

QRN Reference: BD2010/19
Michael Carter
3235 3414
3235 3439
Michael.carter@qrnational.com.au

30 August 2011

Mr John Hall
Chief Executive Officer
Queensland Competition Authority
GPO Box 2257
Brisbane QLD 4001

Dear John,

Capricornia System Rules

Please find attached the draft system rules for the Capricornia coal system. These rules are provided to the QCA on a voluntary basis, but have been developed in accordance with the requirements of clause 7.1(b) of QR Network's Access Undertaking 2010.

In developing the draft system rules, QR Network has engaged with stakeholders (especially port owners and rail operators representing coal producers) to ensure that these rules operate in a fair, transparent and consistent manner. The general response from these discussions has been constructive and positive.

During the development of the Capricornia system rules it was necessary to define the interaction between the networks managed by QR Network and Queensland Rail to outline clearly the management of through-running traffic. We have included in the draft system rules processes for managing the planning, scheduling and control of this through-running traffic.

Consistent with the Goonyella System Rules, customers expressed a desire to gain an understanding of the impact of cross-system traffics on the operation of each coal system. To meet customer needs, we are in the process of developing these cross-system rules. QR Network intends to provide these amendments (to both the Goonyella and Capricornia



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system rules) to the QCA for consideration later in the year.

If you have any questions on this matter please feel free to contact me or Colin Keel on 3235 5889.

Sincerely,



Michael Carter
Chief Executive Officer
QR Network Pty Ltd

Encl.