

John Hall  
Chief Executive Officer  
Queensland Competition Authority  
Level 19, 12 Creek Street  
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**Brisbane QLD 4001**

Dear John

### **Access Charge for the Colton Train Service**

BHP Billiton Mitsubishi Alliance (**BMA**) and BHP Billiton Mitsui Coal (**BMC**) have concerns with QR National Network's (**QRNN's**) proposal to operate the Colton train service and establish a differentiated access charge for the train service.

#### ***Capricornia Capacity Analysis***

It is important to all existing Access Holders that the operation of the Colton train service will not have an adverse impact on the running of existing coal services contracted through Gladstone. QRNN and the Gladstone Coal Export Executive (GCEE) are currently reviewing the system capacity parameters of the Capricornia System. The Capricornia Capacity Review is only in its early stages and is not expected to be completed until first quarter of 2012.

We believe it is too early to identify whether an additional 0.5 Mtpa capacity can be allocated to the Colton Train Service without having an adverse capacity impact on the existing 81 Mtpa of contracted coal services through the Port of Gladstone and the proposed 27 Mtpa of coal services through Wiggins Island Coal Terminal. We recommend the Authority postpone any decision on the QRNN Colton submission until it has had the opportunity to review the outcome of the Capricornia Capacity Review.

#### ***Scheduling Precedence***

We are concerned QRNN's proposal for the Colton train service will result in the service operating outside Schedule G of the 2010 Access Undertaking and the standards set out in the draft Capricornia System Rules (currently being considered by the Authority). We believe the Authority's consideration of the Colton train service should be in accordance with the draft System Rules and that the train service must be treated equitably with other ad hoc train requests seeking to utilise coal services at the Port of Gladstone.

We look forward to the Authority's consideration of the issues raised above. If you have any queries or require more information, please feel free to contact Ms Tanya Boyle on mobile 0459 812257.

Yours sincerely



Nilson D'Avila  
Rail Ports and Infrastructure Department