

3.5 Reference Tariffs

3.5.1 Application of Reference Tariffs

- (a) In relation to a Train Service, the description of which accords with the Reference Train Service, a Reference Tariff is an acceptable means by which Queensland Rail provides Access Seekers with information about the matters listed in sections 101(2)(a) to (c) of the QCA Act.
- (b) In relation to a coal carrying Train Service operating either solely on the Metropolitan System or on both the West Moreton System and the Metropolitan System, the description of which otherwise differs from the Reference Train Service, a Reference Tariff is an acceptable means by which Queensland Rail provides Access Seekers with information about the matters listed in sections 101(2)(a) to (c) of the QCA Act if Queensland Rail also complies with clause 2.7.2(a)(vi) (read in light of clause 3.3(b)(i)).
- (c) Reference Tariffs for nominated Reference Train Services, and the description of the Reference Train Services for the Reference Tariffs, are set out in **schedule D**.

3.5.2 Loss Capitalisation Account

Queensland Rail will establish and maintain the Loss Capitalisation Account in accordance with **schedule D** and otherwise comply with **schedule D** in connection with the Loss Capitalisation Account.

3.6 Rate review provisions

- (a) Queensland Rail or an Access Seeker may require reasonable and balanced rate review provisions in an Access Agreement that is being negotiated to enable the methodology, rates and other inputs for calculating Access Charges to be adjusted to be consistent with changes over time in:
 - (i) if a Reference Tariff applies to the Train Service type, the applicable Reference Tariff (including any matters under **schedule D**);
 - (ii) if no Reference Tariff applies to the Train Service type:
 - (A) the methodology, rates and other inputs for calculating Access Charges agreed with other Access Seekers in respect of a Train Service transporting the same commodity within the same geographical area as the Access Seeker's proposed Train Service the subject of the Access Agreement; and
 - (B) the cost or risk to Queensland Rail of providing Access.

Access Holder means a person who holds Access Rights under an Access Agreement;

Access Rights means an entitlement to Access in accordance with a specified Train Service Entitlement;

Access Seeker means a person who is seeking new or additional Access Rights from Queensland Rail including, for clarity, a Renewal Access Seeker;

Accredited means accredited (including exempted from the requirement to be accredited and any conditions applying to that accreditation or exemption) in accordance with Part 3 Division 4 of the RNSL;

Accrued Interest, for a Year, has the meaning given in clause 8.4(a)(i)(E) of schedule D;

Additional Capacity means the additional capability of the Network to accommodate Train Services that would result from an Extension;

Ad Hoc Planned Possession means a Possession (other than an Urgent Possession, an Emergency Possession or a Planned Possession) that is not entered into the MTP because it is not a regularly scheduled Possession, and adversely affects the operation of Train Services.

Ad Hoc Train Service means any Train Service:

- (a) additional to the number of Train Services permitted under an existing Access Agreement, but otherwise consistent with the Train Service Entitlement and Rolling Stock and Train Configuration authorised pursuant to that existing Access Agreement; or
- (b) varying from the Train Service Entitlement specified in an existing Access Agreement, but agreed to by Queensland Rail;

Adjusted ACRL, for a Year, has the meaning given in clause 8.4(a)(i)(B) of schedule D;

Adjustment Charge has the meaning given to that term in **clause 6.1(a) of schedule D;**

Adjustment Charge Amount has the meaning given to that term in **clause 6.1(a) of schedule D;**

Allotted Time Threshold means the threshold within which a Train Service is considered to be on time as follows, for a Train Service operated for the purpose of:

- (a) transporting coal, 30 minutes;
- (b) transporting bulk minerals (other than coal), 60 minutes;
- (c) transporting freight products, 60 minutes; and
- (d) transporting passengers over long distances, 20 minutes

Alternative Schedule Time means a Train Service proposed by Queensland Rail, which is a Useable Schedule Time;

- (ii) the Rolling Stock Operator for the Train Service has notified the relevant Network Controller that the Train Service is ready to depart the Nominated Loading Facility;

Loss Capitalisation Account means the account established under clause 8.3(a) of schedule D.

Loss Capitalisation Account Adjustment, for a Year, has the meaning given in clause 8.4(a)(i)(G) of schedule D;

Master Train Plan or MTP means a plan detailing the scheduled times as advised by Queensland Rail from time to time for all Train Services and any Planned Possessions on a specified part of the Network, where such scheduled times remain unchanged from week to week;

Material Change means:

- (a) an Impost Change;
- (b) a Change in Law; or
- (c) a Change to Credit;

Material Default means, in respect of any document referred to in **clause 2.8.3(a)(ii)**:

- (a) any breach of a term of that document that could reasonably result or have resulted in the termination of that document; or
- (b) the repeated breach of the terms of that document;

Maximum Access Charge has the meaning given to that term in **clause 3.1.2(b)(i)**;

Metropolitan System means that part of the Network bounded to the north by (and including) Nambour station and to the west by (and including) Rosewood and including all branch lines comprised in that part of the Network;

Modelled Maintenance Costs means the maintenance costs amount determined in accordance with the maintenance costs model approved by the QCA (during the course of approving this Undertaking).

Monthly Difference has the meaning given to that term in ~~clause Error! Reference source not found.~~ 1.1 of schedule D;

Mt Isa Line System means that part of the Network bounded to the east by (and including) Stuart and to the west by (and including) Mt Isa and including all branch lines comprised in that part of the Network;

Negotiation Cessation Notice has the meaning given to that term in **clause 2.8.1(a)**;

Negotiation Period has the meaning given to that term in **clause 2.7.1(b)**;

Network means the rail transport infrastructure (as defined in the TIA) the use of which is taken, pursuant to section 250(1)(b) of the QCA Act, to be a service declared under Part 5, Division 2 of the QCA Act (but excluding any rail

Rail Infrastructure Operations means:

- (a) the construction of any rail transport infrastructure (as defined in the TIA) to improve, upgrade, expand, extend, replace or vary the whole or any part of the Network;
- (b) any management, maintenance or operational activities relating to the Network, including the improvement, maintenance, repair, modification, installation, removal, renewal or decommissioning of the whole or any part of the Network; and
- (c) any inspections or investigations of the Network;

Railway Manager means an Accredited rail infrastructure manager (as defined in the RNSL);

Rail Safety Regulator means the National Rail Safety Regulator or the Acting National Rail Safety Regulator appointed under Part 2 Division 2 of the RNSL;

Reasonable Demand means the aggregate of current contracted demand for Access, likely future demand (within a reasonable timeframe) for Access and any reasonable spare Capacity in the Network as determined by Queensland Rail, acting reasonably;

Recipient means, in respect of Queensland Rail and an Access Seeker, either party to the extent that it receives information which is provided by or on behalf of the other party during the negotiation of Access (including, as applicable, in an Access Application or by the provision of information prior to an Access Application being made);

Recovery Charge means a standalone component of the Reference Tariff that is payable specifically for the purpose of reducing the amount of the Loss Capitalisation Account.

Reference Tariff means an Access Charge, calculated in accordance with **schedule D**, applicable for a specified Reference Train Service;

Reference Train Service means a notional Train Service described in **clause 2.1 of schedule D** in respect of a Reference Tariff and conforming to certain criteria, including carrying a specified commodity type, operating between specified geographical areas and conforming to specified technical characteristics, operational characteristics and contract terms and conditions;

Regional Network means any of the following:

- (a) the Mt Isa Line System;
- (b) the North Coast Line System;
- (c) the West Moreton System; or
- (d) the Metropolitan System;

Regional Network Planning Group means a separate group in relation to each Regional Network established to assist Queensland Rail to develop each

Revenue Adjustment Amount, for a Year, has the meaning given in clause 8.4(a)(i)(F) of schedule D;

Review Event means:

- (a) a material change in circumstances, other than a change to a Network Capacity Constraint, that Queensland Rail can reasonably demonstrate may give rise to a need to vary the relevant Reference Tariff; and
- (b) in respect of which Queensland Rail has given written notice to the QCA of Queensland Rail's intention to propose a variation to that Reference Tariff under **clause 5 of schedule D**;
- (c) an Access Seeker or an Access Holder has presented to Queensland Rail a proposal which would require a variation to the Reference Tariff (including, if applicable, a variation to the Reference Train Service or new reference train service) to accommodate productivity or efficiency improvements to their Above Rail Services (or Queensland Rail devises a proposal in relation to improving the efficiency or productivity of its Below Rail Services);
- (d) Queensland Rail has foregone more than 2.5 per cent of contracted annual revenue from an origin due to a Force Majeure Event which resulted in a part of the Network being damaged or destroyed and Queensland Rail has repaired that part of the Network to the extent that the contracted Train Services that were utilising that part of the Network before the Force Majeure Event are able to operate according to the terms of their Access Agreements;

Rolling Stock means rolling stock (as defined under the RNSL) that operates on or uses Track;

Rolling Stock Operator means a rolling stock operator (as defined under the RNSL) who operates or will operate Rolling Stock on the Network;

RSNL means the *Rail Safety National Law (Queensland)* as defined in the *Rail Safety National Law (Queensland) Act 2017 (Qld)*;

rtp means, for a Train Service, the amount calculated as follows:

$$\text{rtp} = \max[(A/B), (B/A)]$$

where:

- A** is the maximum number of Train Services, the description of which accords with the Reference Train Service, at full utilisation; and
- B** is the maximum number of the proposed Train Services at full utilisation,

with those maximums being determined using a readily available simulation package, provided that if:

- (a) the maximum number of proposed Train Services at full utilisation exceeds the maximum number of Train Services, the description of which accords with the Reference Train Service, at full utilisation; and
- (b) the scheduled section running times of the proposed Train Service are the same as the nominated section running times for the Reference Train Service,

then rtp is deemed to be one;

Safety Management System means Queensland Rail's safety management system (as required under the RNSL);

Safety Standards has the meaning given to that term in the Operating Requirements Manual;

Safeworking Procedures has the meaning given to that term in the Operating Requirements Manual;

Special Event means:

- (c) New Year's Eve;
- (d) Brisbane Exhibition;
- (e) Riverfire;
- (f) Australia Day;
- (g) Anzac Day (includes School Commemoration Service);
- (h) Toowoomba Carnival of Flowers;
- (i) Major sporting events; and
- (j) other events notified to Queensland Rail from time to time by the Chief Executive of the Department of Transport and Main Roads, and for which Queensland Rail is required to provide passenger services in addition to the then scheduled passenger timetable.

Stand Alone provision of Access means the provision of Access as if the relevant Train Service(s) was (were) the only Train Service(s) provided with Access by Queensland Rail;

Standard Access Agreement means a pro forma Access Agreement set out in **schedule H**;

Standard and Poor's means Standard and Poor's Financial Services LLC and its Related Parties;

Take or Pay Charge means a charge or other amount payable by an Access Holder to Queensland Rail under an Access Agreement in relation to the Access Holder not fully using its Access Rights for a specified period (and for a Train Service, the description of which accords with the Reference Train Service, is calculated as set out in **clause 4 of schedule D**);

Tariff Train Services means a coal carrying Train Service for which there is a Reference Tariff;

Term means the period beginning on the Approval Date and ending on the Terminating Date;

Terminating Date means the earlier of:

- (a) 30 June 2025;
- (b) in respect of any part of the service to which this Undertaking relates, the date on which that part of the service ceases to be a declared service for the purposes of Part 5 of the QCA Act; and
- (c) the date on which this Undertaking is withdrawn in accordance with the QCA Act;

TIA means the *Transport Infrastructure Act 1994* (Qld);

Timetabled Service means a Train Service, the Train Service Entitlement in respect of which is defined in terms of a specified Train Path at a particular time on a particular day and/or week;

Through-Running Train means a Train that operates both on the Network (in accordance with a Train Service Entitlement) and Private Infrastructure over its journey from a specified origin to a specified destination;

Total Actual Tonnage, for a Year, has the meaning given in clause 8.4(a)(i)(A) of schedule D;

Total Actual Revenue, for a Year, has the meaning given in clause 8.4(a)(i)(C) of schedule D;

Total QRCA, for a Year, has the meaning given in clause 8.4(a)(i)(D) of schedule D;

Track means that part of the Network comprising the rail, ballast, sleepers and associated fittings;

Train means any self-propelled configuration of Rolling Stock operating as a unit on Track;

Train Configuration means the description of the combination of Rolling Stock comprising a Train including the identification number, gross mass and tare mass of individual items of Rolling Stock and the order in which those Rolling Stock items are placed in the Train;

Train Movement means the operation of a Train on the Network by a Network Participant;

Train Path means the use of a specified portion of the Network, which may include multiple sections in sequential order, at a specified time;

Train Service means a Train operating on the Network from a specified origin to a specified destination;

Train Service Entitlement means an Access Holder's entitlement under an Access Agreement to operate, in accordance with that Access Agreement, a specified number and type of Train Services over the Network within a specified time period and in accordance with specified scheduling constraints

Schedule D – Reference Tariffs

1 Background and Term

1.1 Background

- (a) As coal carrying Train Services transporting coal to the Fisherman Islands coal loader at the Port of Brisbane need to travel over the Metropolitan System, the Reference Tariff has been structured so that it has specific Reference Tariff inputs relating to the Metropolitan System (that is, **AT_{1(M)}** and **AT_{2(M)}**).
- (b) The Reference Tariff inputs have been separately identified for the Metropolitan System because some Train Services to which the Reference Tariff applies only use the Metropolitan System.

1.2 Term

The Reference Tariff calculated in accordance with this **schedule D** is effective during the Term.

2 Reference Train Service

2.1 Description of Reference Train Service

The description of the Reference Train Service for the Reference Tariff set out in this **schedule D** is as follows:

- (a) **(Commodity)** The Reference Train Service carries only bulk coal.²⁰
- (b) **(Geographic scope)** The Reference Train Service operates:
 - (i) either solely on the Metropolitan System or on both the West Moreton System and the Metropolitan System; and
 - (ii) to and from a specified Nominated Loading Facility and a specified Nominated Unloading Facility.²¹
- (c) **(Characteristics)** Each Reference Train Service:
 - (i) has a maximum relative train length, including the locomotives, of 675 metres;²²
 - (ii) has two locomotives and 41 wagons;

²⁰ In defining bulk coal, no differentiation is to be made between coal qualities or types, or between the end use markets of the coal.

²¹ Diagrams showing the location of the Nominated Loading Facilities and the Nominated Unloading Facilities will be provided by Queensland Rail to Access Seekers on request.

²² This Train length comprises the following: static train length (which is the straight addition of individual rolling stock 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).

- (iii) has a maximum axle load of 15.75 tonne with loading in excess of this maximum axle load dealt with in accordance with the relevant load variation table;²³
 - (iv) utilises only diesel traction;
 - (v) complies with the maximum speeds permitted on the Nominated Infrastructure as specified by Queensland Rail;
 - (vi) complies with the Interface Standards applicable to the Nominated Infrastructure;
 - (vii) is otherwise compatible with the Nominated Infrastructure and requires no additional expenditure by Queensland Rail to implement varied Below Rail controls identified in the IRMP;
 - (viii) operates in accordance with nominated sectional running times specified by Queensland Rail for that Reference Train Service;
 - (ix) has a Loading Time that does not exceed the relevant time specified in **clause 2.2(a)** provided that the Nominated Loading Facility is available for use by the Reference Train Service when that Reference Train Service arrives at the Nominated Loading Facility;
 - (x) has an Unloading Time that does not exceed the relevant time specified in **clause 2.2(b)** provided that the Nominated Unloading Facility is available for use by the Reference Train Service when that Reference Train Service arrives at the Nominated Unloading Facility;
 - (xi) operates with an empty Train on the return journey from the relevant Nominated Unloading Facility to the relevant Nominated Loading Facility;
 - (xii) has the ability to operate on the configuration of the Nominated Infrastructure existing at the Approval Date without limiting the ability of existing Train Services to operate in accordance with their Train Service Entitlements and does not require an Extension;
 - (xiii) utilises bottom dump wagons with the “KWIK DROP” door operating mechanism suitable for use on the West Moreton System or Metropolitan System; and
 - (xiv) utilises measures to minimise coal spillage and/or leakage en route that are reasonable, having regard to the practices existing at the Approval Date.
- (d) **(Dangerous Goods)** The Reference Train Service does not carry any Dangerous Goods.

²³ As published by Queensland Rail in relation to the Reference Train Service or a Train Service of the same type as the Reference Train Service that identifies allowable overloads for wagons and bogies and specifies relevant Operational Constraints and additional charges, where applicable, for such overloads.

- (e) **(Below Rail Services)** The Reference Train Service:
- (i) only requires services from Queensland Rail that are Below Rail Services; and
 - (ii) assumes Below Rail Services comprised in Access are provided in accordance with this Undertaking.
- (f) **(Conditions of Access)** The Reference Train Service will operate in accordance with the terms and conditions of the Standard Access Agreement.
- (g) **(Train Service Entitlement)** The Train Service Entitlement for the Reference Train Service will be:
- (i) based on its Trains being available for operation 24 hours per day and 365 days per year; and
 - (ii) specified in terms of Timetabled Service and will comply with the applicable corridor scheduling procedures.

2.2 Loading and unloading facilities

- (a) The Nominated Loading Facilities (together with loading times) are the loading facilities for coal at the following locations:

Nominated Loading Facility locations	Loading Time (hours)
Jondaryan (New Acland)	2
Macalister (Wilkie Creek)	2.5
Columboola (Cameby Downs)	1.7

- (b) The Nominated Unloading Facilities (together with unloading times) are the unloading facilities for coal at the following locations:

Nominated Unloading Facility locations	Unloading Time (hours)
Fisherman Islands coal loader	1.9

3 Reference Tariff

3.1 Calculation of the Reference Tariff

- (a) The Reference Tariff for a Reference Train Service is calculated as follows:

$$\left(AT_{1(W)} \times \frac{gtk_{(W)}}{1000} \right) + \left(AT_{2(W)} \times rtp_{(W)} \right) + \left(AT_{1(M)} \times \frac{gtk_{(M)}}{1000} \right) + \left(AT_{2(M)} \times rtp_{(M)} \right) + (QCA Levy \times nt) + AC + TP$$

where:

- AT_{1(M)}** and **AT_{1(W)}** are the variable parts of the Reference Tariff specified as AT_{1(M)} and AT_{1(W)} in **clause 3.1(e)** (as varied, amended or replaced from time to time in accordance with this Undertaking or the QCA Act);
- AT_{2(M)}** and **AT_{2(W)}** are the fixed parts of the Reference Tariff specified as AT_{2(M)} and AT_{2(W)} in **clause 3.1(e)** (as varied, amended or replaced from time to time in accordance with this Undertaking or the QCA Act);
- gtk_(W)** is the gtk for the relevant Train Service relating to the West Moreton System;
- gtk_(M)** is the gtk for the relevant Train Service relating to the Metropolitan System;
- rtp_(W)** is the rtp for the relevant Train Service relating to the West Moreton System – which will be zero if the Train Service does not use the West Moreton System;
- rtp_(M)** is the rtp for the relevant Train Service relating to the Metropolitan System;
- AC** is any applicable Adjustment Charge (from time to time).
- TP** is any applicable Take or Pay Charge (from time to time).

- (b) For the purposes of the calculation under **clause 3.1(a)**, the amounts of AT_{1(M)}, AT_{1(W)}, AT_{2(M)}, AT_{2(W)}, the QCA Levy, any Adjustment Charge and any Take or Pay Charge are GST exclusive. An Access Charge calculated based on the Reference Tariff will have an amount for GST added to it.
- (c) For the purposes of this **schedule D**, 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.
- (d) For the purposes of **clause 3.1(a)**, gtk will be assessed for the relevant Train Service over the billing period for the Access Charge which is based on the Reference Tariff being calculated.
- (e) Subject to **clauses 3.2** and **5**, the amounts of the Reference Tariff inputs are as follows:

Reference Tariff Input	\$	
		A Train Service operating between Jondaryan, Macalister or Columboola and Fisherman Islands ²⁴
		1 July 2020
AT _{1(M)}		[TBA]9.07
AT _{2(M)}		[TBA]1,250.54
AT _{1(W)}		[TBA]14.20
AT _{2(W)}		[TBA]3,676.06
QCA Levy		[TBA]

*Note: For comparison purposes, the Reference Tariff converted to a \$/1,000gtk basis equates to \$[TBA] / 1,000gtk as at 2020/21 based on a 2.1Mt contracted annual tonnage forecast. However, for Queensland Rail to generate expected revenue for 2020/21 based on that contracted annual tonnage forecast to recover the Approved Ceiling Revenue Limit a ceiling tariff equating to \$47.10 / 1,000gtk would be needed. A \$/1,000gtk amount in this note **does not** have effect as a Reference Tariff under this Undertaking and is provide for information purposes only.*

- (f) The amounts of the Reference Tariff inputs set out in **clause 3.1(e)** are calculated based on, amongst other things, the following Network capacity constraints (each a **Network Capacity Constraint**):
- (i)
 - (ii) 97 available round trip paths for contracting by coal carrying Trains per week on the West Moreton System; and
 - (iii) a total capacity of 113 round trip Train Paths per week on the West Moreton System.

For the avoidance of doubt, any amendment to the amounts of the Reference Tariff inputs arising from an amendment to the Network Capacity Constraints must occur via a draft amending access undertaking pursuant to the QCA Act.

3.2 Escalation of Reference Tariff inputs

- (a) Each Reference Tariff input specified in **clause 3.1(e)**, except the QCA Levy, will automatically escalate annually on each Escalation Date

²⁴ These figures are based on 9.1 million net tonnes of coal transport on the West Moreton System per annum.

commencing on the First Escalation Date in accordance with the following formula:

$$AT_n = AT_{n-1} \times \left(\frac{CPI_n}{CPI_{n-1}} \right)$$

where:

- AT_n** means the value of the relevant Reference Tariff input to apply after escalation;
 - AT_{n-1}** means the escalated value of the relevant Reference Tariff input immediately prior to the relevant Escalation Date or, for the First Escalation Date, means the relevant Reference Tariff input referred to in **clause 3.1(e)**;
 - CPI_n** means the CPI for the Quarter which commenced six months prior to the Escalation Date for which the variable AT_n is being determined; and
 - CPI_{n-1}** means the CPI for the Quarter which commenced 18 months prior to the Escalation Date for which the variable AT_n is being determined.
- (b) Queensland Rail will publish the escalated Reference Tariff inputs on its website within five Business Days after each Escalation Date commencing with the First Escalation Date.
 - (c) Where an error has been made in the calculation of the escalated Reference Tariff inputs, Queensland Rail will correct the error so that the relevant Reference Tariff inputs are escalated in accordance with **clause 3.2(a)**.
 - (d) For clarity, if:
 - (i) the basis of assessment of the CPI is altered in a material way; or
 - (ii) the CPI ceases (or is likely to cease) to be:
 - (A) published; or
 - (B) published at sufficiently regular intervals for the purpose of the calculation in **clause 3.2(a)**,

Queensland Rail may submit a draft amending access undertaking to the QCA in relation to the amendment or replacement of the CPI.

4 Take or pay

- (a) The charges or other amounts Queensland Rail is entitled to receive from Access Holders under Access Agreements in relation to Access Holders not fully utilising their Access Rights for a specified period for Train Services, the description of which accords with the Reference Train Service, are Take or Pay Charges in accordance with this **clause 4**.

- (b) Subject to **clause 4(c)**, Take or Pay Charges will be determined for:
- (i) each Year during which the relevant Train Services are entitled to operate; or
 - (ii) the relevant part of a Year, if the relevant Train Services were only entitled to operate for part of the first or last Year during the term of the relevant Access Agreement because that entitlement commenced on a date other than 1 July or expired or terminated on a date other than 30 June,

(Take or Pay Period) and invoiced for each Take or Pay Period after the end of that Take or Pay Period.

- (c) Take or Pay Charges will only be determined and charged where the revenue (including Take or Pay Charges invoiced as an Interim Take or Pay Notice under an Access Agreement and relinquishment fees) that Queensland Rail earns in relation to all Train Services, the description of which accords with the Reference Train Service, in a Year is less than the Approved Ceiling Revenue Limit for that Year.
- (d) The amount of the Take or Pay Charges for a Take or Pay Period will be the amount which is 100% of the amount calculated for that Take or Pay Period as follows:

$$\left(\left(AT_{1(W)} \times \frac{gtk_{(W)}}{1000} \right) + AT_{2(W)} + \left(AT_{1(M)} \times \frac{gtk_{(M)}}{1000} \right) + AT_{2(M)} \right) * NTNO$$

where:

- (i) **AT_{1(M)}**, **AT_{1(W)}**, **AT_{2(M)}** and **AT_{2(W)}** are the Reference Tariff inputs applicable on the last day of that Take or Pay Period;
- (ii) **gtk_(W)** is the average gtk for the relevant Train Services calculated using a nominal payload as determined by Queensland Rail (acting reasonably) relating to the West Moreton System;
- (iii) **gtk_(M)** is the average gtk for the relevant Train Services calculated using a nominal payload as determined by Queensland Rail (acting reasonably) relating to the Metropolitan System; and
- (iv) **NTNO** means the number of relevant individual Train Services that were entitled to be operated for the Take or Pay Period in accordance with the relevant Train Service Entitlement and did not operate (excluding Train Services that did not operate due to Queensland Rail Cause),

provided always that the amount of Take or Pay Charges for a Take or Pay Period:

- (v) will not be less than zero;
- (vi) will not be such as to result in the revenue (including those amounts referred to in **clause 4(c)**) that Queensland Rail earns in

relation to Train Services, the description of which accords with the Reference Train Service, in a Year being more than the Approved Ceiling Revenue Limit;

- (vii) where those charges would, but for **clause 4(d)(vi)**, result in the revenue that Queensland Rail earns in relation to Train Services, the description of which accords with the Reference Train Service, in a Year being more than the Approved Ceiling Revenue Limit, then that amount of excess revenue will be distributed equitably across the relevant Train Services including, if applicable, adjusting the amounts to be invoiced to take into account Take or Pay Charges which have already been paid pursuant to an Interim Take or Pay Notice or refunding amounts already paid pursuant to an Interim Take or Pay Notice; and

provided further that no amount of Take or Pay Charges which have already been paid pursuant to an Interim Take or Pay Notice is re-invoiced.

- (e) When invoicing Take or Pay Charges, Queensland Rail will also include information on how the Take or Pay Charge was determined and evidence of compliance with **clause 4(c)** and the provisos to **clause 4(d)**.
- (f) The Approved Ceiling Revenue Limit for Train Services, the description of which accords with the Reference Train Service, are shown below in 2020-21 dollars

Year	Approved Ceiling Revenue Limit for Train Services, the description of which accords with the Reference Train Service
2020-21	\$60,191,036(TBA)

- (g) The Approved Ceiling Revenue Limit in **clause 4(f)** will automatically escalate annually on each Escalation Date commencing on the First Escalation Date in accordance with the formula in **clause 3.3(a)** and Queensland Rail will publish the escalated Approved Ceiling Revenue Limit along with the information published pursuant to **clause 3.3(b)**.
- (h) For the avoidance of doubt, all revenue earned from Access Charges paid by an Access Holder for Train Services who would have paid the Reference Tariff but for the operation of **clause 3.3(b)(i)** of the Undertaking will be included in determining whether the Approved Ceiling Revenue Limit is reached (except for that portion of the Access Charges paid which exceeds the Reference Tariff that would otherwise have been payable due to the operation of **clause 3.3(b)(i)** (if applicable)).

5 Variation of Reference Tariffs

5.1 Obligation to submit a variation

- (a) Queensland Rail:
 - (i) except in relation to a change to a Network Capacity Constraint, may submit a variation of a Reference Tariff to the QCA, if Queensland Rail considers that the variation will promote efficient investment in the coal transport supply chain in the West Moreton System or Metropolitan System; or
 - (ii) will submit a variation of a Reference Tariff to the QCA, subject to **clause 5.1(c)** within three months after:
 - (A) Queensland Rail becomes aware that an Endorsed Variation Event, or a Review Event, has occurred;
 - (B) the Approval Date, if an Endorsed Variation Event occurs on or before that Approval Date; or
 - (C) a written notice being given to Queensland Rail by the QCA in accordance with **clause 5.1(b)**.
- (b) The QCA may give Queensland Rail a written notice requiring it to submit a variation of a Reference Tariff if it has failed to submit a variation of a Reference Tariff under **clause 5.1(a)(ii)(A)** or **5.1(a)(ii)(B)** in respect of an Endorsed Variation Event.
- (c) The QCA may grant Queensland Rail an extension of the time for submitting, or resubmitting, a variation of the Reference Tariff if:
 - (i) Queensland Rail requests an extension of time; and
 - (ii) the extension of time is reasonable or necessary.
- (d) If the QCA grants Queensland Rail an extension of time under this **clause 5.1(c)**, Queensland Rail must submit or resubmit the variation of a Reference Tariff within the time specified by the QCA.

5.2 Development of Reference Tariff variation by the QCA

The QCA may develop a variation of a Reference Tariff that is consistent with the requirements under this **clause 5** for such a variation:

- (a) if Queensland Rail does not comply with a written notice given by the QCA under **clause 5.1(b)** or **5.4(c)(ii)** for it to submit, or resubmit, a variation of a Reference Tariff; or
- (b) if the QCA refuses to approve a variation of a Reference Tariff resubmitted by Queensland Rail in accordance with a notice given by the QCA under **clause 5.4(c)(ii)**.

5.3 Requirements for Reference Tariff variation

- (a) A variation of a Reference Tariff submitted by Queensland Rail in accordance with **clause 5.1(a)** must:

- (i) nominate the Reference Tariff to be varied;
 - (ii) include details of the methodology, data and assumptions used to vary the Reference Tariff;
 - (iii) if the variation is submitted under **clause 5.1(a)(i)**, include information on:
 - (A) the matters set out in **clause 3.2 of Part 3** of this Undertaking; and
 - (B) why Queensland Rail considers that the variation of the Reference Tariff will promote efficient investment in the coal transport supply chain in the West Moreton System or Metropolitan System; and
 - (iv) if the variation is submitted under **clause 5.1(a)(ii)(A)** or **5.1(a)(ii)(B)**, include evidence that the Endorsed Variation Event or Review Event has occurred.
- (b) If the QCA considers it appropriate, the QCA may publish details of Queensland Rail's proposed variation of a Reference Tariff and invite and consider comments from stakeholders regarding that proposed variation (provided that Queensland Rail must be given a reasonable period in which to respond to the QCA in respect of any such comments).

5.4 Decision to approve or refuse to approve variation

- (a) The QCA may approve a variation of a Reference Tariff submitted by Queensland Rail in accordance with **clause 5.1(a)** if the QCA is satisfied:
 - (i) for a variation submitted under **clause 5.1(a)(i)**, that the variation is consistent with the Undertaking and is appropriate after having regard to the QCA Act, including those factors listed in section 138(2) of the QCA Act;
 - (ii) for a variation submitted in respect of an Endorsed Variation Event or Review Event (**Event**), that:
 - (A) the Event has occurred; and
 - (B) the variation has been calculated as if all other Reference Tariffs were also being recalculated due to the occurrence that caused the Event; and
 - (C) the variation reflects the cost impact on Queensland Rail resulting from the relevant Event (including the impact on incremental maintenance, and incremental capital, costs) including, if applicable, the contracted coal-carrying Train Services on the West Moreton System and the Metropolitan System being greater than the forecasts of coal carrying Train Services used to develop Reference Tariffs for the West Moreton System and the Metropolitan System; and

- (iii) for a variation submitted in respect of a Review Event, in addition to **clause 5.4(a)(ii)**, that:
 - (A) the variation is appropriate after having regard to the QCA Act, including those factors listed in section 138(2) of the QCA Act; and
 - (B) for a Review Event of the type outlined in paragraph **(c)** of the definition of that term that the variation includes provision for Queensland Rail to recover no more than 50 per cent of the Access Charges which would have been payable to Queensland Rail but for the relevant Force Majeure Event.
- (b) If the QCA approves a variation to a Reference Tariff:
 - (i) it will give Queensland Rail a notice in writing stating the reasons for its decision;
 - (ii) the variation will apply:
 - (A) from the first day of the month immediately following the date of the occurrence of the Endorsed Variation Event or Review Event (as applicable); or
 - (B) where the date of the occurrence of the Endorsed Variation Event or Review Event is the first day of a month, from that date; and
 - (iii) Queensland Rail must:
 - (A) publish details of the variation on its website; and
 - (B) advise Access Holders and Access Seekers, in relation to the relevant Reference Train Service, of the variation.
- (c) If the QCA refuses to approve a variation to a Reference Tariff, it will give Queensland Rail a written notice:
 - (i) stating the reasons for its refusal and the way it considers that the variation should be amended; and
 - (ii) if that variation was required to be submitted by Queensland Rail in relation to an Endorsed Variation Event, requiring Queensland Rail to:
 - (A) vary the Reference Tariff in the way the QCA considers it appropriate; and
 - (B) resubmit the variation to the QCA,

within 20 Business Days after Queensland Rail receives the notice issued to Queensland Rail under this **clause 5.4(c)**.
- (d) Queensland Rail will comply with a notice given under **clause 5.4(c)(ii)**.

- (e) The QCA may approve a variation to a Reference Tariff that was:
 - (i) resubmitted under **clause 5.4(c)(ii)**; or
 - (ii) developed by the QCA under **clause 5.2**,
 if the QCA is satisfied that the variation of the Reference Tariff:
 - (iii) is consistent with the matters specified under **clause 5.4(a)** (provided that for the purposes of so applying **clause 5.4(a)** the relevant variation will be treated as though it was submitted by Queensland Rail under the relevant provision in **clause 5.1(a)**); and
 - (iv) if **clause 5.4(e)(i)** applies, is consistent with the relevant notice given by the QCA under **clause 5.4(c)**.
- (f) If the QCA refuses to approve a variation to a Reference Tariff that was resubmitted under **clause 5.4(c)(ii)**, the QCA will give Queensland Rail a notice in writing stating the reasons for its refusal.
- (g) References in this clause to variation of a Reference Tariff include a reference to a variation to the Approved Ceiling Revenue Limit related to the variation of the Reference Tariff.

6 Adjustment Charges

6.1 Recovery or reimbursement of Adjustment Charges

- (a) If:
 - (i) this Undertaking specifies that a Reference Tariff is applicable or effective from a date prior to the QCA's approval of that Reference Tariff;²⁵ or
 - (ii) the QCA approves a variation of a Reference Tariff and that variation applies from or takes effect on a date prior to the QCA's approval of the variation,

Queensland Rail is entitled to recover from or will reimburse to, as applicable, each relevant Access Holder, or to adjust the amount payable by each relevant Access Holder by, the amount (**Adjustment Charge Amount**) which is the sum of:

- (iii) the aggregate of the differences, applicable to that Access Holder for each 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 date on which the variation of the Reference Tariff was approved by the QCA, as applicable, between:

²⁵ The Reference Tariff set out in this schedule, as at the Approval Date, only commences on the Approval Date – see **clause 1** of this schedule.

- (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 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(b)** 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 so as to recover or reimburse, as applicable, the Adjustment Charge Amount (subject to the provisions of this Undertaking).
- (b) 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 in accordance with **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 Queensland Rail (acting reasonably); and
 - (iv) for the period commencing on the date when the Access Charges paid or payable by the relevant Access Holder 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.

6.2 Obligation to submit Adjustment Charges

Queensland Rail:

- (a) may, if it submits a variation of a Reference Tariff 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
- (b) must, if:
 - (i) the QCA approves a variation of a Reference Tariff and that variation applies or takes effect on a date prior to the date on which the QCA approves the variation; or
 - (ii) this Undertaking specifies that a Reference Tariff is applicable or effective from a date prior to the QCA's approval of that Reference Tariff,

submit proposed Adjustment Charges to the QCA.

6.3 Requirements for Adjustment Charge submission

- (a) Where Queensland Rail submits proposed Adjustment Charges to the QCA in accordance with **clause 6.2**, Queensland Rail's submission must, without limitation:
 - (i) identify, subject to **clause 6.3(b)**, the Access Holders to which the proposed Adjustment Charges will apply;
 - (ii) set out the proposed Adjustment Charges for each Access Holder including details of how those proposed Adjustment Charges were calculated; and
 - (iii) indicate the billing period(s) in respect of which the proposed Adjustment Charges are to be applied.
- (b) For the purposes of **clause 6.3(a)(i)**:
 - (i) an Adjustment Charge may only apply to an Access Holder (**New Access Holder**) that did not run the Train Services to which that Adjustment Charge relates (**Past Train Services**) if:
 - (A) 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;
 - (B) the New Access Holder has a rail haulage agreement with the Customer referred to in **clause 6.3(b)(i)(A)** (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

- (C) the New Access Holder has been granted Access Rights with the same origin and destination as the Past Train Services; and
- (ii) 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) If the QCA considers it appropriate, the QCA may publish details of Queensland Rail's submission of proposed Adjustment Charges and invite and consider comments from stakeholders regarding the proposed Adjustment Charges (provided that, to the extent that stakeholders provide comments, Queensland Rail must be given a reasonable period in which to provide a response to those comments to the QCA).

6.4 Decision to approve or refuse to approve variation

- (a) Where Queensland Rail submits proposed Adjustment Charges to the QCA in accordance with **clause 6.2**, the QCA must approve:
 - (i) the Access Holders to which the Adjustment Charges will apply;
 - (ii) the Adjustment Charges that are to apply to each Access Holder;
 - (iii) the billing period(s) in respect of which the Adjustment Charges will be applied; and
 - (iv) if applicable, the interest rate selected by Queensland Rail under **clause 6.1(b)(iii)(B)** applies, if the QCA is satisfied that Queensland Rail has acted reasonably in selecting that rate.
- (b) If the QCA refuses to approve the proposed Adjustment Charges, the QCA must give Queensland Rail a notice in writing:
 - (i) stating the reasons for its refusal and the way in which the QCA considers the proposed Adjustment Charges should be amended so as to constitute (excluding any interest component) a reasonable recovery or reimbursement, as applicable to any under or over recovery of Access Charges by Queensland Rail that relate to each Access Holder; and
 - (ii) requiring Queensland Rail to vary the proposed Adjustment Charges in the way the QCA considers it appropriate and resubmit the amended proposal to the QCA within 20 Business Days after Queensland Rail receives the notice.

- (c) Queensland Rail must comply with a notice given under **clause 6.4(b)**.
- (d) 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 6.4(b)**.
- (e) Queensland Rail must comply with an approval of the QCA given in accordance with **clause 6.4(a)** or **(d)** including in applying the Adjustment Charge approved for each Access Holder to the calculation of Access Charges payable by that Access Holder.

6.5 Review of Access Charges to provide for Adjustment Charges

- (a) To the extent that Queensland Rail is lawfully able to do so, the calculation of Access Charges under an Access Agreement must be reviewed and varied to provide for the payment of Adjustment Charges approved by the QCA in accordance with **clause 6.4(a)** or **(d)** by the relevant Access Holder including that:
 - (b) 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:
 - (i) any variation of a Reference Tariff approved by the QCA to apply or take effect on a date prior to the date on which the QCA approves the variation; or
 - (ii) any Reference Tariff that the Undertaking states is applicable or effective from a date prior to the date on which that Reference Tariff was approved by the QCA; and
 - (c) an Adjustment Charge so determined by the QCA 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.

7 Transitional

For the purpose of any Access Agreement executed prior to the Approval Date, the calculation of rtp (as defined under **clause 7.1** of this Undertaking) is taken to be set out in this **schedule D**.

8 Loss Capitalisation Account

8.1 Background

- (a) The forecast of the annual aggregate contracted tonnage for Tariff Train Services is materially lower than is necessary to set a Reference Tariff that is affordable and also allows Queensland Rail to generate expected revenue for Access for Tariff Train Services that is at least enough to meet the efficient costs of providing that Access or to provide Queensland Rail with a return commensurate with the risks involved

- (b) The Reference Tariff has, at the Approval Date, therefore been set to make Access Charges affordable for Tariff Train Services and consequently does not allow Queensland Rail to generate expected revenue for Access for Tariff Train Services that is at least enough to meet the efficient costs of providing that Access or to provide Queensland Rail with a return commensurate with the risks involved.
- (c) It is possible that the contracted tonnages for Tariff Train Services may increase in the future depending on various factors outside the control of Queensland Rail.
- (d) To address the revenue shortfall that will result from the approved Reference Tariff, a mechanism has been developed to allow Queensland Rail to recover revenue shortfalls if and when coal tonnages for Tariff Train Services increase sufficiently in future years.
- (e) If it becomes clear that there is no genuine prospect of any revenue shortfall being recovered in the mid-term future, Queensland Rail may propose amendments to this Undertaking or to terms of a future undertaking that adopt a different regulatory approach to that set out in this **clause 8**.

8.2 Application of loss capitalisation

This **clause 8** applies from the Approval Date.

8.3 Establishing and maintaining the Loss Capitalisation Account

- (a) On the Approval Date, an account will be established by Queensland Rail named the "Loss Capitalisation Account" and the starting balance of the Loss Capitalisation Account is zero.
- (b) The Loss Capitalisation Account will be maintained in accordance with this **clause 8**.

8.4 Calculations at the end of a Year

- (a) As soon as reasonably practicable within six months after the end of each Year (**Past Year**) in the Term:
 - (i) Queensland Rail will calculate:
 - (A) the actual aggregate coal tonnage for Tariff Train Services for the Past Year (**Total Actual Tonnage**) including coal tonnages for Ad Hoc Train Services that are Tariff Train Services;
 - (B) an adjusted Approved Ceiling Revenue Limit for the Past Year by adjusting the calculation of the Approved Ceiling Revenue Limit so that the Modelled Maintenance Costs and the allowance for operational expenditure that were used in calculating the Approved Ceiling Revenue Limit (i.e. based on a forecast annual tonnage) are replaced with the Modelled Maintenance Costs, and an allowance for operational expenditure calculated at 9.25% of the Modelled

Maintenance Costs, that are consistent with the Total Actual Tonnage for the Past Year, but not making any other changes to the way in which the Approved Ceiling Revenue Limit was calculated (**Adjusted ACRL**);

(C) the aggregate Access Charges (for clarity, excluding any QCA Levy and Recovery Charge component and including any Take or Pay Charges) paid in respect of Tariff Train Services for the Past Year (**Total Actual Revenue**) including coal tonnages for Ad Hoc Train Services that are Tariff Train Services;

(D) the aggregate Take or Pay Charges in respect of Tariff Train Services for the Past Year that Queensland Rail was not entitled to because the Tariff Train Service did not operate due to Queensland Rail Cause (**Total QRCA**);

(E) the aggregate interest accruing on the balance in the Loss Capitalisation Account over the Past Year calculated in accordance **clause 8.6 (Accrued Interest)**;

(F) the under or over recovery of revenue calculated as the Adjusted ACRL less the sum of the Total Actual Revenue and the Total QRCA (**Revenue Adjustment Amount**); and

(G) the amount that is to be added to the Loss Capitalisation Account being the sum of the Revenue Adjustment Amount and the Accrued Interest (**Loss Capitalisation Account Adjustment**); and

(ii) Queensland Rail will submit to the QCA the calculations referred to under **clause 8.4(a)(i)** (including supporting information reasonably necessary for the QCA to verify those calculations).

8.5 Approval of Loss Capitalisation Account Adjustment

(a) After receiving a submission from Queensland Rail under **clause 8.4(a)(ii)**, the QCA will approve the Loss Capitalisation Account Adjustment for the relevant Year if the QCA is satisfied that it has been calculated in accordance with this **clause 8**.

(b) If the QCA:

(i) approves the Loss Capitalisation Account Adjustment, the QCA will give Queensland Rail a notice stating the decision; or

(ii) refuses to approve the Loss Capitalisation Account Adjustment, the QCA will give Queensland Rail a notice:

(A) stating the reasons for its refusal and the way in which it considers that the Loss Capitalisation Account Adjustment should be amended; and

(B) requiring Queensland Rail to amend the Loss Capitalisation Account Adjustment in that way and to resubmit the Loss

Capitalisation Account Adjustment to the QCA within thirty (30) days after Queensland Rail receives that notice (or a later date agreed with the QCA).

- (c) Queensland Rail must comply with a notice under **clause 8.5(b)(ii)**.
- (d) The QCA may approve a Loss Capitalisation Account Adjustment resubmitted by Queensland Rail, if it is satisfied that it has been amended in accordance with the notice given under **clause 8.5(b)(ii)** or otherwise only if the QCA considers it appropriate to do so having regard to all relevant matters.
- (e) On Queensland Rail being notified that the QCA has approved a Loss Capitalisation Account Adjustment, Queensland Rail will add that amount to the Loss Capitalisation Account.

8.6 Applying interest to Loss Capitalisation Account

- (a) The amount in the Loss Capitalisation Account will accrue interest which is accounted for in any Loss Capitalisation Account Adjustment approved by the QCA from time to time under **clause 8.5**.
- (b) The interest applying to the amount in the Loss Capitalisation Account must be calculated:
 - (i) 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; and
 - (ii) 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 Queensland Rail (acting reasonably).
- (c) For the avoidance of doubt, if the rate for the calculation of interest is determine under **clause 8.6(b)(ii)(B)**:
 - (i) the QCA in deciding whether to approve a Loss Capitalisation Account Adjustment may consider if Queensland Rail has acted reasonably in determining that rate; and
 - (ii) where the QCA considers that Queensland Rail has not acted reasonably in determining that rate, the QCA may determine the rate that is appropriate to apply for those interest calculations, using a rate which is an appropriate equivalent to the rate described in **clause 8.6(b)(ii)(A)**.

8.7 Modelled Maintenance Costs

- (a) The Approved Ceiling Revenue Limit was determined using various inputs including the Modelled Maintenance Costs based on a forecast annual coal tonnage of 2.1Mt per annum. Those Modelled Maintenance Costs were also used to calculate the operational expenditure allowance that was used in determining the Approved Ceiling Revenue Limit.
- (b) The Modelled Maintenance Costs for a different annual coal tonnage can be obtained from the approved model by inputting that different annual coal tonnage into that model.
- (c) For the avoidance of doubt:
 - (i) the approved model used to determine Modelled Maintenance Costs remains as it was at the Approval Date for the purpose of this Undertaking; and
 - (ii) the approved model produces Modelled Maintenance Costs in 2020/21 dollars.

8.8 Review of Reference Tariff and Loss Capitalisation Account regime

- (a) The Approved Ceiling Revenue Limited was based on a forecast annual coal tonnage of 2.1Mt per annum for calculating the relevant Modelled Maintenance Costs.
- (b) When the annual aggregate contracted coal tonnages for Tariff Train Services (excluding Ad Hoc Train Services and Additional Train Services as defined in the Standard Access Agreement) reaches a level that is at least 4.1Mt per annum, Queensland Rail must:
 - (i) undertake a review of the Reference Tariff and Loss Capitalisation Account mechanism:
 - (A) to identify whether the Reference Tariff can be increased or modified by applying a Recovery Charge or some other recovery mechanism (**Recovery Mechanism**) with the effect of:
 - (1) reducing future amounts that may be added to the Loss Capitalisation Account; and
 - (2) reducing the amount in the Loss Capitalisation Account; and
 - (B) where a Recovery Mechanism is to apply, to identify what amendments are required to this Undertaking to ensure the appropriate operation of, and the separate accounting for, a Recovery Mechanism so as to enable the recovery of the amount of the Loss Capitalisation Account including:

- (1) so revenue from Recovery Charges is not applied in a way that restricts the recovery of Take or Pay Charges under **clause 4**; and
 - (2) so revenue from Recovery Charges is payable regardless of whether contracted Train Services operate (unless they fail to operate due to Queensland Rail Cause); and
 - (ii) submit a draft amending access undertaking to the QCA setting out the outcomes of that review (including of any consultation with stakeholders) and Queensland Rail's proposed amendments.
- (c) For the purpose of this **clause 8.8**:
 - (i) a draft amending access undertaking submitted under **clause 8.8(b)(ii)** will be treated as if it were submitted in response to an initial amendment notice given by the QCA under the QCA Act; and
 - (ii) Queensland Rail and the QCA will act in accordance with the provisions of the QCA Act as though this were the case.
- ~~(a)~~(d) Where an amendment to the Reference Tariff or the application of a Recovery Charge are given effect through an amendments to this Undertaking in accordance with this **clause 8.8** and the QCA Act, the QCA may determine that either or both of those matters are to be applicable or effective from a date prior to the QCA's approval of the relevant amendments. If the QCA makes such a determination, **clause 6** and any other provisions of this Undertaking relating to Adjustment Charges will apply, as applicable, in relation to the amended Reference Tariff or Recovery Charge.