



Ms Catherine Barker  
Director – Business Performance  
Queensland Competition Authority  
Level 27, 145 Ann Street  
BRISBANE QLD 4000

## **Draft Amending Access Undertaking to extend the term of the 2010 Access Undertaking**

8 January 2016

Dear Catherine,

Aurizon Network is committed to working with its operating customers, the coal industry and the Queensland Competition Authority (QCA) to achieve the efficient operation of the Central Queensland Coal Region. To deliver on this commitment, certainty within the regulatory environment is critical to allow supply chain participants the ability to operate and invest in the region and promote sustainable growth. Having an approved Access Undertaking in place helps meet this commitment.

In consideration of the QCA's timetable for the assessment of the 2014 Draft Access Undertaking (2014DAU), Aurizon Network has previously extended and the QCA has approved, time based extensions to the 2010 Access Undertaking (2010AU).

Aurizon Network last extended the 2010AU in May 2015 based upon information within the QCA's Stakeholder Notice Number 8 that outlined that the Final Decision on the 2014DAU will be published on 30 October 2015. This resulted in the QCA approving an extension of the 2010AU, with an expiry date of 29 February 2016.

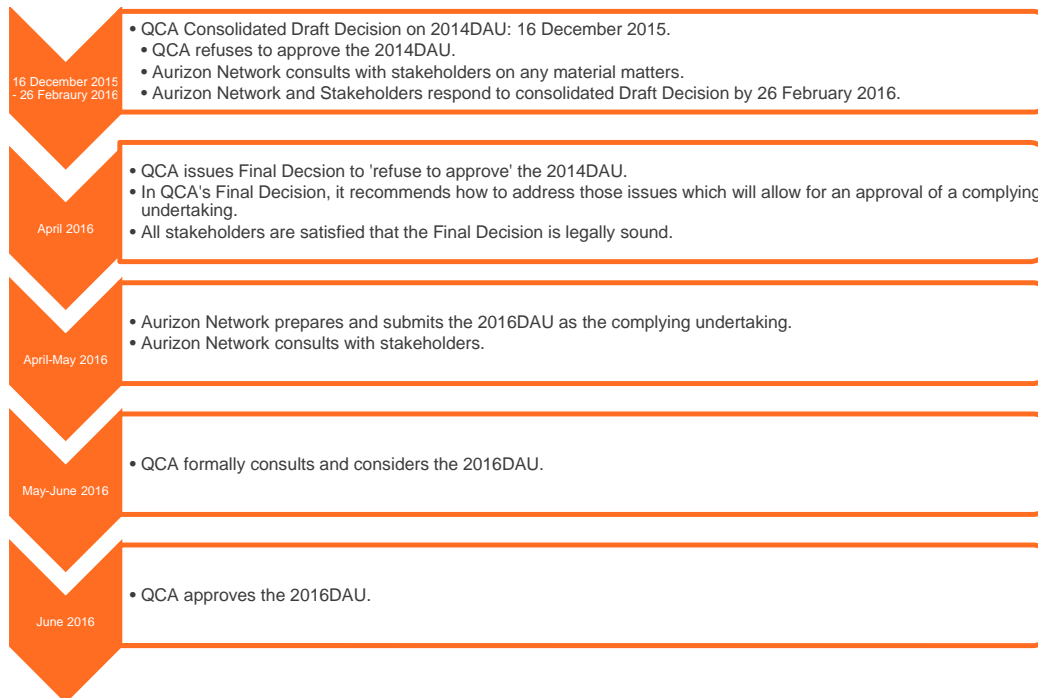
On the 1<sup>st</sup> of December, the QCA issued a further Stakeholder Notice with a revised 2014DAU approval timeline, outlining a 2014DAU final decision to be published in April 2016.

In light of this revised timetable, the current Terminating Date of the 2010AU (i.e. 29 February 2016), does not allow for Aurizon Network to have an approved Access Undertaking in place prior to the resolution of the 2014DAU.

Aurizon Network therefore submits for approval by the QCA, a Draft Amending Access Undertaking (DAAU), under section 142 of the Queensland Competition Authority Act 1997 (Qld), to extend the term of the 2010AU to 30 June 2016.

Aurizon Network acknowledges that the timing between the 2014DAU Final Decision and obtaining a complying undertaking by 30 June 2016 is compact, however Aurizon Network is dedicated to achieving this timeframe through engaging with both industry stakeholders and the QCA.

Aurizon Network has based the new terminating date, upon the following timing assumptions:



Aurizon Network re-confirms that any under or over recoveries of revenues for the financial years 2014 to 2016 should be reconciled as part of the approval of the 2014DAU. The QCA has proposed recovery mechanisms within its Consolidated Draft Decision, which Aurizon Network will respond to in its submission due 26 February 2016.

In response to stakeholder queries, if the above timeline is put at risk of not being achieved, Aurizon Network will lodge a further DAAU to extend the 2010AU past 30 June 2016. As part of that additional DAAU, Aurizon Network will be seeking to adjust the reference tariffs for Financial Year (FY) 2017, to reflect the appropriate Allowable Revenues and include those items it has deferred the recovery of on the premise that the 2014DAU was to be approved in FY2016. These items include approved endorsed variations (Connection costs) and approved review events (Flood). A further extension would also include proposals for finalising FY2016 reference tariffs.

Aurizon Network will consult with stakeholders prior to the submission of any further DAAU along with its response to the QCA's Consolidated Draft Decision.

Aurizon Network therefore requests that the QCA approves the attached DAAU that incorporates the following amendments:

- All references to the 'Terminating Date' changed to 30 June 2016;
- Transitional provisions (section 12.4) updated to reflect the updated Terminating Date.

Aurizon Network has attached clean and mark-up versions of the DAAU, which incorporate the amendments listed above. Aurizon Network confirms that no changes to the current transitional Reference Tariffs for FY2016 have been made.

Aurizon Network will continue to work with all stakeholders to progress the 2014DAU to a final decision.

Should you have any queries in relation to this DAAU, please do not hesitate to contact Jon Windle on (07) 3019 8460 or [jon.windle@aurizon.com.au](mailto:jon.windle@aurizon.com.au).

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Lana Stockman', written in a cursive style.

**Lana Stockman**  
**Vice President Regulation**