Nominated Infrastructure;
 - (iv) is otherwise compatible with the Nominated Infrastructure described in the relevant Preliminary Information and requires no

¹ In defining bulk coal, no differentiation is to be made between coal qualities or types, or between the end use markets of the coal.

- additional expenditure by Aurizon Network to implement varied Below Rail controls identified in the IRMP;
- (v) operates in accordance with nominated sectional running times specified in the relevant Preliminary Information;
 - (vi) operates as an empty Train on the return journey from the relevant Nominated Unloading Facility to the relevant Nominated Loading Facility;
 - (vii) the capital costs incurred by Aurizon Network in relation to providing the Access Rights for the Train Service were predominantly included in the calculation of the relevant Reference Tariff (It being acknowledged that a portion of the capital costs may be applicable to more than one Reference Tariff or may not be included in the RAB (and in that case not part of a Reference Tariff));
 - (viii) uses bottom dump wagons with the “KWIK DROP” door operating mechanism; and
 - (ix) uses measures to minimise coal spillage and leakage and coal dust emissions en route and complies with Aurizon Network’s Coal Loss Management Standard as published by Aurizon Network on the Website from time to time;
- (c) **(Below Rail Services)** only requires services from Aurizon Network that are Below Rail Services and that Below Rail Services comprised in Access are provided in accordance with this Undertaking;
- (d) **(Commercial terms of Access)** operates in accordance with a Standard Access Agreement applicable to coal carrying Train Services; and
- (e) **(Train Service Entitlement)** has a Train Service Entitlement:
- (i) based on Trains being available for operation 24 hours per day and 360 days per year; and
 - (ii) specified in terms of Cyclic Traffic which will:
 - (A) operate evenly throughout each monthly and weekly period consistent with the monthly distribution published by Aurizon Network by 30 May prior to the relevant Year;
 - (B) have regard to Planned Possessions and any other matters agreed between Aurizon Network and other service providers in the coal supply chain; and
 - (C) comply with the applicable scheduling procedures as set out in the Network Management Principles.

2 Reference Tariff

2.1 Composition of Reference Tariff

The Reference Tariff is comprised of:

- (a) a charge in relation to Train Services that have operated calculated in accordance with **clauses 2.2** and, if applicable, **clause 2.3** (including Adjustment Charges); and
- (b) a Take or Pay charge calculated in accordance with **clause 2.4**, with Reference Tariff inputs and, if applicable, System Discounts specific to the relevant Coal System.

2.2 Calculations for Reference Train Services

- (a) Subject to **clause 2.3**, a charge for Reference Train Services is calculated as:

$$\left(AT_1 \times \frac{gtk}{1000} \right) + (AT_2 \times rtp) + \left(AT_3 \times \frac{ntk}{1000} \right) + (AT_4 \times nt) + \left(AT_5 \times \frac{egtk}{1000} \right) + \left(EC \times \frac{egtk}{1000} \right) + (QCA Levy \times nt)$$

where:

- AT₁ is the incremental maintenance tariff specified as the AT₁ input for the nominated Reference Train Service in **clauses 7.2, 8.2, 9.2, 10.2** and **11.2**, as applicable;
- AT₂ is the incremental capacity tariff specified as the AT₂ input for the nominated Reference Train Service in **clauses 7.2, 8.2, 9.2, 10.2** and **11.2**, as applicable;
- AT₃ is an allocative tariff specified as the AT₃ input for the nominated Reference Train Service in **clauses 7.2, 8.2, 9.2, 10.2** and **11.2**, as applicable;
- AT₄ is an allocative tariff specified as the AT₄ input for the nominated Reference Train Service in **clauses 7.2, 8.2(a), 9.2, 10.2** and **11.2**, as applicable;
- AT₅ is the electric access tariff specified as the AT₅ input for the nominated Reference Train Service in **clauses 7.2, 8.2, 9.2, 10.2** and **11.2**, as applicable; and
- EC is the electric energy charge which is initially (from the Commencing Date) as specified as the EC input for the nominated Reference Train Service in **clauses 7.2** and **8.2**, as applicable, and after the Commencing Date as otherwise published by Aurizon Network on the Website on or about each 31 May during the Term, provided that the above calculation is subject to the addition of:

- (i) any applicable Adjustment Charge from time to time (including, if necessary, on a pro rata basis with other Train Services that have the same origin and destination and Access Holder and are run during same billing period, as the nominated Reference Train Service); and
- (ii) any applicable Environment Compliance Charge from time to time.

For clarity, the rtp for a Reference Train Service equals one.

- (b) The amounts of the AT₁, AT₂, AT₃, AT₄, AT₅, EC and the QCA Levy inputs (including the System Discounts) specified in **clauses 7.2, 8.2, 9.2, 10.2 and 11.2** and any Adjustment Charge are GST exclusive.²
- (c) For the purposes of this **schedule F**, a Train Service is a one way Train Service, that is, the journey from the Nominated Loading Facility to the Nominated Unloading Facility is one Train Service, and the return journey from the Nominated Unloading Facility to the Nominated Loading Facility is a second Train Service.

2.3 Calculations for a Cross System Train Service

- (a) For a Cross System Train Service, the Reference Train Service description for each relevant Coal System will be applied to the extent that the Train Service is using that Coal System and the calculation under **clause 2.2** will be adjusted by applying the following:
 - (i) AT₁ will be the AT₁ input for the relevant Reference Tariff for:
 - (A) the Origin System, for the gtk attributable to the Origin System; and
 - (B) the Destination System, for the gtk attributable to the Destination System;
 - (ii) AT₂ will be:
 - (A) where the Train Service operates in the Origin System on capacity constrained Rail Infrastructure identified in **clause 2.3(b)**, the AT₂ input for the relevant Reference Tariff for:
 - (1) the Origin System, for the rtp attributable to the Origin System; and
 - (2) the Destination System, for the rtp attributable to the Destination System; or
 - (B) where **clause 2.3(a)(ii)(A)** does not apply, the AT₂ input for the relevant Reference Tariff for the Destination System;

² An amount for GST will be added to the total calculated Access Charge, in accordance with the provisions of the applicable Access Agreement, at invoicing.

- (iii) AT₃ will be the AT₃ input for the relevant Reference Tariff for:
 - (A) the Origin System, for the ntk attributable to the Origin System; and
 - (B) the Destination System, for the ntk attributable to the Destination System; and
- (iv) AT₄ will be the AT₄ input for the relevant Reference Tariff for the Destination System;
- (v) AT₅ and EC will be the AT₅ and EC inputs for the relevant Reference Tariff for:

- (A) the Origin System, for the ntk attributable to the Origin System; and
- (B) the Destination System, for the ntk attributable to the Destination System; and

- (vi) the QCA Levy input for the Destination System.
- (b) For the purposes of **clause 2.3(a)(ii)**, unless otherwise approved by the QCA, the Rail Infrastructure comprising railways between:
 - (i) Coppabella and the Hay Point Junction;
 - (ii) Newlands and Abbot Point; and
 - (iii) Burngrove and the port of Gladstone (including domestic coal terminals in the vicinity of Gladstone),
 is regarded as capacity constrained Rail Infrastructure.
- (c) For the purpose of **clause 2.3(a)**, if a Cross System Train Service loads in the Blackwater System and unloads in the Newlands System, then the Goonyella to Abbot Point System is deemed to be the Destination System for that Cross System Train Service.

2.4 Calculations for Take or Pay

Note: The QRC propose that consideration should be given to immediately introducing full ToP (with no system trigger test and no capping) to new access agreements for which a system premium applies, with a reversion to standard ToP terms when the premium ceases to apply

- (a) The Reference Tariff also includes a Take or Pay charge.
- (b) The Take or Pay charge included in the Reference Tariff is calculated in accordance with:
 - (i) where the Access Agreement, or, for a New Access Agreement, the relevant Old Access Agreement, was executed or renewed:
 - (A) on or after 20 December 2001 but prior to 30 June 2006, Clause 3.2, Part A, Schedule F of the 2001 Undertaking;

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- (B) on or after 30 June 2006 but prior to 23 October 2008, Clause 2.2, Part B, Schedule F of the 2005 Undertaking; or
- (C) on or after 23 October 2008 but prior to 1 October 2010, Clause 2.2, Part B, Schedule F of the 2008 Undertaking; or
- (ii) where **clause 2.4(b)(i)** does not apply, **clauses 2.4(d) to (n)**.

(c) In relation to Take or Pay charges in the context of an End User Access Agreement, Take or Pay charges will be payable under that End User Access Agreement, including in relation to the non-operation of Train Services under any relevant Train Operations Agreement. Take or Pay charges will not be payable to Aurizon Network by a Train Operator under a Train Operations Agreement relevant to that End User.

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(d) Subject to **clauses 2.4(g) to (n)**, Take or Pay charges applicable to an Access Holder will be:

- (i) determined for each Year;
- (ii) invoiced for each Year following completion of that Year; and
- (iii) calculated as the amount which is 100% of the amount calculated as:

$$(AT_2 \times rtp) + \left(AT_3 \times \frac{ntk}{1000} \right) + (AT_4 \times nt)$$

where:

- (A) each of AT₂, AT₃ and AT₄ inputs for that Access Holder's Access Charges at the rate applicable in that Year; and
- (B) the rtp, nt and ntk (as applicable) are calculated by:
 - (1) the rtp, nt and ntk (as applicable) that would have been achieved for the relevant Year had the full contracted entitlement been railed for the relevant Train Service; less
 - (2) the rtp, nt and ntk (as applicable) not railed for the relevant Year due to the non operation of Train Services for a Aurizon Network Cause; less
 - (3) the rtp, nt and ntk (as applicable) railed for the relevant Year,

provided always that the amount of Take or Pay for a relevant Year shall not be less than zero.

(e) To calculate nt and ntk for the purpose of **clause 2.4(d)(iii)(B)**, Aurizon Network will:

- (i) identify from the Access Agreement the number of Train Paths that would have been utilised had the full contracted entitlement been used; and

- (ii) determine the number of Train Paths that were not utilised due to a Aurizon Network Cause ~~and~~, Aurizon Network will ~~acting~~ ~~reasonably and in good faith~~ allocate Train Paths that were not utilised due to Aurizon Network Cause ~~to affected~~ Access Agreements ~~on a pro-rata basis~~,

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and convert this to nt and ntk by using the Nominal Train Payload applicable for the relevant Reference Tariff.

- (f) For the purpose of calculating Take or Pay charges:
 - (i) where the rtp for the relevant Train Services under the Train Service Entitlement:
 - (A) equals one, the payload for a loaded Train in respect of that Train Service equals the Nominal Train Payload applicable to the relevant Reference Train Service; or
 - (B) does not equal one, Aurizon Network will calculate the Take or Pay charges in a manner consistent with the relevant Train Service Entitlement; and
 - (ii) the calculation will be based on the origin and destination specified in the relevant Train Service Entitlement (provided that the Nominated Loading Facilities of RG Tanna Terminal and Barney Point will be treated as the same destination for the purposes of such a calculation).

Take or Pay trigger

- (g) Take or Pay for a Year shall not be payable for that Year where the System Gtk for that Year exceeds the amount calculated as:
 - (i) 100% of the System Forecast identified for that Year for the relevant Reference Train Service; less
 - (ii) the gtk not achieved due to the non operation of Train Services for Aurizon Network Cause.
- (h) **Clauses 2.4(i), (k) and (m)** only apply where Take or Pay is payable after **clause 2.4(g)** has been applied.

Mine capping

- (i) If:
 - (i) Train Services operated in ~~a Coal System for the same~~ person (**End User**) who is either the Customer for those Train Services or the Access Holder for those Train Services (but who has no Customer) under an Access Agreement, exceed the Train Service Entitlement in that Access Agreement (**Exceeded Agreement**); and
 - (ii) there is another Access Agreement (**Other Agreement**) with Train Service Entitlements for that same ~~Coal System~~ and End User that have not been exceeded,

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then the Take or Pay liability under the Other Agreement will be reduced by the amount of the additional revenue from Access Charges for AT₂₋₄ from those excess Train Services under the Exceeded Agreement. For clarity:

- (iii) where the additional revenue is greater than the Take or Pay liability under that Other Agreement, the remaining additional revenue may be used to reduce the Take or Pay liability under another Other Agreement (if applicable);
- (iv) the additional revenue from an Exceeded Agreement can only be used for a reduction of Take or Pay liability under this **clause 2.4(i)** in respect of the Year in which that additional revenue arose and cannot be accrued, rolled over or otherwise used to reduce a Take or Pay liability for any other Year; and
- (v) where there is more than one Other Agreement the reduction to the Take or Pay liability under each Other Agreement will be pro rated on the basis of the total revenue from AT₂₋₄ that Aurizon Network is entitled to earn over the relevant Year under each of those Other Agreements assuming Train Services were operated with a System Nominal Train Payload.

System capping

- (j) **Clause 2.4(m)** only applies after **clauses 2.4(i)** and **(k)** (as applicable) have been applied.
- (k) Subject to **clause 2.4(n)**, and to **clauses 2.4(i)** and **(k)** (where they are applicable) having first been applied, where the Total Actual Revenue for AT₂₋₄ for a Coal System less the aggregate amount of Take or Pay that Aurizon Network is entitled to earn from all Access Agreements in relation to that Coal System executed or renewed on or after 30 June 2006 (other than any new or varied Access Agreement to the extent entered or varied as part of transferring Access Rights from existing Access Agreement in place on the day immediately prior to 30 June 2006 under a provision equivalent to clause 14 (Transfer of Access Rights by Customer) of the Standard Access Agreement (Operator)) (**Total Revenue**) is:
 - (i) greater than or equal to the System Allowable Revenue for AT₂₋₄ in relation to that Coal System, Take or Pay shall not be payable for that Year under Access Agreements in relation to that Coal System executed or renewed on or after 30 June 2006 (other than New Access Agreements entered as part of transferring Access Rights from Access Agreements in place on the day immediately prior to 30 June 2006 under a provision equivalent to clause 14 (Transfer of Access Rights by Customer) of the Standard Access Agreement (Operator)) (**Full Take or Pay Agreements**); or

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 <#>**Clause 2.4(k):**
 <#>only applies after **clause 2.4(i)** (if applicable) has been applied; and
 <#>must not be applied in a way inconsistent with **clause 2.4(i)** or that results in any additional revenue used to reduce a Take or Pay liability under **clause 2.4(i)** being re-used to reduce any other Take or Pay liability.
 <#>Subject to **clause 2.4(j)**, if:
 <#>an Operator under an Operator Access Agreement; or
 <#>an Access Holder under an Access Holder Access Agreement; or
 <#>an End User under an End User Access Agreement, executed or renewed after 1 October 2010, has obligations to pay Take or Pay as part of the Access Charges associated with the Train Service Entitlements under that Operator Access Agreement, Access Holder Access Agreement or End User Access Agreement, as applicable, (**Eligible Access Agreement**), then:
 <#>subject to **clause 2.4(k)(v)**:
 <#>where:
 <#>a Train Service Entitlement under any Eligible Access Agreement is part of a Take or Pay Grouping for:
 <#>in the case of an Operator Access Agreement or an End User Access Agreement, the Operator or Train Operator, as applicable; or
 <#>in the case of an Access Holder Access Agreement, the Access Holder, (**Eligible Operator**); and
 <#>the Train Services for that Train Service Entitlement exceed that Train Service Entitlement for the relevant Year,
 the aggregate Take or Pay liability in relation to that Take or Pay Grouping for the relevant Year will be reduced by the amount of the additional revenue from Access Charges for AT₂₋₄ in relation to that excess; or
 <#>where:
 <#>a Train Service Entitlement under any Eligible Access Agreement is not part of a Take or Pay Grouping for the Eligible Operator (**Ungrouped Train Service Entitlement**); and
 <#>the Train Services for that Ungrouped Train Service Entitlement exceed that Ungrouped Train Service Entitlement for the relevant Year,
 the aggregate Take or Pay liability in relation to all of the Ungrouped Train Service Entitlements for the relevant Year will be reduced by the amount of the additional revenue from Access Charges for AT₂₋₄ in relation to that excess on a pro rated basis based on the Take or Pay liability in relation to each Train Service Entitlement comprised in the Ungrouped Train Service Entitlements; and

... [1]

- (ii) less than the System Allowable Revenue for AT₂₋₄ in relation to that Coal System:
 - (A) Aurizon Network will calculate the aggregate amount of Take or Pay that Aurizon Network is entitled to earn from all Full Take or Pay Agreements (**Total Actual Take or Pay**); and
 - (B) if the Total Actual Take or Pay exceeds the amount by which the System Allowable Revenue for AT₂₋₄ exceeds the Total Revenue for that Coal System (**Maximum Take or Pay Amount**), then:
 - (1) Aurizon Network will calculate for each relevant Access Holder, the proportion that the Access Holder's Take or Pay amount bears to the Total Actual Take or Pay (**Proportion**); and
 - (2) each relevant Access Holder's Take or Pay amount will be reduced to equal that Access Holder's Proportion of the Maximum Take or Pay Amount.
- (l) In determining what Aurizon Network would be entitled to earn for the purposes of **clause 2.4(m)**, Aurizon Network is deemed to have contracted on the terms of the relevant Standard Access Agreement (as defined under the Applicable Undertaking) that applied on the date of execution or renewal of an Access Agreement, except for:
 - (i) those Access Agreements which have been altered from that form in accordance with the terms of the relevant Applicable Undertaking, in which case Aurizon Network's entitlement will be calculated in accordance with the terms of such Access Agreements;
 - (ii) a New Access Agreement to the extent entered into as part of transferring Access Rights from an Old Access Agreement executed under the 2001 Undertaking, under a provision equivalent to clause 14 (Transfer of Access Rights by Customer) of the Standard Access Agreement (Operator), which has not been renewed after 30 June 2006, in which case Aurizon Network's entitlement to Take or Pay amounts will be calculated on the basis that Aurizon Network has contracted on the terms of the relevant Standard Access Agreement (as defined under the 2001 Undertaking) that applied on the date of execution of that Old Access Agreement.

3 Capital Expenditure Carryover Account adjustments

[Note: Please see the QRC's comments in its submission on the difference between the revenue which Aurizon actually earns, and the revenue which would be expected had actual gross and net tonnages been used.]

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- (a) Subject to **clauses 3(b)** and **(c)**, on finalisation of the Capital Expenditure Carryover Account balance for the period ending on 30 June 2013, the System Allowable Revenues and Reference Tariffs for the Term will be adjusted by the QCA for the difference between that balance and the forecast balance used for determining the Reference Tariffs.
- (b) Any adjustments by the QCA under **clause 3(a)** will include adjustments necessary to reflect the difference between the assumed opening asset value (and lives) and those accepted by the QCA as part of the first roll-forward of the Regulatory Asset Base including any equity raising costs.
- (c) Where the finalisation of the Capital Expenditure Carryover Account balance does not occur within 12 months after the Approval Date, any adjustments under **clause 3(a)** will only occur in respect of those Years in the Term which are yet to commence.

4 Annual review of Reference Tariffs

[Note: We suggest that the Capital Indicator should look forward only 1 year and include capex which is expected to be rolled into the RAB in that year. This suggestion is part of QRC's suggestion to calculate annual tariffs rather than smoothed tariffs, as discussed in the Schedule F submission.]

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4.1 Requirement for annual review of Reference Tariffs

- (a) Prior to the beginning of each Year during the Term (except for the first Year) the Reference Tariff for each Coal System will be adjusted by Aurizon Network to reflect the variations to the applicable System Allowable Revenue:
 - (i) for the relevant Year due to an adjustment to Second Year System Allowable Revenue under **clause 4.5**; and
 - (ii) for the relevant Year and each subsequent Year during the Term in accordance with **clause 4.1(b)**.
- (b) Aurizon Network will submit to the QCA by 28 February of each Year during the Term:
 - (i) a revised System Forecast for each Coal System for the next Year;
 - (ii) details of the methodology, data and assumptions used to estimate the revised System Forecast;
 - (iii) an adjustment to the System Allowable Revenue for each Coal System for the next Year for changes in maintenance costs attributable to the difference between the approved System Forecast and revised System Forecasts calculated as:
 - (A) the System Forecast for that Coal System for that next Year minus the revised System Forecast, under **clause 4.1(b)(i)**, for that Coal System for that next Year; multiplied by

- (B) the Short Run Variable Maintenance Cost Rate for that next Year,

where the Short Run Variable Maintenance Cost Rate for a Year is as follows:

Year	Short Run Variable Maintenance Cost Rate (\$'000gtk)
2013/14	0.98
2014/15	1.01
2015/16	1.00
2016/17	1.01

and

- (iv) the proposed adjustments, for each Coal System, arising from any difference between the relevant revised System Forecast and the System Forecast used for the purpose of determining the System Allowable Revenue for that Coal System, to:
 - (A) the System Allowable Revenue for the Coal System for each subsequent Year during the Term; and
 - (B) the Reference Tariffs for the Coal System for the next Year.
- (c) If, after receiving a submission under **clause 4.1(b)**, the QCA considers that an error has been made in the proposed revised System Forecast or adjustments to System Allowable Revenue or Reference Tariffs for a Coal System, then:
 - (i) the QCA must notify Aurizon Network by the 1 May of the relevant Year, providing details of the error and how the proposal needs to be amended in order for the QCA to approve it; and
 - (ii) after receiving that notice, Aurizon Network must within 10 Business Days either:
 - (A) show why it does not consider that the error has been made; or
 - (B) resubmit a corrected version of the submission.
- (d) The QCA will approve the revised System Forecast, System Allowable Revenues and Reference Tariffs for each Coal System if it considers that the revised System Forecast is reasonable and the consequential adjustments to System Allowable Revenues and Reference Tariffs are calculated properly.
- (e) If Aurizon Network does not make a submission under **clause 4.1(b)** in respect of a Year by 28 February, then no adjustments to the System Forecast, System Allowable Revenues or Reference Tariffs for the relevant Coal System will be made under this **clause 4.1(b)**.

- (f) If Aurizon Network makes a submissions under **clause 4.1(b)** in respect of a Year but the QCA does not approve or refuse to approve that submission (including a resubmission under **clause 4.1(c)(ii)(B)**) by the next 4 July, then the submission (or resubmission) is deemed to have been approved by the QCA.

4.2 System Allowable Revenue

- (a) Subject to **clause 4.2(b)**, the System Allowable Revenue:
- (i) for AT_{2-4} in relation to a Coal System for a Year, is the total revenue from AT_{2-4} arising from all Access Agreements in relation to that Coal System that Aurizon Network is entitled to earn over the relevant Year, as specified in **clauses 7.3, 8.3, 9.3, 10.3 and 11.3 of schedule F**, as applicable, as amended from time to time, and as varied in accordance with this **clause 4 (Approved SAR)**; and
 - (ii) for the AT_5 component of Access Charges in relation to a Coal System for a Year, is the total revenue from the AT_5 component of Access Charges arising from all Access Agreements in relation to that Coal System that Aurizon Network is entitled to earn over the relevant Year, as specified in either **clauses 7.3 and 8.3 of schedule F**, as applicable, as amended from time to time, and as adjusted in accordance with this **clause 4**.
- (b) **Note: The allocation of System Allowable Revenue from cross-system traffic between Systems does not seem to be consistent with the basis for charging for this traffic as set out in clause 2.3 of Schedule F.** Unless otherwise agreed with the QCA, when calculating System Allowable Revenue in relation to the Origin System and the Destination System for a Cross System Train Service:
- (i) where the Cross System Train Service commenced on or after the Commencing Date, for the System Allowable Revenue for AT_{2-4} :
 - (A) the sum of the following components of Access Charges that Aurizon Network would be expected to earn in respect of a forecast Cross System Train Service:
 - (1) the AT_2 components calculated based on the relevant Reference Tariff for the Destination System and on **clause 2.3(a)(ii)**; and
 - (2) 50% of the AT_3 components calculated based on the relevant Reference Tariff for the Destination System, will be allocated to System Allowable Revenue for the Destination System; and
 - (B) all other Access Charges attributable to AT_{2-4} which Aurizon Network would be expected to earn in respect of a forecast Cross System Train Service calculated based on the

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Reference Tariff and on **clause 2.3** will be allocated to the System Allowable Revenue of the Origin System;

- (ii) where the Cross System Train Service commenced prior to the Commencing Date, for the System Allowable Revenue for AT₂₋₄:
 - (A) an amount based on the following \$/000 ntk rates multiplied by the thousand ntk for the Cross System Train Service attributable to the Destination System will be allocated to the System Allowable Revenue for the Destination System; and

Origin System	Destination System	2013-14	2014-15	2015-16	2016-17
Blackwater	Goonyella	4.60	4.45	4.44	4.45
Goonyella	Blackwater	4.91	4.96	5.30	5.44

- (B) all Access Charges attributable to AT₂₋₄ which Aurizon Network would be expected to earn in respect of a forecast Cross System Train Service, calculated based on the Reference Tariff and on **clause 2.3**, less the amount allocated to the System Allowable Revenue for the Destination System under **clause 4.2(b)(ii)(A)**, will be allocated to the System Allowable Revenue for the Origin System; and
- (iii) for the System Allowable Revenue for AT₅, the AT₅ component of Access Charges that Aurizon Network would be expected to earn in respect of a forecast Cross System Train Service, calculated based on:
 - (A) the relevant Reference Tariff and the egtk in the Origin System, will be allocated to the System Allowable Revenue for the Origin System; and
 - (B) the relevant Reference Tariff and the egtk in the Destination System, will be allocated to the System Allowable Revenue for the Destination System.

4.3 Calculation of Revenue Adjustment Amounts

Note: Please see the QRC's comments in its submission on the difference between the revenue which Aurizon actually earns, and the revenue which would be expected had actual gross and net tonnages been used

Obligation to calculate Revenue Adjustment Amounts

- (a) After the end of each Year, Aurizon Network will calculate for that Year:
 - (i) an AT₂₋₄ Revenue Adjustment Amount for each relevant Coal System by subtracting:

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- (A) the Adjusted System Allowable Revenue for AT₂₋₄ (calculated under **clause 4.3(b)**); from
 - (B) the Total Actual Revenue for AT₂₋₄ (calculated under **clause 4.3(c)**),
- for the relevant Coal System for that Year; ~~and~~
- (ii) an AT₅ Revenue Adjustment Amount for each relevant Coal System by subtracting:
 - (A) the Adjusted System Allowable Revenue for AT₅ (calculated under **clause 4.3(b)**); from
 - (B) the Total Actual Revenue for AT₅ (calculated under **clause 4.3(f)**),
 for the relevant Coal System for that Year.

Calculation of Adjusted System Allowable Revenue

- (b) The Adjusted System Allowable Revenue for AT₂₋₄ or the AT₅ component of Access Charges is the sum of the following components of the applicable System Allowable Revenue (as relevant to the applicable System Allowable Revenue):
 - (i) the component relating to the recovery of Aurizon Network's maintenance costs as adjusted under **clause 4.1(b)(iii)**, adjusted to reflect the difference between:
 - (A) the actual MCI value for the relevant Year; and
 - (B) the forecast MCI value that was used for the purpose of determining the Reference Tariffs for the relevant Year;
 - (ii) the component relating to the recovery of Aurizon Network's operating costs, excluding those costs referred to in **clause 4.3(b)(i)**, adjusted to reflect the difference between:
 - (A) the actual CPI value for the relevant Year; and
 - (B) the forecast CPI value that was used for the purpose of determining the Reference Tariffs for the relevant Year;

[Note: Please refer to the QRC's submission.]
 - (iii) the components relating to the recovery of Aurizon Network's costs associated with the connection of Aurizon Network's electrical traction system to an electricity transmission or distribution network, adjusted to reflect the difference between:
 - (A) the actual costs for the relevant Year; and
 the forecast costs used for the purpose of determining the Reference Tariffs for the relevant Year.

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- (iv) the components relating to the payment by Aurizon Network of rebates relating to the capital components of Access Charges attributable to the use of all or part of specified assets included in the relevant Coal System (other than under a User Funding Agreement), adjusted to reflect the difference between:
 - (A) the actual payment of rebates made under those agreements for the applicable Coal System assets; and
 - (B) the forecast payments of those rebates used for the purpose of determining the Reference Tariffs for the relevant Year;
 - and
- (v) all components excluding those costs referred to in any of **clauses 4.3(b)(i) to (vi)**.

Calculation of Total Actual Revenue for AT₂₋₄

- (c) The Total Actual Revenue for AT₂₋₄ is the sum of:
 - (i) total revenue from AT₂₋₄ for coal carrying Train Services that operated on the Coal System in the Year that Aurizon Network would have earned (regardless of what it actually earned or collected) if that revenue were calculated consistent with the following:
 - (A) for a Train Service that is:
 - (1) consistent with the relevant Reference Train Service; and
 - (2) is not a Cross System Train Service,
 the AT₂, AT₃ and AT₄ components of the relevant Reference Tariff for that Coal System;
 - (B) for a Cross System Train Service that is consistent with the relevant Reference Train Service (to the extent that it is using that Coal System), that part of the AT₂, AT₃ and AT₄ components of the relevant Reference Tariff relating to that Coal System allocated consistently with the method used in the calculation of the relevant System Allowable Revenue under **clause 4.2(b)**;
 - (C) for a Train Service that varies from the Reference Train Service due to it not complying with:
 - (1) **clause 1.3(b)(v)**, the AT₂ component of the Access Charge (where the Access Charge varies from the Reference Tariff under **clause 6.2.2(d)** of this Undertaking) and the AT₃ and AT₄ components of the relevant Reference Tariff; or
 - (2) any other part of **clause 1.3(b), (d) or (e)** (other than **clause 1.3(b)(v)** – with which it complies), the AT₂,

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 <#>the revenue from the AT₁ component of Access Charges that Aurizon Network was forecast to earn for that Year from coal carrying Train Services for the relevant Coal System based on the approved System Forecast and the AT₁ input for the relevant Reference Tariff for that Year; less¶
 <#>the actual revenue for the AT₁ component of Access Charges in respect of coal carrying Train Services for the relevant Coal System for that Year.¶

AT₃ and AT₄ components of the relevant Reference
Tariff; or

- (D) for a Train Service where the QCA has otherwise approved an Access Charge that differs from the relevant Reference Tariff, the amount of the AT₂, AT₃ and AT₄ components of the relevant Access Charge;
- (ii) the amount of any Take or Pay amounts and, subject to **clause 4.3(d)**, Relinquishment Fees and Transfer Fees which Aurizon Network would be entitled to be paid in relation to Access Agreements for coal carrying Train Services on the Coal System (or, for a Cross System Train Service, to the extent attributable to the Coal System) calculated on the basis that Aurizon Network is deemed to have contracted on the terms of the relevant Standard Access Agreement (as defined under the Applicable Undertaking) that applied on the date of execution or renewal of an Access Agreement, except for:
- (A) those Access Agreements which have been altered from the relevant Standard Access Agreement in accordance with the relevant Applicable Undertaking, for which Aurizon Network's entitlement to Take or Pay amounts, Relinquishment Fees or Transfer Fees will be calculated in accordance with the terms of those Access Agreements; and
 - (B) a New Access Agreement (other than an End User Access Agreement) to the extent entered into as part of transferring Access Rights from an Old Access Agreement executed under the 2001 Undertaking, under provisions consistent with those in clause 14 (Transfer of Access Rights by Customer) of the Standard Access Agreement (Operator), which has not been renewed after 30 June 2006, for which Aurizon Network's entitlement to Take or Pay amounts, Relinquishment Fees and Transfer Fees will be calculated on the basis that Aurizon Network has contracted on the terms of the relevant Standard Access Agreement (as defined under the 2001 Undertaking) that applied on the date of execution of that Old Access Agreement; and
- (iii) any revenue from AT₂₋₄ that Aurizon Network would have been entitled to earn under an Access Agreement in relation to the applicable Coal System during the relevant Year but for Aurizon Network's breach of that Access Agreement or negligence in the provision of Below Rail Services to the extent that such events of breach or negligence resulted in the non-provision of 10% or more of the total number of Train Services for any single origin-destination pair during the relevant Year (provided that, where Access Rights are held by an End User, the 10% threshold is measured across the number of Train Services for each single

origin to destination pair under that End User Access Agreement, not any relevant Train Operations Agreement),

less any interest comprised in those amounts representing interest paid or payable to Aurizon Network in relation to Access Charges (including any Adjustment Charges).

- (d) Subject to the QCA's approval, Aurizon Network may reduce the amount of any Relinquishment Fee or Transfer Fee used to calculate Total Actual Revenue for a Year if its inclusion will have a material effect on the AT₂₋₄ Revenue Adjustment Amount.
- (e) If Aurizon Network reduces the amount of any Relinquishment Fee or Transfer Fee under **clause 4.3(d)**, then the amount of the reduction must be carried forward to a following Year, including a return on capital amount, calculated by reference to the Discount Rate over the period starting on the first day of the Year in which the Relinquishment Fee or Transfer Fee is received and ending on the first day of the Year in which the Relinquishment Fee or Transfer Fee is included in the calculation of Total Actual Revenue.

Calculation of Total Actual Revenue for the AT₅ component of Access Charges

- (f) The Total Actual Revenue for the AT₅ component of Access Charges is the sum of:
 - (i) total revenue from the AT₅ component of Access Charges arising from all Access Agreements in relation to coal carrying Train Services for the Coal System that Aurizon Network has actually earned over the relevant Year (whether or not actually collected by Aurizon Network), calculated using:
 - (A) for a Train Service for which **clause 6.5.1(c)** of this Undertaking applies, the amount of the AT₅ component of the relevant Access Charges; or
 - (B) if **paragraph (A)** does not apply, the AT₅ component of the relevant Reference Tariff; and
 - (ii) any revenue from the AT₅ component of Access Charges that Aurizon Network would have been entitled to earn under an Access Agreement in relation to the Coal System during the relevant Year but for Aurizon Network's breach of that Access Agreement or negligence in the provision of Below Rail Services to the extent that such events of breach or negligence resulted in the non-provision of 10% or more of the total number of Train Services for any single origin-destination pair during the relevant Year (provided that, where Access Rights are held by an End User, the 10% threshold is measured across the number of Train Services for each single origin to destination pair under that End User Access Agreement, not any relevant Train Operations Agreement),

less any interest comprised in those amounts representing interest paid or payable to Aurizon Network in relation to Access Charges (including any Adjustment Charges).

Approval of Revenue Adjustment Amounts

(g) Aurizon Network will submit to the QCA by 30 September after the end of each Year of the Term details of the methodology, data and assumptions used to calculate the Revenue Adjustment Amounts for that Year under this **clause 4.3**, provided that if, in that September, Adjustment Charges have not yet been approved relating to the relevant Year, then Aurizon Network is only required to submit the relevant information within 30 days after those Adjustment Charges have been approved.

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(h) The QCA may give Aurizon Network a written notice requiring Aurizon Network to submit the Revenue Adjustment Amounts, if Aurizon Network fails to do so under **clause 4.3(g)**.

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(i) The QCA may grant Aurizon Network an extension of the time for submitting, or resubmitting, the Revenue Adjustment Amounts if:

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(i) Aurizon Network provides a written request to the QCA for an extension of time; and

(ii) the extension of time is reasonable or necessary.

If an extension of time is granted, Aurizon Network will submit the Revenue Adjustment Amounts within the time specified by the QCA.

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(j) The QCA may calculate Revenue Adjustment Amounts that are consistent with the requirements specified in this **clause 4.3**:

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(i) if Aurizon Network does not comply with a notice from the QCA under **clause 4.3(h)** or **4.3(m)(ii)**; or

(ii) if the QCA, under **clause 4.3(m)(ii)**, refuses to approve the Revenue Adjustment Amounts resubmitted by Aurizon Network.

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(k) Where Aurizon Network submits the Revenue Adjustment Amounts under **clause 4.3(g)**, the QCA may, to the extent it considers it appropriate to do so:

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(i) publish details of the Revenue Adjustment Amounts; and

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(ii) invite and consider comments from Access Holders and Access Seekers regarding the Revenue Adjustment Amounts.

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To the extent that such comments are provided, the QCA must give Aurizon Network a reasonable period to respond to those comments.

(l) The QCA will approve any Revenue Adjustment Amounts if the QCA is reasonably satisfied that they have been calculated in accordance with this **clause 4.3** or **clause 4.4**, as applicable.

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(m) If the QCA:

- (i) approves the Revenue Adjustment Amounts, the QCA will give Aurizon Network a notice in writing stating the reasons for the QCA's decision; or
- (ii) refuses to approve the Revenue Adjustment Amounts, the QCA will give Aurizon Network a notice in writing:
 - (A) stating the reasons for its refusal and the way in which it considers that the Revenue Adjustment Amounts should be amended; and
 - (B) requiring Aurizon Network to amend the Revenue Adjustment Amounts in that way and to resubmit the Revenue Adjustment Amounts to the QCA within 30 days after Aurizon Network receives that notice.
- (n) Aurizon Network must comply with a notice under **clause 4.3(m)(ii)**.
- (o) The QCA may approve Revenue Adjustment Amounts resubmitted by Aurizon Network or developed by the QCA under **clause 4.3(j)**, if it is satisfied that they:
 - (i) are consistent with the matters specified under **clause 4.3(l)**; and
 - (ii) if a notice has been issued under **clause 4.3(m)(ii)**, have been amended or developed in accordance with that notice.
- (p) Despite any other provision of this Undertaking, to the extent that:
 - (i) Adjustment Charges have been approved for a Year;
 - (ii) Aurizon Network is entitled or obliged to recover or reimburse those Adjustment Charges from or to Access Holders;
 - (iii) Aurizon Network is obliged under this Undertaking to calculate Revenue Adjustment Amounts in respect of that Year; and
 - (iv) in recovering or reimbursing the Adjustment Charges, the Adjustment Charges are included in an invoice relating to a billing period in the Year in which the relevant Revenue Adjustment Amounts are required to be calculated,

then, the Total Actual Revenue for AT₂₋₄ or AT₅ for each relevant Coal System for that Year and the Year in which the relevant Revenue Adjustment Amounts are required to be calculated must be adjusted to take account of the Adjustment Charges (but excluding the interest component of those Adjustment Charges).

4.4 Revenue adjustment

[Note: Please refer to the QRC's preferred Revenue adjustment mechanism in the QRC's submission]

- (a) Where a Revenue Adjustment Amount has been approved by the QCA under **clause 4.3**:

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For the purpose of **clause 4.3(a)(iii)**, the Increment for a Coal System will be the sum of the following:¶
 <#>where in any month in the relevant Year the number of coal carrying Train Services operating on the relevant Coal System exceeds 110% of the coal carrying Train Services for that Coal System that are entitled to be operated in accordance with the existing Access Rights granted for that Coal System (and, for clarity, excluding any right to operate Ad Hoc Train Services), the revenue from Access Charges paid for Train Services that operated on the relevant Coal System on any day in the relevant month that where not included in the DTP for that day when that DTP was initially scheduled; and ¶
 <#>where for the relevant Coal System: ¶
 <#>the Total Actual Revenue for AT₂₋₄ is greater than the System Allowable Revenue for AT₂₋₄ for the Coal System; and¶
 <#>the QCA is reasonably satisfied that the difference between the Total Actual Revenue for AT₂₋₄ and the System Allowable Revenue for AT₂₋₄ for the Coal System (**Difference**) has, in whole or part, arisen as a direct result of whole of coal chain activities or initiatives of Aurizon Network (or its contractors) which have increased the efficiency of the Below Rail network,¶
 that part of the Difference, as determined by the QCA taking into account the extent to which the Difference has in whole or part arisen as a direct result of the whole of coal chain activities or initiatives of Aurizon Network (or its contractors),¶
 provided that the aggregate of the amounts determined under **clauses 4.4(a) and (b)** for a Coal System must not exceed an amount equal to 2% of the System Allowable Revenue for AT₂₋₄ for that Coal System.

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- (i) the equivalent System Allowable Revenue to that used in the calculation of that Revenue Adjustment Amount for the relevant Coal System for the Year after the Year in which that Revenue Adjustment Amount was calculated (that is, the **Second Year System Allowable Revenue**) will be adjusted in accordance with this **clause 4.5**; and
 - (ii) the System Allowable Revenue for all subsequent Years will also be adjusted to reflect the actual change in the MCI and CPI as used in the calculation of the approved Revenue Adjustment Amount.
- (b) A Second Year System Allowable Revenue will be adjusted as follows:
- (i) for an AT₂₋₄ Revenue Adjustment Amount, by subtracting from the relevant Second Year System Allowable Revenue:
 - (A) that AT₂₋₄ Revenue Adjustment Amount; and
 - (B) a return on capital amount, calculated by reference to the Discount Rate as applied to the AT₂₋₄ Revenue Adjustment Amount over the period starting on the first day of the Year in which the Revenue Adjustment Amount is calculated and ending on the last day of the Year following that Year; and
 - (ii) for an AT₅ Revenue Adjustment Amount, by subtracting from the relevant Second Year System Allowable Revenue:
 - (A) that AT₅ Revenue Adjustment Amount; and
 - (B) a return on capital amount, calculated by reference to the Discount Rate as applied to the AT₅ Revenue Adjustment Amount over the period starting on the first day of the Year in which the Revenue Adjustment Amount is calculated and ending on the last day of the Year following that Year.
- (c) Where a Second Year System Allowable Revenue is adjusted under this **clause 4.5**, Aurizon Network will vary the relevant Reference Tariffs as part of the adjustment of the relevant Reference Tariff under **clause 4.1(a)**.

5 Reference Tariff variations

5.1 Obligation to submit Reference Tariff variations

- (a) Aurizon Network:
 - (i) may submit a Reference Tariff variation to the QCA, where Aurizon Network considers that the variation will promote efficient investment by either Aurizon Network or another person in the coal transport supply chain; or

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~~Aurizon Network may submit amendments to the calculation of the Increment under **clause 4.4 (Increment Amendment)** to the QCA including to increase the proportion of the System Allowable Revenue at risk or to apply additional Increments to different Coal Systems.~~

~~The QCA may publish details of Aurizon Network's Increment Amendment and invite and consider comments from stakeholders.~~

~~The QCA must take into account the following factors when deciding whether to approve Aurizon Network's proposed Increment Amendment whether the proposed variation is consistent with:~~

~~the Undertaking;~~

~~the pricing principles in section 168A of the Act;~~

~~Aurizon Network's legitimate business interests; and~~

~~the interests of Access Holders, Access Seekers and, if applicable, Customers.~~

~~If the QCA approves an Increment Amendment:~~

~~the QCA will give Aurizon Network a notice in writing stating the reasons for the QCA's decision;~~

~~unless otherwise requested by Aurizon Network and approved by the QCA, **clause 4.4** will be taken to be amended in accordance with that~~

~~Increment Amendment with effect from 1 July of the Year following the Year in which the variation was submitted; and~~

~~Aurizon Network must:~~

~~publish details of the Increment Amendment on the Website; and~~

~~notify Access Holders and Access Seekers for coal carrying Train Services of the Increment Amendment.~~

~~If the QCA refuses to approve an Increment Amendment:~~

~~the QCA must give Aurizon Network a notice in writing stating the reasons for its refusal and the way in which the QCA considers that the variation should be amended; and~~

~~Aurizon Network may choose whether to resubmit a revised Increment Amendment.~~

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- (ii) will submit a Reference Tariff variation to the QCA, subject to **clause 5.6**:
 - (A) within 60 days after:
 - (1) Aurizon Network becomes aware that an Endorsed Variation Event has occurred or a Review Event has occurred or will occur; or
 - (2) a written notice being given to Aurizon Network by the QCA under **clause 5.1(b)**; or
 - (B) by 28 February prior to each Year of the Term, in accordance with **clause 4.1(a)** (if applicable).
- (b) The QCA may give Aurizon Network a written notice requiring Aurizon Network to submit a Reference Tariff variation if Aurizon Network fails to submit a Reference Tariff variation within 60 days, subject to **clause 5.6**, after the QCA determines, and notifies Aurizon Network, that an Endorsed Variation Event or Review Event has occurred.
- (c) The QCA may develop a Reference Tariff variation that is consistent with the requirements specified in this **clause 5**:
 - (i) if Aurizon Network does not comply with a written notice given by the QCA under **clause 5.1(b)** or **clause 5.5(e)(ii)** for it to submit, or resubmit, a Reference Tariff variation; or
 - (ii) if the QCA refuses to approve a Reference Tariff variation resubmitted by Aurizon Network in accordance with a notice given by the QCA under **clause 5.5(e)(ii)**.
- (d) A Reference Tariff variation under this **clause 5** will include a revised System Forecasts and System Allowable Revenues to the extent applicable to that Reference Tariff variation.

5.2 Endorsed Variation Events

The occurrence of any of the following events is an Endorsed Variation Event:

- (a) a Change in Law or a Change in Relevant Taxes occurs, that either alone or in combination with all other Changes in Law or Changes in Relevant Taxes that have occurred since the Commencing Date, would cause a change in the costs reflected in the AT₃, AT₄, and/or AT₅ input of the relevant Reference Tariff of greater than 2.5% excluding the impact of any Change in Law or Change in Relevant Taxes that have previously resulted in a variation of the Reference Tariff;
- (b) a change in the pricing of one or more Distribution Entities and/or Transmission Entities that, either alone or in combination with all other changes in the pricing of relevant Distribution Entities and/or Transmission Entities that have occurred since the Commencing Date and that have not previously resulted in a variation of the Reference Tariff, would cause a change in the costs reflected in the AT₅ input of the relevant Reference Tariff of greater than 2.5%;

- (c) a change in the pricing of one or more Retail Entities that either alone or in combination with all other changes in the pricing of relevant Retail Entities that have occurred since the Commencing Date and that have not previously resulted in a variation of the Reference Tariff, would cause a change in the costs reflected in the EC input of the relevant Reference Tariff of greater than two and a half percentage points (2.5%); or **Note: the definition of Retail Entity from UT3 should be reinstated**
- (d) the QCA Levy input of a relevant Reference Tariff is reviewed (taking into account any over or under recovery of fees via the QCA Levy component of Access Charges in the previous Year) following the QCA's announcement of its fees for the provision of regulatory services for the rail industry.

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5.3 Review Events

The occurrence of any of the following events is a Review Event:

- (a) where Aurizon Network's maintenance costs have been prudently and efficiently incurred, but are greater than its maintenance cost allowance, which has caused, or will cause, a change in the total costs reflected in the AT₃ and AT₄ components or the costs reflected in the AT₅ component of a Reference Tariff specified in this Schedule F of greater than 2.5%;
 - (i) part of the Rail Infrastructure is used solely to connect an Access Holder or Customer's single loading facility to a Coal System;
 - (ii) a discount applies to the relevant Reference Tariff in respect of that Access Holder's or Customer's use of that part of the Rail Infrastructure to offset a rebate that would otherwise be payable by Aurizon Network to that Access Holder or Customer; and
 - (iii) another Customer connects a loading facility to that part of the Rail Infrastructure;
- (b) where:
 - (i) part of the Rail Infrastructure is used solely to connect an Access Holder or Customer's single loading facility to a Coal System;
 - (ii) a discount applies to the relevant Reference Tariff in respect of that Access Holder's or Customer's use of that part of the Rail Infrastructure to offset a rebate that would otherwise be payable by Aurizon Network to that Access Holder or Customer; and
 - (iii) another Customer connects a loading facility to that part of the Rail Infrastructure;
- (c) a Force Majeure Event – of the type set out in either **paragraph (e), (l) or (m)** of the definition of that term – affecting Aurizon Network to the extent that Aurizon Network has incurred capital costs of greater than \$1 million that have not previously resulted in a variation of the relevant Reference Tariff;
- (d) an increase in the number of contracted coal carrying Train Services using Rail Infrastructure between Burngrove and Minerva;
- (e) the acceptance by Interested Participants through a vote under **clause 8.10**, or the QCA, of the cost allocation principles that Aurizon Network will apply to a variation of a Reference Tariff;

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- (f) where a material change occurs in the assumed forecast contracted volumes relevant to an existing Capital Indicator; or
- (g) any other material change in circumstances that Aurizon Network can reasonably demonstrate may give rise to a need to vary the relevant Reference Tariff,

in respect of which Aurizon Network has given written notice to the QCA of Aurizon Network's intention to propose a variation to that Reference Tariff under this **clause 5**.

5.4 Requirements for submissions

Where Aurizon Network submits a Reference Tariff variation, the variation must:

- (a) nominate the Reference Tariff to be varied;
- (b) include details of the methodology, data and assumptions used to vary the Reference Tariff;
- (c) for a variation under **clause 5.1(a)(i)**, include information on:
 - (i) the matters set out in **clause 6.3** (Pricing limits) of this Undertaking; and
 - (ii) why Aurizon Network considers that the variation of the Reference Tariff will promote efficient investment by either Aurizon Network or another person in the coal transport supply chain; and
- (d) for a variation in respect of an Endorsed Variation Event or a Review Event, evidence that the Endorsed Variation Event or Review Event has occurred or will occur.

5.5 Approval process

- (a) The QCA may publish details of Aurizon Network's proposed Reference Tariff variation and invite and consider comments from stakeholders regarding the proposed variation.
- (b) The QCA must give Aurizon Network a reasonable opportunity to respond to any comments from stakeholders that the QCA considers regarding the proposed variation. The QCA must consider all such responses from Aurizon Network.
- (c) The QCA must take into account the following factors when deciding whether to approve Aurizon Network's proposed Reference Tariff variation:
 - (i) whether the proposed variation of the Reference Tariff is consistent with:
 - (A) this Undertaking;
 - (B) the pricing principles in section 168A of the Act;
 - (C) Aurizon Network's legitimate business interests; and

- (D) the interests of Access Holders, Access Seekers and, if applicable, Customers;
- (ii) for a variation in respect of an Endorsed Variation Event, whether the proposed variation is consistent with the change in the forecast cost resulting from the Endorsed Variation Event (including incremental maintenance and incremental capital costs), calculated as if all other assumptions originally used for the determination of Reference Tariffs are held constant;
- (iii) for a variation in respect of a Review Event, whether the proposed variation:
 - (A) is consistent with the change in the cost resulting from or that will result from the Review Event; and
 - (B) reflects the impact of the relevant Review Event on the financial position of Aurizon Network (including the impact of incremental maintenance and incremental capital costs);
- (iv) for a variation in respect of either an Endorsed Variation Event or a Review Event, whether the proposed variation has been calculated as if all other Reference Tariffs were also being recalculated due to the Endorsed Variation Event or Review Event (as applicable);
- (v) to the extent that the Reference Tariff variation includes revised System Forecasts or System Allowable Revenue, the revised System Forecast is reasonable and the consequential adjustments to System Allowable Revenues are calculated properly; and
- (vi) any other factors that the QCA considers to be relevant.
- (d) If the QCA approves a Reference Tariff variation:
 - (i) the QCA will give Aurizon Network a notice in writing stating the reasons for the QCA's decision;
 - (ii) the Reference Tariff variation will apply:
 - (A) if the variation arose as a result of an Endorsed Variation Event:
 - (1) from the first day of the month immediately following the date of the occurrence of the Endorsed Variation Event; or
 - (2) where the date of the occurrence of the Endorsed Variation Event is the first day of a month, from that date; or
 - (B) if the variation arose as a result of an adjustment of Reference Tariffs under **clause 4.1**, from 1 July of the Year following the Year in which the variation was submitted; and
 - (iii) Aurizon Network must:

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- (A) publish details of the Reference Tariff variation on the Website; and
 - (B) advise Access Holders and Access Seekers, in respect of the relevant Reference Train Service, of the Reference Tariff variation.
- (e) If the QCA refuses to approve a Reference Tariff variation, the QCA must give Aurizon Network a notice in writing:
 - (i) stating the reasons for its refusal and the way in which the QCA considers that the variation should be amended; and
 - (ii) if that variation was required to be submitted by Aurizon Network under this **clause 5** in respect of an Endorsed Variation Event, requiring Aurizon Network to vary the Reference Tariff in the way the QCA considers it appropriate and resubmit the variation to the QCA within 20 Business Days after Aurizon Network receiving the notice, subject to **clause 5.6**.
- (f) Aurizon Network must comply with a notice given under **clause 5.5(e)(ii)**.
- (g) When considering whether to approve a resubmitted Reference Tariff variation or a Reference Tariff variation developed by the QCA under **clause 5.1(c)**, the QCA must take into account:
 - (i) the matters specified under **clause 5.5(c)** (as applicable); and
 - (ii) if applicable, whether the variation has been amended or developed in accordance with the QCA's prior decision (if any) to refuse to approve the relevant Reference Tariff variation.
- (h) For the purposes of **clause 5.1**:
 - (i) a Reference Tariff variation submitted by Aurizon Network or developed by the QCA under **clause 5.1** must include a review of System Allowable Revenue and System Forecast to the extent applicable to that variation; and
 - (ii) the QCA in approving a variation of a Reference Tariff must also approve the corresponding variation of the applicable System Allowable Revenue and System Forecast.

5.6 Extensions of time

- (a) The QCA may grant Aurizon Network an extension of the time for submitting, or resubmitting, a Reference Tariff variation if:
 - (i) Aurizon Network provides a written request to the QCA for an extension of time which includes the reasons why Aurizon Network requires the extension of time; and
 - (ii) the extension of time is reasonable or necessary.

- (b) If the QCA grants Aurizon Network an extension of time under **clause 5.6(a)**, Aurizon Network must submit or resubmit the Reference Tariff variation within the time specified by the QCA.

6 Adjustment Charges

6.1 Calculation of Adjustment Charges

- (a) If:
- (i) this Undertaking specifies that a Reference Tariff is applicable or effective from a date prior to the date on which that Reference Tariff was approved by the QCA; or
 - (ii) ~~the QCA approves a variation of a Reference Tariff in accordance with clause 5 and that variation applies or takes effect on a date prior to the date on which the QCA approves the variation,~~

Deleted: is applicable or effective from a past date

Aurizon Network is entitled to recover from or will reimburse to, as applicable, each relevant Access Holder (or, where an Access Holder is an End User and the End User and its Train Operator(s) each pay a component of the Access Charges, the End User and each relevant Train Operator) the amount (**Adjustment Amount**) which is the sum of:

- (iii) the aggregate of the differences, for each relevant Access Holder for each calendar month (or part thereof) since the date on which the Reference Tariff or the variation of the Reference Tariff was to apply or take effect (**Effective Date**) until the date on which that Reference Tariff was approved by the QCA or the variation of the Reference Tariff was made, as applicable, between:
 - (A) the Access Charges paid or payable by that Access Holder in respect of the Train Services operated by or for that Access Holder during that calendar month (or part thereof); and
 - (B) the Access Charges that would have been paid or payable by that Access Holder in respect of those Train Services if the Access Charges were calculated in accordance with the Reference Tariff or the variation of the Reference Tariff referred to in **clause 6.1(a)(i)** or **(ii)** on and from the Effective Date; and
- (iv) the aggregate of the interest calculated in accordance with **clause 6.1(c)** in respect of the amount of each difference comprising the amount calculated in accordance with **clause 6.1(a)(iii)**,

by making adjustments to the Access Charges (**Adjustment Charge**) payable by Access Holders (or, where an Access Holder is an End User and the End User and its Train Operator(s) each pay a component of the Access Charges, the End User and each relevant Train Operator) so as to recover or reimburse, as applicable, the Adjustment Amount (subject

to the provisions of this Undertaking). To the extent that the Access Holder has not paid the original Access Charge to which an Adjustment Charge relates, then the Adjustment Charge may be set off against the amount payable by the Access Holder.

- (b) Where the Access Holder is an End User and the End User and its Train Operator(s) each pay a component of the Access Charges, the Adjustment Amount to be recovered from or reimbursed to (as applicable) the End User and its Train Operator(s) will be in proportion to the components of the Access Charges paid or payable by the End User and its Train Operator(s), determined as a percentage of the total Access Charges.
- (c) The interest referred to in **clause 6.1(a)(iv)** must be calculated:
 - (i) in respect of the amount of each difference comprising the amount calculated under **clause 6.1(a)(iii)**;
 - (ii) on the basis that the interest:
 - (A) accrues and is charged from day to day; and
 - (B) is capitalised at the end of each month and will thereafter itself bear interest;
 - (iii) at the rate equal to, for interest accruing in a month:
 - (A) the mid-point of the one month Bank Bill Swap Rate as published by the Australian Financial Markets Association (or its successor) for the Business Day immediately prior to the 21st day of the previous month; or
 - (B) if that rate is no longer published, the rate will be an appropriate equivalent rate determined by Aurizon Network, acting reasonably; and
 - (iv) for the period commencing on the date when the Access Charges used to calculate the applicable difference in accordance with **clause 6.1(a)(iii)(A)** were due and payable and ending on the date when the Adjustment Charge is to be due and payable,

provided that if Aurizon Network is required to reimburse an Adjustment Charge, then no interest will be calculated to the extent that the Access Holder has not paid the original Access Charge to which the Adjustment Charge relates.

6.2 Approval of Adjustment Charges

- (a) Aurizon Network:
 - (i) may, if it submits a Reference Tariff variation under **clause 5.1** and that variation is proposed to apply or take effect on a date prior to the date on which the QCA will approve the variation; or
 - (ii) must, if:

- (A) the QCA approves a Reference Tariff variation under **clause 5.1** and that variation applies or takes effect on a date prior to the date on which the QCA approves the variation (and subject to **clause 6.2(a)(i)**); or
 - (B) this Undertaking specifies that a Reference Tariff is applicable or effective from a date prior to the date on which that Reference Tariff was approved by the QCA,
- submit to the QCA proposed Adjustment Charges.
- (b) Where Aurizon Network submits proposed Adjustment Charges to the QCA under **clause 6.2(a)**:
- (i) Aurizon Network's submission must, without limitation:
 - (A) identify, subject to **clause 6.3(a)**, the Access Holders in respect of whom the proposed Adjustment Charges are to be applied;
 - (B) set out the proposed Adjustment Charges for each Access Holder including details of how those proposed Adjustment Charges were calculated;
 - (C) indicate the billing period(s) in respect of which the proposed Adjustment Charges are to be applied; and
 - (D) if applicable, how the proposed Adjustment Charges are to be allocated for the purposes of calculations under **clause 4.3**;
 - (ii) if the QCA considers it appropriate, the QCA may publish details of Aurizon Network's submission of proposed Adjustment Charges and invite and consider comments from stakeholders regarding the proposed Adjustment Charges; and
 - (iii) the QCA must approve:
 - (A) the Access Holders in respect of whom the Adjustment Charges are to apply;
 - (B) the Adjustment Charges that are to apply to each Access Holder;
 - (C) the billing period(s) in respect of which the Adjustment Charges will be applied; and
 - (D) if applicable, how the Adjustment Charges must be allocated for the purposes of calculations under **clause 4.3**,

if the proposed Adjustment Charges submitted by Aurizon Network (excluding any interest component) constitute no more of a recovery or no less of a reimbursement of any under or over recovery of Access Charges by Aurizon Network that relate to each Access Holder, and any interest component was calculated under **clause 6.1(c)(iii)(B)**.

- (c) Aurizon Network must comply with an approval of the QCA given under **clause 6.2(b)(iii)** or **6.2(f)** including in applying the Adjustment Charge approved for each Access Holder to the calculation of Access Charges payable by that Access Holder.
- (d) If the QCA refuses to approve Aurizon Network's submission for an Adjustment Charge, the QCA must give Aurizon Network a notice in writing:
 - (i) stating the reasons for its refusal and the way in which the QCA considers the proposed Adjustment Charge should be amended so as to constitute (excluding any interest component) no more of a recovery or no less of a reimbursement of any under or over recovery of Access Charges by Aurizon Network that relate to each Access Holder; and
 - (ii) requiring Aurizon Network to vary the proposed Adjustment Charge in the way the QCA considers it appropriate and resubmit the amended proposal to the QCA within 30 days of Aurizon Network receiving the notice.
- (e) Aurizon Network must comply with a notice given under **clause 6.2(d)**.
- (f) The QCA must approve a resubmitted proposal for Adjustment Charges, if the resubmitted proposal has been amended or developed in accordance with the QCA's notice given under **clause 6.2(d)** and the QCA is satisfied that the proposed Adjustment Charges resubmitted by Aurizon Network (excluding any interest component) constitute no more of a recovery or no less of a reimbursement of any under or over recovery of Access Charges by Aurizon Network that relate to each Access Holder.

6.3 Application to Access Holders

- (a) An Adjustment Charge may only apply to an Access Holder (**New Access Holder**) that did not run, or cause a Train Operator to run, the Train Services to which that Adjustment Charge relates (**Past Train Services**) if:
 - (i) the Access Holder who ran the Past Train Services no longer has (or, at the time when the Adjustment Charges are to be applied, will have ceased to have) a rail haulage agreement with the Customer for the Past Train Services in respect of Train Services with the same origin and destination as the Past Train Services;
 - (ii) the New Access Holder has a rail haulage agreement with the Customer referred to in **clause 6.3(a)(i)** (including that Customer's successors and assigns) in respect of Train Services with the same origin and destination as the Past Train Services or the New Access Holder was that Customer (or is that Customer's successor or assign); and

- (iii) the New Access Holder has been granted Access Rights with the same origin and destination as the Past Train Services.
- (b) No Adjustment Charge will apply to an Access Holder who ran the Past Train Services if that Access Holder has, at the time when the Adjustment Charges are to be applied, ceased to have a rail haulage agreement with the Customer for the Past Train Services (including that person's successors and assigns) in respect of Train Services with the same origin and destination as the Past Train Services provided that with the cessation of that rail haulage agreement, the applicable Access Rights were either relinquished or expired.
- (c) The calculation of Access Charges under an Access Agreement must be reviewed and varied to provide for the payment of Adjustment Charges in respect of the relevant Access Holder including:
 - (i) that the Access Charges payable by the Access Holder must include any applicable Adjustment Charge approved by the QCA from time to time in relation to or in connection with any variation of a Reference Tariff approved by the QCA that applies or takes effect on a date prior to the date on which the QCA approves the variation or any Reference Tariff that this Undertaking states is applicable or effective from a date prior to the date on which that Reference Tariff was approved by the QCA; and
 - (ii) that an Adjustment Charge must be applied to the calculation of the amount of the invoice for charges payable by the Access Holder under the Access Agreement for the relevant billing period.

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7 Blackwater System

7.1 Additional Reference Train Service criteria

In addition to **clause 1.3**, the Reference Train Service to which this **clause 7** applies must also satisfy the following criteria:

- (a) **(Coal System)** operates in the Blackwater System;
- (b) **(Operational characteristics)** meets the following criteria:
 - (i) a maximum length (including the locomotive/s)³ of 1709 metres, unless operating from Minerva where it will be 1240 metres;
 - (ii) a maximum axle load of 26.5 tonne for a wheel configuration consistent with M220⁴ loading, or otherwise generates a loading equivalent to M220, except that Train Services operating from Minerva will have a maximum axle load of 20 tonne – with loading

³ This Train length comprises the following: static train length (which is the straight addition of individual Rollingstock lengths) plus an allowance of 2% of this static train length for train handling accuracy and for slack movement in drawgear (includes free slack in the drag box, compression of the draftgear, clearance/free slack due to coupler wear and pin clearance at the yoke).

⁴ As specified in the ANZRC Railway Bridge Design Manual 1974.

in excess of this maximum axle load dealt with in accordance with the relevant Load Variation Table;

- (iii) uses electric or diesel traction; and
- (iv) has a Nominated Separation Time over the Constrained Section of no greater than 20 minutes;

Deleted: , except operating from Rolleston or Minerva where it will only use diesel traction

(c) **(Conditions of Access)** has:

- (i) a Below Rail Transit Time in its Access Agreement that is determined as the sum of the nominated section running times for the Nominated Infrastructure (as included in the relevant Preliminary Information) plus a factor of 27%; or
- (ii) if a Train Service varies from those section running times, but is otherwise subject to this **schedule F**, a Below Rail Transit Time that is determined as the sum of the nominated section running times for the Nominated Infrastructure (as included in the relevant Access Agreement) plus a factor of 27%;

(d) **(Loading Facilities)** uses the following Nominated Loading Facilities and does not exceed the following Loading Times:

Nominated Loading Facilities ⁵	Loading Time (hours) per return trip
Boonal	4.6
Boorgoon	3.8
Curragh	3.3
Ensham	3.2
German Creek	3.0
Gregory	2.8
Kestrel (Gordonstone)	3.3
Kinrola	3.15
Koorilgah	5.0
Minerva	2.3
Oaky Creek	2.6
Rolleston	2.2
Yongala	4.2

(e) **(Unloading Facilities)** uses the following Nominated Unloading Facilities and does not exceed the following Unloading Times:

⁵ Diagrams showing the location of the Nominated Loading Facilities for a nominated Reference Train Service are included in the Preliminary Information for the relevant Coal System.

Nominated Unloading Facilities ⁶	Unloading Time (hours) per return trip
Barney Point	5.0
Cement Australia	6.0
Comalco Refinery	4.0
Gladstone Power Station	3.3
Golding/RG Tanna Terminal	2.6
Queensland Alumina Ltd (QAL) ⁷	8.9
Stanwell Power Station	2.3
Wiggins Island Coal Export Terminal	1.5 ⁸

(f) **(Dwell Period)** has Dwell periods not exceeding the following:

	Dwell period (hours)per return trip
Inclusive of Train examination	9.2
Excluding Train examination	3.2

7.2 Reference Tariff inputs

(a) Subject to **clause 7.2(c)**, the Reference Tariff inputs inclusive of revenue cap adjustments for 2011/12 and 2012/13 are:

Reference Tariff input	2013/14 (\$)	2014/15 (\$)	2015/16 (\$)	2016/17 (\$)
AT ₁	0.94	0.96	0.99	1.01
AT ₂	5,030	5,156	5,285	5,417
AT ₃	6.20*	5.81*	6.49*	6.58*
AT ₄	2.09	1.97	2.18	2.20
AT ₅	2.75	2.97	3.04	3.12
EC	0.68	0.68	0.68	0.69
QCA Levy	0.02992	0.03067	0.03143	0.03222

* This amount must be adjusted by subtracting the System Discount under **clause 7.2(b)** where the System Discount, applies to the relevant Train Service.

⁶ Diagrams showing the location of the Nominated Unloading Facilities for a nominated Reference Train Service are included in the Preliminary Information for the relevant Coal System.

⁷ The Unloading Time for the QAL refinery represents the time the Train Service is off the Rail Infrastructure on the relevant Private Infrastructure.

⁸ For services from the North Coast Line 0.7 hours.

(b) The System Discounts for Train Services to or from Nominated Loading Facilities or Nominated Unloading Facilities are:

Nominated Unloading Facilities	System Discount (\$/ntk)			
	2013/14	2014/15	2015/16	2016/17
Stanwell Power Station	2.04	2.03	2.27	2.30

(c) The Reference Tariff inputs referred to below in relation to a Nominated Loading Facility replace the equivalent Reference Tariff inputs in **clause 7.2(a)** for any Train Service using that Nominated Loading Facility:

Nominated Loading Facility	Reference Tariff input	2013/14 (\$)	2014/15 (\$)	2015/16 (\$)	2016/17 (\$)
Rolleston	AT ₃	1.05*	1.40*	2.22*	2.59*
	AT ₄	0.41	0.58	0.92	1.08
Minerva	AT ₃	4.63*	4.37*	4.90*	4.95*
	AT ₄	1.86	1.78	1.99	2.02

* This amount must be adjusted by subtracting any System Discount under **clause 7.2(b)** where the System Discount applies to the relevant Train Service.

Field Code Changed

(d) The nominal train payload for:

- (i) a Train Service (other than a Cross System Train Service) to which the Reference Tariff in this **clause 7** applies; or
- (ii) a Cross System Train Service where the Destination System is the Blackwater System,

is an nt of 8,211 tonnes.

7.3 System Forecast and System Allowable Revenues

Year	System Gtk (,000 gtk)	System Allowable Revenue – AT ₂₋₄ (\$)	System Allowable Revenue – AT ₅ (\$)
2013/14 [^]	30,117,969	260,617,122	57,580,088
2014/15	33,985,924	291,356,364	78,926,290
2015/16	37,876,747	368,538,915	100,668,352
2016/17	41,168,179	417,058,319	112,288,992

[^] Includes the impact of the 2011/12 revenue cap adjustment.

Monthly System Forecasts for 2001 Undertaking Access Agreements*

Month	System Gtk (,000 gtk)	Month	System Gtk (,000 gtk)
Jul-13	2,644,511	Jul-14	2,984,137
Aug-13	2,673,258	Aug-14	3,016,576
Sep-13	2,489,136	Sep-14	2,808,808
Oct-13	2,621,044	Oct-14	2,957,656
Nov-13	2,430,950	Nov-14	2,743,149
Dec-13	2,354,822	Dec-14	2,657,244
Jan-14	2,355,576	Jan-15	2,658,095
Feb-14	2,125,614	Feb-15	2,398,600
Mar-14	2,458,645	Mar-15	2,774,401
Apr-14	2,522,091	Apr-15	2,845,995
May-14	2,662,900	May-15	3,004,888
Jun-14	2,779,424	Jun-15	3,136,376

* These forecasts are the 'System Forecasts' of gtk for the purposes of Access Agreements, and New Access Agreements where the relevant Old Access Agreement was, executed or renewed during the term of the 2001 Undertaking including in relation to the calculation of VTP and IATP for Take or Pay charges. These System Forecasts are a monthly version of the Yearly System Forecast for the purpose of 2001 Undertaking based Access Agreements. However, these monthly System Forecasts do not include volume forecasts for Train Services unloading at the Wiggins Island Coal Export Terminal. **[Note: Please refer to the QRC's submission regarding WICET and the UT1 Access Agreements.]**

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8 Goonyella System

8.1 Additional Reference Train Service criteria

In addition to **clause 1.3**, the Reference Train Service to which this **clause 8** applies must also satisfy the following criteria:

- (a) **(Coal System)** operates in the Goonyella System;
- (b) **(Operational characteristics)** meets the following criteria:
 - (i) a maximum length (including the locomotive/s)⁹ of 2082 metres;

⁹ This Train length comprises the following: static train length (which is the straight addition of individual Rollingstock lengths) plus an allowance of 2% of this static train length for train handling accuracy and for slack

- (ii) a maximum axle load of 26.5 tonne for a wheel configuration consistent with M220¹⁰ loading, or otherwise generates a loading equivalent to M220 – with loading in excess of this maximum axle load dealt with in accordance with the relevant Load Variation Table;
 - (iii) uses electric or diesel traction; and
 - (iv) has a Nominated Separation Time over the Constrained Section of no greater than 20 minutes;
- (c) **(Conditions of Access)** has:
- (i) a Below Rail Transit Time in its Access Agreement that is determined as the sum of the nominated section running times for the Nominated Infrastructure (as included in the relevant Preliminary Information) plus (+) a factor of 23%; or
 - (ii) if a Train Service varies from those section running times, but is otherwise subject to this **schedule F**, a Below Rail Transit Time that is determined as the sum of the nominated section running times for the Nominated Infrastructure (as included in the relevant Access Agreement) plus a factor of 23%;
- (d) **(Loading Facilities)** uses the following Loading Facilities and does not exceed the following Loading Times:

Nominated Loading Facilities ¹¹	Loading Time (hours) per return trip
Blair Athol	3.1
Burton	3.8
Carborough Downs	3.5
German Creek	2.9
Goonyella	3.9
Hail Creek	4.1
Isaac Plains	3.9
Lake Vermont	3.0
Macarthur (Coppabella)	3.9
Millennium	3.0
Moorvale	3.9
Moranbah North	3.6

movement in drawgear (includes free slack in the drag box, compression of the draftgear, clearance/free slack due to coupler wear and pin clearance at the yoke).

¹⁰ As specified in the ANZRC Railway Bridge Design Manual 1974.

¹¹ Diagrams showing the location of the Nominated Loading Facilities for a nominated Reference Train Service are included in the Preliminary Information for the relevant Coal System.

North Goonyella	4.3
Norwich Park	3.9
Oaky Creek	3.8
Peak Downs	4.2
Riverside	3.0
Saraji	4.4
South Walker Creek	3.8

- (e) **(Unloading Facilities)** uses the following Nominated Unloading Facilities and does not exceed the following Unloading Times:

Nominated Unloading Facilities ¹²	Unloading Time (hours) per return trip
Dalrymple Bay	Pit 1 – 2.5 Pit 2 – 2.5 Pit 3 – 2.0
Hay Point	2.8

- (f) **(Dwell Period)** has Dwell periods not exceeding the following:

	Dwell period (hours)per return trip
Inclusive of Train examination	8.8
Excluding Train examination	1.8

8.2 Reference Tariff inputs

- (a) Subject to **clause 8.2(b)**, the Reference Tariff inputs inclusive of revenue cap adjustments for 2011/12 and 2012/13 are:

¹² Diagrams showing the location of the Nominated Unloading Facilities for a nominated Reference Train Service are included in the Preliminary Information for the relevant Coal System.

Reference Tariff input	2013/14 (\$)	2014/15 (\$)	2015/16 (\$)	2016/17 (\$)
AT ₁	0.65	0.67	0.68	0.70
AT ₂	2,488	2,550	2,614	2,679
AT ₃	6.29	5.95	5.83	5.77
AT ₄	1.32	1.25	1.22	1.21
AT ₅	2.86	2.28	2.30	2.33
EC	0.68	0.68	0.68	0.69
QCA Levy	0.02992	0.03067	0.03143	0.03222

- (b) The Reference Tariff inputs referred to below in relation to a Nominated Loading Facility replace the equivalent Reference Tariff inputs in **clause 8.2(a)** for any Train Service using that Nominated Loading Facility:

Nominated Loading Facility	Reference Tariff input	2013/14 (\$)	2014/15 (\$)	2015/16 (\$)	2016/17 (\$)
Hail Creek	AT ₃	2.11	2.01	2.02	2.05
	AT ₄	0.44	0.42	0.42	0.43
	AT ₅	1.79	1.28	1.33	1.39
Isaac Plains	AT ₃	2.59	2.47	2.46	2.49
	AT ₄	0.54	0.52	0.52	0.52
	AT ₅	2.30	1.75	1.79	1.83
Carborough Downs	AT ₃	3.85	3.66	3.62	3.62
	AT ₄	0.81	0.77	0.76	0.76
	AT ₅	2.49	1.93	1.96	2.00
Millennium	AT ₃	2.99	2.86	2.85	2.88
	AT ₄	0.63	0.60	0.60	0.60
	AT ₅	2.57	2.01	2.04	2.08
South Walker Creek	AT ₃	5.55	5.25	5.14	5.10
	AT ₄	1.16	1.10	1.08	1.07
	AT ₅	2.41	1.86	1.89	1.93
Moorvale	AT ₃	5.58	5.29	5.19	5.15
	AT ₄	1.17	1.11	1.09	1.08

	AT ₅	2.69	2.13	2.15	2.19
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(c) The nominal train payload for:

- (i) a Train Service (other than a Cross System Train Service) to which the Reference Tariff in this **clause 8** applies; or
 - (ii) a Cross System Train Service where the Destination System is the Goonyella System,
- is an nt of 10,055 tonnes.

8.3 System Forecast and System Allowable Revenues

Year	System Gtk (,000 gtk)	System Allowable Revenue – AT ₂₋₄ (\$)	System Allowable Revenue – AT ₅ (\$)
2013/14 [^]	32,649,600	294,450,889	90,103,753
2014/15	35,622,580	307,689,585	78,318,791
2015/16	37,444,831	320,042,557	83,048,259
2016/17	39,077,779	333,053,970	88,062,810

[^] Includes the impact of the 2011/12 revenue cap adjustment.

Monthly System Forecasts for 2001 Undertaking Access Agreements*

Month	System Gtk (,000 gtk)	Month	System Gtk (,000 gtk)
Jul-13	2,878,736	Jul-14	3,140,866
Aug-13	2,898,606	Aug-14	3,162,545
Sep-13	2,909,598	Sep-14	3,174,538
Oct-13	2,926,580	Oct-14	3,193,066
Nov-13	2,772,941	Nov-14	3,025,437
Dec-13	2,618,202	Dec-14	2,856,608
Jan-14	2,606,125	Jan-15	2,843,431
Feb-14	2,147,509	Feb-15	2,343,056
Mar-14	2,361,479	Mar-15	2,576,509
Apr-14	2,759,895	Apr-15	3,011,203
May-14	2,911,029	May-15	3,176,099
Jun-14	2,858,899	Jun-15	3,119,223

- * These forecasts are the 'System Forecasts' of gtk for the purposes of Access Agreements, and New Access Agreements where the relevant Old Access Agreement was, executed or renewed during the term of the 2001 Undertaking including in relation to the calculation of VTP and IATP for Take or Pay charges. These System Forecasts are a monthly version of the Yearly System Forecast for the purpose of 2001 Undertaking based Access Agreements.

9 Moura System

9.1 Additional Reference Train Service criteria

In addition to **clause 1.3**, the Reference Train Service to which this **clause 9** applies must also satisfy the following criteria:

- (a) **(Coal System)** operates in the Moura System;
- (b) **(Operational characteristics)** meets the following criteria:
 - (i) a maximum length (including the locomotive/s)¹³ of 1000 metres;
 - (ii) a maximum axle load of 26.5 tonne for a wheel configuration consistent with M220¹⁴ loading, or otherwise generates a loading equivalent to M220 – with loading in excess of this maximum axle load dealt with in accordance with the relevant Load Variation Table; and
 - (iii) uses diesel traction;
- (c) **(Conditions of Access)** has:
 - (i) a Below Rail Transit Time in its Access Agreement that is determined as the sum of the nominated section running times for the Nominated Infrastructure (as included in the relevant Preliminary Information) plus a factor of 30%; or
 - (ii) if a Train Service varies from those section running times, but is otherwise subject to this **schedule F**, a Below Rail Transit Time that is determined as the sum of the nominated section running times for the Nominated Infrastructure (as included in the relevant Access Agreement) plus a factor of 30%;
- (d) **(Loading Facilities)** uses the following Nominated Loading Facilities and does not exceed the following Loading Times:

¹³ This Train length comprises the following: static train length (which is the straight addition of individual Rollingstock lengths) plus an allowance of 2% of this static train length for train handling accuracy and for slack movement in drawgear (includes free slack in the drag box, compression of the draftgear, clearance/free slack due to coupler wear and pin clearance at the yoke).

¹⁴ As specified in the ANZRC Railway Bridge Design Manual 1974.

Nominated Loading Facilities ¹⁵	Loading Time (hours) per return trip
Baralaba	4.9
Boundary Hill	3.4
Dunn Creek (Callide)	4.2
Moura	3.6

- (e) **(Unloading Facilities)** uses the following Nominated Unloading Facilities and does not exceed the following Unloading Times:

Nominated Unloading Facilities ¹⁶	Unloading Time (hours) per return trip
Barney Point	3.1
Cement Australia	4.3
Comalco Refinery	4.0
Gladstone Power Station	3.3
Golding/RG Tanna Terminal	1.5
Queensland Alumina Ltd (QAL) ¹⁷	8.9

- (f) **(Dwell Period)** has Dwell periods not exceeding the following:

	Dwell period (hours)per return trip
Inclusive of Train examination	6.2
Excluding Train examination	3.2

9.2 Reference Tariff inputs

- (a) The Reference Tariff inputs inclusive of revenue cap adjustments for 2011/12 and 2012/13 are:

Reference Tariff input	2013/14 (\$)	2014/15 (\$)	2015/16 (\$)	2016/17 (\$)
AT ₁	1.75	1.79	1.83	1.88
AT ₂	612	628	643	659
AT ₃	8.88	10.85	11.51	10.64

¹⁵ Diagrams showing the location of the Nominated Loading Facilities for a nominated Reference Train Service are included in the Preliminary Information for the relevant Coal System.

¹⁶ Diagrams showing the location of the Nominated Unloading Facilities for a nominated Reference Train Service are included in the Preliminary Information for the relevant Coal System.

¹⁷ The Unloading Time for the QAL refinery represents the time the Train Service is off the Rail Infrastructure on the relevant Private Infrastructure.

AT ₄	1.46	1.85	1.96	1.81
QCA Levy	0.02992	0.03067	0.03143	0.03222

(b) The nominal train payload for:

- (i) a Train Service to which the Reference Tariff in this **clause 9** applies; or
 - (ii) a Cross System Train Service where the Destination System is the Moura System,
- is an nt of 6,269 tonnes.

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9.3 System Forecast and System Allowable Revenues

Year	System Gtk (,000 gtk)	System Allowable Revenue – AT ₂₋₄ (\$)
2013/14 [^]	3,438,649	39,108,076
2014/15	3,832,505	52,846,513
2015/16	3,653,129	53,309,907
2016/17	3,965,176	54,058,052

[^] Includes the impact of the 2011/12 revenue cap adjustment.

Monthly System Forecasts for 2001 Undertaking Access Agreements*

Month	System Gtk (,000 gtk)	Month	System Gtk (,000 gtk)
Jul-13	299,649	Jul-14	333,970
Aug-13	287,722	Aug-14	320,677
Sep-13	272,614	Sep-14	303,839
Oct-13	283,745	Oct-14	316,244
Nov-13	286,517	Nov-14	319,334
Dec-13	268,721	Dec-14	299,500
Jan-14	285,670	Jan-15	318,390
Feb-14	272,293	Feb-15	303,481
Mar-14	288,713	Mar-15	321,782
Apr-14	290,676	Apr-15	323,969
May-14	304,258	May-15	339,108
Jun-14	298,071	Jun-15	332,212

- * These forecasts are the 'System Forecasts' of gtk for the purposes of Access Agreements, and New Access Agreements where the relevant Old Access Agreement was, executed or renewed during the term of the 2001 Undertaking including in relation to the calculation of VTP and IATP for Take or Pay charges. These System Forecasts are a monthly version of the Yearly System Forecast for the purpose of 2001 Undertaking based Access Agreements.

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10 Newlands System

10.1 Additional Reference Train Service criteria

In addition to **clause 1.3**, the Reference Train Service to which this **clause 10** applies must also satisfy the following criteria:

- (a) **(Coal System)** operates in the Newlands System;
- (b) **(Operational characteristics)** meets the following criteria:
- (i) a maximum length (including the locomotive/s)¹⁸ of 1402 metres;
 - (ii) a maximum axle load of 26.5 tonne for a wheel configuration consistent with M220¹⁹ loading, or otherwise generates a loading equivalent to M220 – with loading in excess of this maximum axle load dealt with in accordance with the relevant Load Variation Table; and
 - (iii) uses diesel traction;
- (c) **(Conditions of Access)** has:
- (i) a Below Rail Transit Time in its Access Agreement that is determined as the sum of the nominated section running times for the Nominated Infrastructure (as included in the relevant Preliminary Information) plus a factor of 60%; or
 - (ii) if a Train Service varies from those section running times, but is otherwise subject to this **schedule F**, a Below Rail Transit Time that is determined as the sum of the nominated section running times for the Nominated Infrastructure (as included in the relevant Access Agreement) plus a factor of 60%;
- [Note: The QRC has no way of determining whether the GAPE Access Holders have agreed to the increase from 24% to 60% because this is a private document.]**
- (d) **(Loading Facilities)** uses the following Nominated Loading Facilities and does not exceed the following Loading Times:

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¹⁸ This Train length comprises the following: static train length (which is the straight addition of individual Rollingstock lengths) plus an allowance of 2% of this static train length for train handling accuracy plus 125mm per vehicle for slack movement in drawgear (includes free slack in the drag box, compression of the draftgear, clearance/free slack due to coupler wear and pin clearance at the yoke).

¹⁹ As specified in the ANZRC Railway Bridge Design Manual 1974.

Nominated Loading Facilities ²⁰	Loading Time (hours) per return trip
McNaughton	2.5
Newlands	1.8
Sonoma	2.4

- (e) **(Unloading Facilities)** uses the following Nominated Unloading Facilities and does not exceed the following Unloading Times:

Nominated Unloading Facilities ²¹	Unloading Time (hours) per return trip
Abbot Point	1.6

- (f) **(Dwell Period)** has Dwell periods not exceeding the following:

	Dwell period (hours)per return trip
Inclusive of Train examination	6.4
Excluding Train examination	2.4

10.2 Reference Tariff inputs

- (a) Subject to **clause 10.2(b)**, the Reference Tariff inputs inclusive of revenue cap adjustments for 2011/12 and 2012/13 are:

Reference Tariff input	2013/14 (\$)	2014/15 (\$)	2015/16 (\$)	2016/17 (\$)
AT ₁	1.82	1.86	1.91	1.96
AT ₂	6,976	7,150	7,329	7,512
AT ₃	4.05	5.25	4.83	3.63
AT ₄	0.12	0.00	0.00	0.00
QCA Levy	0.02992	0.03067	0.03143	0.03222

- (b) The Reference Tariff inputs referred to below in relation to a Nominated Loading Facility replace the equivalent Reference Tariff inputs in **clause 10.2(a)** for any Train Service using that Nominated Loading Facility:

Nominated Loading Facility	Reference Tariff input	2013/14 (\$)	2014/15 (\$)	2015/16 (\$)	2016/17 (\$)
Sonoma	AT ₃	1.84	2.89	2.35	1.32

²⁰ Diagrams showing the location of the Nominated Loading Facilities for a nominated Reference Train Service are included in the Preliminary Information for the relevant Coal System.

²¹ Diagrams showing the location of the Nominated Unloading Facilities for a nominated Reference Train Service are included in the Preliminary Information for the relevant Coal System.

Nominated Loading Facility	Reference Tariff input	2013/14 (\$)	2014/15 (\$)	2015/16 (\$)	2016/17 (\$)
	AT ₄	0.12	0.00	0.00	0.00

(c) The nominal train payload for:

- (i) a Train Service (other than a Cross System Train Service) to which the Reference Tariff in this **clause 10** applies; or
- (ii) a Cross System Train Service where the Destination System is the Newlands System,

is an nt of 6,871 tonnes.

10.3 System Forecast and System Allowable Revenues

Year	System Gtk (,000 gtk)	System Allowable Revenue – AT ₂₋₄ (\$)
2013/14 [^]	3,255,724	39,299,966
2014/15	3,413,741	43,437,203
2015/16	3,596,255	46,303,534
2016/17	3,950,946	49,045,747

[^] Includes the impact of the 2011/12 revenue cap adjustment.

Monthly System Forecasts for 2001 Undertaking Access Agreements*

Month	System Gtk (,000 gtk)	Month	System Gtk (,000 gtk)
Jul-13	290,726	Jul-14	304,836
Aug-13	299,278	Aug-14	313,804
Sep-13	285,659	Sep-14	299,523
Oct-13	251,275	Oct-14	263,471
Nov-13	293,766	Nov-14	308,024
Dec-13	258,157	Dec-14	270,687
Jan-14	279,271	Jan-15	292,825
Feb-14	193,359	Feb-15	202,744
Mar-14	254,766	Mar-15	267,131
Apr-14	269,575	Apr-15	282,659

Month	System Gtk (,000 gtk)	Month	System Gtk (,000 gtk)
May-14	287,604	May-15	301,562
Jun-14	292,289	Jun-15	306,475

* These forecasts are the 'System Forecasts' of gtk for the purposes of Access Agreements, and New Access Agreements where the relevant Old Access Agreement was, executed or renewed during the term of the 2001 Undertaking including in relation to the calculation of VTP and IATP for Take or Pay charges. These System Forecasts are a monthly version of the Yearly System Forecast for the purpose of 2001 Undertaking based Access Agreements.

11 Goonyella to Abbot Point System

11.1 Additional Reference Train Service criteria

In addition to **clause 1.3**, the Reference Train Service to which this **clause 11** applies must also satisfy the following criteria:

- (a) **(Coal System)** operates in the Goonyella to Abbot Point System;
- (b) **(Operational characteristics)** meets the following criteria:
 - (i) a maximum length (including the locomotive/s)²² of 1402 metres;
 - (ii) a maximum axle load of 26.5 tonne for a wheel configuration consistent with M220²³ loading, or otherwise generates a loading equivalent to M220 – with loading in excess of this maximum axle load dealt with in accordance with the relevant Load Variation Table; and
 - (iii) uses diesel traction.
- (c) **(Conditions of Access)** has:
 - (i) a Below Rail Transit Time in its Access Agreement that is determined as the sum of the nominated section running times for the Nominated Infrastructure (as included in the relevant Preliminary Information) plus a factor of 60%; or
 - (ii) if a Train Service varies from those section running times, but is otherwise subject to this **schedule F**, a Below Rail Transit Time that is determined as the sum of the nominated section running times for the Nominated Infrastructure (as included in the relevant Access Agreement) plus a factor of 60%;

²² This Train length comprises the following: static train length (which is the straight addition of individual Rollingstock lengths) plus an allowance of 2% of this static train length for train handling accuracy plus 125mm per vehicle for slack movement in drawgear (includes free slack in the drag box, compression of the draftgear, clearance/free slack due to coupler wear and pin clearance at the yoke).

²³ As specified in the ANZRC Railway Bridge Design Manual 1974.

- (d) **(Loading Facilities)** uses the following Nominated Loading Facilities and does not exceed the following Loading Times:

Nominated Loading Facilities ²⁴	Loading Time (hours) per return trip
Riverside	3.0
Peak Downs	3.0
Lake Vermont	2.04 (estimate) ²⁵
Blair Athol (Clermont)	2.04 (estimate) ³⁰

- (e) **(Unloading Facilities)** uses the following Nominated Unloading Facilities and does not exceed the following Unloading Times:

Nominated Unloading Facilities ²⁶	Unloading Time (hours) per return trip
Abbot Point	2.05

- (f) **(Dwell Period)** has Dwell periods not exceeding the following:

	Dwell period (hours)per return trip
Inclusive of Train examination	7.35 per consist every 20 days
Excluding Train examination	1.35

11.2 Reference Tariff inputs

- (a) The Reference Tariff inputs inclusive of revenue cap adjustments for 2011/12 and 2012/13 are:

Reference Tariff input	2013/14 (\$)	2014/15 (\$)	2015/16 (\$)	2016/17 (\$)
AT ₁	1.46	1.50	1.54	1.58
AT ₂	6,976	7,150	7,329	7,512
AT ₃	1.61	1.42	1.36	1.35
AT ₄	3.48	2.41	2.14	1.86
QCA Levy	0.02992	0.03067	0.03143	0.03222

²⁴ Diagrams showing the location of the Nominated Loading Facilities for a nominated Reference Train Service are included in the Preliminary Information for the relevant Coal System.

²⁵ This is an estimate of loading time for this Loading Facility. Aurizon will review this loading time in accordance with the relevant Access Agreement. A variation from the loading time will not result in the Train Service being considered not to be a Reference Train Service until after the loading time is reviewed in accordance to the relevant Access Agreement.

²⁶ Diagrams showing the location of the Nominated Unloading Facilities for a nominated Reference Train Service are included in the Preliminary Information for the relevant Coal System.

- (b) The nominal train payload for:
- (i) a Train Service to which the Reference Tariff in this **clause 11** applies; or
 - (ii) a Cross System Train Service where the Destination System is the Goonyella to Abbot Point System,
- is an nt of 6,871 tonnes.

11.3 System Forecast and System Allowable Revenues

Year	System GtK (,000 gtk)	System Allowable Revenue – AT ₂₋₄ (\$)
2013/14	11,051,057	123,980,118
2014/15	13,317,088	124,577,747
2015/16	14,432,770	126,951,186
2016/17	15,512,057	129,481,818

Operator capping

Clause 2.4(k):

only applies after **clause 2.4(i)** (if applicable) has been applied; and must not be applied in a way inconsistent with **clause 2.4(i)** or that results in any additional revenue used to reduce a Take or Pay liability under **clause 2.4(i)** being re-used to reduce any other Take or Pay liability.

Subject to **clause 2.4(j)**, if:

an Operator under an Operator Access Agreement;
an Access Holder under an Access Holder Access Agreement; or
an End User under an End User Access Agreement,

executed or renewed after 1 October 2010, has obligations to pay Take or Pay as part of the Access Charges associated with the Train Service Entitlements under that Operator Access Agreement, Access Holder Access Agreement or End User Access Agreement, as applicable, (**Eligible Access Agreement**), then:

subject to **clause 2.4(k)(v)**:

where:

a Train Service Entitlement under any Eligible Access Agreement is part of a Take or Pay Grouping for:

in the case of an Operator Access Agreement or an End User Access Agreement, the Operator or Train Operator, as applicable;

in the case of an Access Holder Access Agreement, the Access Holder,

(**Eligible Operator**); and

the Train Services for that Train Service Entitlement exceed that Train Service Entitlement for the relevant Year,

the aggregate Take or Pay liability in relation to that Take or Pay Grouping for the relevant Year will be reduced by the amount of the additional revenue from Access Charges for AT₂₋₄ in relation to that excess; or

where:

a Train Service Entitlement under any Eligible Access Agreement is not part of a Take or Pay Grouping for the Eligible Operator (**Ungrouped Train Service Entitlement**); and

the Train Services for that Ungrouped Train Service Entitlement exceed that Ungrouped Train Service Entitlement for the relevant Year,

the aggregate Take or Pay liability in relation to all of the Ungrouped Train Service Entitlements for the relevant Year will be reduced by the amount of the additional revenue from Access Charges for AT₂₋₄

in relation to that excess on a pro rated basis based on the Take or Pay liability in relation to each Train Service Entitlement comprised in the Ungrouped Train Service Entitlements; and

where the Train Service Entitlements for an Eligible Operator to which either **clause 2.4(k)(iv)(A)** or **(B)** apply are given effect through a Train Operations Agreement, the reduction in Take or Pay liability calculated in respect of those Train Services Entitlements under **clause 2.4(k)(iv)(A)** or **(B)**, as applicable:

will be allocated to the End User who nominated the relevant Train Operator to utilise those Train Service Entitlements; and

will not be allocated to the Train Operator.

For clarity, the use under this **clause 2.4(k)** of any additional revenue for the purpose of a reduction of any Take or Pay liability can only occur in respect of the Year in which that additional revenue arose and cannot be accrued, rolled over or otherwise used to reduce a Take or Pay liability arising in respect of any other Year.