



Kestrel Coal Resources  
Level 22, 10 Eagle Street  
Brisbane QLD 4000  
GPO Box 628  
Brisbane QLD 4001  
Australia

Charles Millsteed  
Chief Executive Officer  
Queensland Competition Authority  
Level 27, 145 Ann Street  
Brisbane QLD 4000

23 April 2019

Dear Mr Millsteed

### **Confidential**

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

Kestrel Coal Pty Ltd (Kestrel Coal) is writing this letter in its own capacity and as agent for and on behalf of the participants in the Kestrel Joint Venture:

- Kestrel Coal Resources Pty Ltd; and
- Mitsui Kestrel Coal Investment Pty Ltd ACN 002 429 763.

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

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

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

Subject to those matters and the terms of the attached 'UT5 DAAU Implementation Deed' between Aurizon Network and the Company (including the condition that the QCA approves of the UT in the exact form (subject to immaterial changes) submitted by Aurizon Network to the QCA), Kestrel Coal and the JV Participants for whom it acts as agent support the QCA's approval of the draft amending access undertaking.

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

Please feel free to contact Peter Smith at [peter.smith@kestrelcoal.com.au](mailto:peter.smith@kestrelcoal.com.au) should you have any matters you would like to discuss.

Yours Sincerely,

Peter Smith  
Chief Executive Officer  
**Kestrel Coal Resources**

## **Attachment 1**

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

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