

Changes to drafting of UT5

7A.5 Existing Capacity Deficit

(a) If the IE Initial Capacity Assessment reveals a Deliverable Network Capacity Shortfall in a relevant Coal System (**Existing Capacity Deficit**), Aurizon Network must:

(i) within twenty (20) Business Days after the Initial Capacity Assessment Report has been published by the QCA on its website, submit a preliminary report to the QCA (and publish such preliminary report in a prominent place on the Website) setting out:

(A) Aurizon Network's consultation plan (which, when followed, must satisfy the requirements of clause 7A.5(a)(ii)); and

~~(A)~~(B) Aurizon Network's preliminary views on:

- (1) the cause or causes of the Existing Capacity Deficit (including a response, in reasonable detail, to the cause or causes identified by the Independent Expert); and
- (2) solutions which could most effectively (including cost effectively) and efficiently address the Existing Capacity Deficit -(including a response, in reasonable detail, to the solutions identified by the Independent Expert); and
- (3) the indicative timeframe within which it considers each of the solutions could reasonably be implemented;

(ii) prior to publishing a detailed report under clause 7A.5(a)(iii), consult with End Users, Customers and Access Holders of the relevant Coal System and Train Operators, to identify and consider:

(A) whether changes can be made to:

- (1) the operation and maintenance practices for the Rail Infrastructure;
- (2) the operations of Rollingstock by Railway Operators;
- (3) the operation and maintenance practices in respect of load-out facilities,

including in relation to interfaces with all facilities forming part of the relevant Supply Chains (as set out in the assumptions affecting Deliverable Network Capacity and included in the Initial Capacity Assessment Report) in order to increase the Deliverable Network Capacity of the relevant Coal System, provided that such changes would be consistent with the System Operating Parameters included in the IE Initial Capacity Assessment (and would not require an Access Holder to revert to the requirements in an Access Agreement where that Access Agreement has not been modified to make it consistent with the new System Operating Parameters);

(B) whether an Access Holder wishes to voluntarily relinquish any of its Access Rights- if it is entitled to do so under, and in accordance with, a relinquishment provision in its Access Agreement (without being required to pay a Relinquishment Fee to Aurizon Network) with the Access Holder to specify the

maximum and minimum number of Access Rights that the Access Holder would be willing to relinquish; and

- (C) options for Expansions,
(collectively, the **Transitional Arrangements**),

which could effectively and efficiently address the Existing Capacity Deficit or whether affected Access Holders and Customers would prefer not to do anything to address the Existing Capacity Deficit; and

~~(ii)~~(iii) within three (3) Months after the Initial Capacity Assessment Report has been published by the QCA on its website, submit a detailed report to the QCA, the Chair of the Rail Industry Group and the Independent Expert showing the outcome of Aurizon Network's analysis and consultation on the Existing Capacity Deficit and the Transitional Arrangements which it considers would most effectively and efficiently address the Existing Capacity Deficit, including:

- (A) whether any Access Holder is willing to, within 30 days, voluntarily relinquish any of its Access Rights if it is entitled to do so under, and in accordance with, a relinquishment provision in its Access Agreement (without being required to pay a Relinquishment Fee that would otherwise be payable as a result of such relinquishment under its Access Agreement) and the extent to which any voluntary relinquishment will address (up to a maximum of) the Existing Capacity Deficit in that Coal System). If multiple Access Holders wish to relinquish Access Rights, then the voluntary relinquishment will be apportioned pro rata up to a maximum of the Existing Capacity Deficit in that Coal System;
- (B) whether changes could be made to:
- (1) the operation and maintenance practices for the Rail Infrastructure;
 - (2) the operations of Rollingstock by Railway Operators;
 - (3) the operation and maintenance practices in respect of load-out facilities,

including in relation to interfaces with all facilities forming part of the relevant Supply Chains (as set out in the assumptions affecting Deliverable Network Capacity and included in the Initial Capacity Assessment Report) that could increase the Deliverable Network Capacity of the relevant Coal System, provided that such changes would be consistent with the System Operating Parameters included in the IE Initial Capacity Assessment (and would not require an Access Holder to revert to the requirements in an Access Agreement where that Access Agreement has not been modified to make it consistent with the new System Operating Parameters), including:

- (4) the extent to which the proposed operational changes will address the Existing Capacity Deficit;
- (5) a reasonable estimate of the cost of such operational changes to Aurizon Network and/or Customers and Access Holders; and

~~(F)(6)~~ if relevant, evidence of Aurizon Network's consultation under clause 7A.5(a)(ii) that explains why such changes cannot address the Existing Capacity Deficit;

~~(D)(C)~~ if relevant, a shortlist of Expansions considered by Aurizon Network and through the consultation under clause 7A.5(a)(ii) (including reasonable estimates of costs to undertake each Expansion); and) that will address the Existing Capacity Deficit;

~~(E)(D)~~ subject to clause 7A.5(c), any proposed Expansion which Aurizon Network and the affected Access Holders or Access Seekers have agreed will address the Existing Capacity Deficit.; and

(E) where an Expansion has been proposed by Aurizon Network as a potential Transitional Arrangement, Aurizon Network may propose that a Concept Study be undertaken to assist the Independent Expert to make its recommendation to the QCA as to the most effective and efficient resolution to the Existing Capacity Deficit.

(collectively and individually, the AN Proposed Transitional Arrangements).

(b) The QCA may publish any report provided by Aurizon Network under clause 7A.5(a) on its website.

(ba) Where:

(i) Aurizon Network proposes that a Concept Study be undertaken in accordance with clause 7A.5(a)(iii)(E) and the Independent Expert decides that a Concept Study should be undertaken by Aurizon Network; or

(ii) the Independent Expert otherwise determines that it would benefit from a Concept Study from Aurizon Network to reach a view on the recommendation to be made to the QCA on the most effective and efficient AN Proposed Transitional Arrangement to address an Existing Capacity Deficit.

the Independent Expert will provide a written recommendation to the QCA (copied to Aurizon Network) that Aurizon Network undertake the Concept Study and provide a copy to the Independent Expert, the QCA, the affected End Users and Chair of the Rail Industry Group together with the supplementary detailed report to be prepared by Aurizon Network as referred to in clause 7.5A(ea)(i) and, where considered appropriate, that the Concept Study include a Pre-feasibility Study execution plan.

(bb) If the QCA agrees with the recommendation made by the Independent Expert under clause 7A.5(ba) it will make a determination to that effect requiring Aurizon Network to undertake the Concept Study (including where applicable, the Pre-feasibility Study execution plan) recommended by the Independent Expert, as soon as practicable, having regard to the nature of the Concept Study.

(bc) Aurizon Network agrees to provide the Independent Expert with information requested by the Independent Expert to which Aurizon Network has access, to assist the Independent Expert to make any recommendation to the QCA contemplated by this clause 7A.5.

(bd) Aurizon Network's reasonable costs of undertaking a Concept Study required by a determination of the QCA under any provision of this clause 7A.5 will be treated as follows:

- (i) if the Expansion to which the Concept Study relates does not ultimately proceed pursuant to clause 7A.5(i):
 - (A) details of the relevant Concept Study costs and a supporting submission:
 - (1) setting out why the costs are considered to be prudent and efficient; and
 - (2) detailing the proposed consequential changes to the Allowable Revenue (and associated Reference Tariffs) under clause 4.3 of Schedule F,
will be provided to the QCA by Aurizon Network for consideration;
 - (B) within 15 days of the provision of the details and supporting submission (or such longer period as may be required by the QCA), the QCA will either:
 - (1) confirm in writing to Aurizon Network that the costs are approved; or
 - (2) consult with Aurizon Network in relation to alternative Concept Study costs considered prudent and efficient, before notifying Aurizon Network in writing of the Concept Study costs that the QCA has approved;
- (ii) the Concept Study costs approved by the QCA in accordance with clause 7A.5(bd)(i)(B) are recoverable by Aurizon Network as a Revenue Adjustment under Schedule F, clause 4.3 and will subsequently be included within the Annual Review of Reference Tariffs for the relevant Year. The costs will be deemed additional to Aurizon Network's Non-Electric Operating Expenditure Allowance for the Allowable Revenues in the relevant Year; and
- (iii) if the Expansion to which the Concept Study relates ultimately proceeds pursuant to clause 7A.5(i), the costs will be included in the value of the Regulatory Asset Base(s) to which the Concept Study relates.

(c) If:

- (i) Aurizon Network and the affected End Users jointly agree:
 - (A) that an Expansion is the most effective and efficient option to address the Existing Capacity Deficit; and
 - (B) on the terms of the Expansion proposal to be submitted to the Independent Expert,then clause 7A.5(i) will apply.
- (ii) Aurizon Network and the affected End Users jointly agree that an Expansion is the most effective and efficient option to address the Expansion Capacity Deficit but have not agreed on the terms of the Expansion proposal to be submitted to the Independent Expert by the date ~~that~~ Aurizon Network is due to submit the report under clause 7A.5(a)(iii), then Aurizon Network may, acting reasonably, determine

the Expansion proposal to be submitted to the Independent Expert and clause 7A.5(i) will apply and Aurizon Network must submit the Expansion proposal to the Independent Expert for review under clause 7A.5(i)(i).

- (d) If affected End Users and Aurizon Network have not reached an agreement as to which of the AN Proposed Transitional Arrangements should be implemented, the Independent Expert must review any report provided by Aurizon Network under clause 7A.5(a)(iii) and promptly make a recommendation to the QCA with respect to which of the AN Proposed Transitional Arrangements of the type referred to in clause 7A.5(a)(iii)(A) – clause 7A.5(a)(iii)(C) it considers will most effectively and efficiently resolve the Existing Capacity Deficit, including with regard to which of the Transitional Arrangements will result in the lowest net present cost applying the Discount Rate to all Access Holders without prejudice to the reliability and performance (in the long and short term) of the Rail Infrastructure.:
- (i) Within 15 days (or such longer period as may be required by the QCA) of receiving a recommendation from the Independent Expert, the QCA must make a determination as to which of the Transitional Arrangements of the type referred to in clause 7A.5(a)(iii)(A) – clause 7A.5(a)(iii)(D) will most efficiently and effectively resolve the Existing Capacity Deficit, including with regard to which of the AN Proposed Transitional Arrangements will result in the lowest net present cost applying the Discount Rate to all Access Holders without prejudice to the reliability and performance (in the long and short term) of the Rail Infrastructure;
 - (ii) forecast demand for Capacity (but excluding any forecast demand by an Access Holder which is in excess of its Train Service Entitlements); and
 - (iii) any Annual Capacity Assessment which the Independent Expert has undertaken or is undertaking pursuant to clause 7A.4.2.
- (da) Nothing in this clause 7A.5 prevents the Independent Expert making a recommendation to the QCA under clause 7A.5(d) with respect to AN Proposed Transitional Arrangements pending either:
- (i) the QCA's determination pursuant to clause 7A.5(bb) as to whether a Concept Study is to be completed; or
 - (ii) the completion of a Concept Study that the QCA determines, pursuant to clause 7A.5(bb), should be completed.
- (e) Within 15 days (or such longer period as may be required by the QCA) of receiving a recommendation from the Independent Expert under any provision of this clause 7A.5, the QCA must make a determination as to which of the AN Proposed Transitional Arrangements or alternative Transitional Arrangement in its Supplementary Detailed Report (AN **Alternative TAs**), as applicable, recommended by the Independent Expert will most efficiently and effectively resolve all or part of the Existing Capacity Deficit or Remaining Existing Capacity Deficit, as applicable, including with regard to which of the AN Proposed Transitional Arrangements or AN Alternative TAs, as applicable, will result in the lowest net present cost applying the Discount Rate to all Access Holders without prejudice to the reliability and performance (in the long and short term) of the Rail Infrastructure provided that the QCA's determination must be consistent with the System Operating Parameters other than as is required to

accommodate an operational change deemed prudent by the QCA for the purpose of rectifying the Existing Capacity Deficit— or Remaining Existing Capacity Deficit, as applicable.

- (ea) The following will apply where the QCA makes a determination under clause 7A.5(bb) requiring Aurizon Network to prepare a Concept Study, after that Concept Study is undertaken:
- (i) Aurizon Network will promptly provide to the Independent Expert (copied to the QCA and the Chair of the Rail Industry Group) a copy of the Concept Study together with a supplementary detailed report (**Supplementary Detailed Report**) making a recommendation as to whether one or more of the Expansions the subject of a Concept Study should proceed to be implemented so as to address any Existing Capacity Deficit remaining after taking into account the extent to which any AN Proposed Transitional Arrangements already the subject of a QCA determination under clause 7A.5(e) have, or will, address the Existing Capacity Deficit (**Remaining Existing Capacity Deficit**):
 - (ii) if Aurizon Network's recommendation in the Supplementary Detailed Report is that any one or more of the Expansions the subject of a Concept Study should proceed, then the Supplementary Detailed Report must include Aurizon Network's views as to the timing at which (or any conditions which, in Aurizon Network's view, should be met before) each such Expansion should be undertaken;
 - (iii) if Aurizon Network's recommendation in the Supplementary Detailed Report is that any one or more of the Expansions the subject of a Concept Study should not proceed, the Supplementary Detailed Report must include Aurizon Network's recommendation on alternative Transitional Arrangements which could effectively and efficiently address any Remaining Existing Capacity Deficit or whether, in Aurizon Network's view (acting reasonably), affected Access Holders and Customers would prefer not to do anything to address the Remaining Existing Capacity Deficit. Where another Expansion has been proposed by Aurizon Network as a potential alternative Transitional Arrangement and it has not already been agreed by Aurizon Network and the affected End Users that no Concept Study is required for that Expansion, Aurizon Network may propose in the Supplementary Detailed Report that a Concept Study be undertaken to assist the Independent Expert to make its recommendation to the QCA as to the most effective and efficient resolution to the Remaining Existing Capacity Deficit;
 - (iv) if Aurizon Network and the affected End Users agree with Aurizon Network's recommendation in the Supplementary Detailed Report as contemplated by clause 7A.5(ea)(ii), clause 7A.5(c) will apply;
 - (v) if Aurizon Network and the affected End Users do not agree with Aurizon Network's recommendation in the Supplementary Detailed Report or Aurizon Network recommends in the Supplementary Detailed Report that any one or more of the Expansions the subject of the Concept Study should not proceed, the Independent Expert must review the Concept Study and the Supplementary Detailed Report and promptly make a recommendation to the QCA with respect to which of the AN Proposed Transitional Arrangements and/or the alternative Transitional Arrangements referred to in clause

7A.5(ea)(iii) it considers will most effectively and efficiently resolve the Remaining Existing Capacity Deficit, including with regard to:

(A) whether the Expansion the subject of the Concept Study would most effectively and efficiently resolve the Existing Capacity Deficit; and

(B) any Annual Capacity Assessment which the Independent Expert has undertaken or is undertaking pursuant to clause 7A.4.2; and

(vi) where Aurizon Network proposes an Expansion as an AN Alternative TA, the Independent Expert may, before making a recommendation under clause 7A.5(ea)(v), make a recommendation to the QCA that a Concept Study be carried out by Aurizon Network in relation to that Expansion.

~~(e)~~(f) Subject to clause 7A.5(h), Aurizon Network must comply with any determination made by the QCA under this clause 7A.5, including by doing everything reasonably necessary to implement the type of Transitional Arrangements determined by the QCA in a prudent and diligent manner so as to resolve the Existing Capacity Deficit (or Remaining Existing Capacity Deficit, as applicable) as soon as reasonably practicable, having regard to the nature and type of Transitional Arrangements required.

~~(f)~~(g) Aurizon Network's obligation under clause 7A.5(f) to implement the Transitional Arrangements (other than Expansions) is limited to the extent that such Transitional Arrangements:

(i) are within the control of Aurizon Network;

(ii) would not place Aurizon Network in breach of any applicable Safeworking Procedures and Safety Standards; and

~~(g)~~(iii) would not place Aurizon Network in breach of its obligations under this Undertaking or any Access Agreement. In determining whether a Transitional Arrangement would put Aurizon Network in breach of an Access Agreement, that determination would be made on the basis that any change in a System Operating Parameter had been reflected in the relevant Access Agreement as contemplated by clause 7A.12.

~~(h)~~(h) To the extent Aurizon Network is required to implement operational changes and, in doing so, incurs costs that it would not otherwise be entitled to recover in accordance with this Undertaking, Aurizon Network will be entitled to recover such costs (provided those costs are reasonable and pre-approved by the QCA).

~~(i)~~(i) If Aurizon Network and affected End Users agree that an Expansion is the most effective and efficient option to address the Existing Capacity Deficit and (or Remaining Existing Capacity Deficit, as applicable) and affected End Users wish to rectify the Existing Capacity Deficit, (or Remaining Existing Capacity Deficit, as applicable), or if the QCA otherwise determines that an Expansion is the most effective and efficient option to address the Existing Capacity Deficit, ~~then:~~ (or Remaining Existing Capacity Deficit, as applicable), then:

(i) the Independent Expert must review and approve the efficiency and prudence of the proposed Expansion prior to Aurizon Network incurring any construction expense in relation to the proposed Expansion. ~~Where the Independent Expert does not approve the~~

efficiency and prudence of the Expansion, Aurizon Network must submit an alternative proposal that:

- (A) Aurizon Network and the affected End Users have agreed will address the Existing Capacity Deficit (or Remaining Existing Capacity Deficit, as applicable) for approval; or
 - (B) (if Aurizon Network and the affected End Users have not agreed an alternative proposal within 20 Business Days after the Independent Expert decides not to approve the efficiency and prudence of the Expansion), Aurizon Network (acting reasonably) determines will address the Existing Capacity Deficit; (or Remaining Existing Capacity Deficit, as applicable);
- (ii) any alternative proposal required to be submitted by Aurizon Network in accordance with this clause 7A.5(i)(i) will be reviewed by the Independent Expert for efficiency and prudence. - Unless and until the Independent Expert approves the efficiency and prudence of the proposed Expansion (as set out in any alternative proposal required to be submitted by Aurizon Network in accordance with ~~this~~ clause 7A.5(i)(i)), Aurizon Network must not incur any construction expenditure in relation to the proposed Expansion.
 - (iii) subject to clause 7A.5(i)(v), Aurizon Network is obliged to promptly undertake and fund the Expansion at the Approved WACC applicable from time to time;
- ~~(ii)(iv)~~ (iv) the value of the Expansion will be included in the Regulatory Asset Base;
 - ~~(iii)(v)~~ (v) Aurizon Network will only be obliged to undertake and fund an Expansion up to an amount of \$300 million (in aggregate across all Expansions required in accordance with this clause); and
 - ~~(iv)(vi)~~ (vi) for clarity, the pricing principles to apply to an Expansion are set out in Part 6 and Schedule F.
- ~~(g)(j)~~ (j) Aurizon Network acknowledges that an Existing Capacity Deficit (or Remaining Existing Capacity Deficit, as applicable) does not reduce an Access Holder's entitlement to Access Rights under an existing Access Agreement, except to the extent an Access Holder elects to voluntarily relinquish its Access Rights under this Part 7A.
 - ~~(e)(k)~~ (k) Nothing in this clause ~~9~~7A.5 affects or limits Aurizon Network's obligations or liabilities in respect of an Access Agreement or any other agreement entered into in accordance with this Undertaking.
 - ~~(h)(l)~~ (l) Despite clause 2.4(f) and anything contrary in an Access Agreement, where this Part 7A specifies that a Relinquishment Fee is not payable, Aurizon Network will not collect, and will not be deemed to collect (for the purposes of the calculation of Total Allowable Revenue under Part 7A), any Relinquishment Fee.
- (m) Any recommendation by the Independent Expert made under this clause 7A.5 and any determination by the QCA contemplated by this clause 7A.5 may be:
 - (i) a recommendation or determination (as applicable) not to address some or all of the Existing Capacity Deficit or Remaining Existing

Capacity Deficit, as applicable (or not to do so until certain conditions arise); or

(ii) a solution comprising or otherwise including:

(A) more than one AN Proposed Transitional Arrangement or AN Alternative TA (including more than one type); and/or

(B) implementation of one or more AN Proposed Transitional Arrangements or AN Alternative TA:

(1) in the future or at different times (including delayed implementation and/or a staged approach), with or without interim steps; and/or

(2) as temporary measures.

(n) Without limitation to clause 7A.5(m):

(i) where the QCA makes a determination in relation to an Expansion the implementation of any other QCA determination relating to another AN Proposed Transitional Arrangements or AN Alternative TAs (for example, voluntary relinquishments), should not be delayed pending any Concept Study or construction of the Expansion;

(ii) where an Expansion is the subject of (or part of) any AN Proposed Transitional Arrangement or any AN Alternative TA to address all or any part of an Existing Capacity Deficit or Remaining Existing Capacity Deficit, as applicable, a recommendation by the Independent Expert or determination by the QCA (as applicable) in accordance with clause 7A.5 to pursue the Expansion may include a recommendation by the Independent Expert and a requirement by the QCA (as applicable) that:

(A) Aurizon Network should undertake either or both a Pre-feasibility Study or Feasibility Study for the proposed Expansion. Where a Pre-feasibility Study and/or Feasibility Study is required by a determination of the QCA, Aurizon Network must comply with any such requirement;

(B) the proposed Expansion be reconsidered by the Independent Expert for a recommendation to the QCA, and by the QCA in making a further determination, both following completion of the Pre-feasibility Study and/or Feasibility Study to confirm whether or not the proposed Expansion remains the most efficient and effective means of resolving all or part of the Existing Capacity Deficit or Remaining Existing Capacity Deficit.

(o) Where the QCA determines that a Pre-feasibility Study or Feasibility Study is to be undertaken by Aurizon Network under clause 7A.5(n):

(1) Aurizon Network must undertake the Pre-feasibility Study and/or Feasibility Study (unless, in respect of the Feasibility Study, the QCA determines following a submission from Aurizon Network, that the Feasibility Study is not required given the outcome of the Pre-feasibility Study); and

(2) Aurizon Network will be entitled to recover its reasonable costs of undertaking the Pre-feasibility Study or Feasibility Study in accordance with and subject to clauses 7A.5(bd)(i) and (ii) as if all references in those clauses to

“Concept Study” were references to “Pre-feasibility Study” or “Feasibility Study”, as applicable.

8.3.1A Application

For clarity, the provisions of ~~this~~ clause 8.3 (other than clause 8.3.4(d)) do not apply in the case of Expansions to be undertaken in accordance with clause ~~7A.5~~ to address any Existing Capacity Deficit.

~~8~~ 8.3.4 General provisions

.....

(d) The capital expenditure for an Expansion includes:

~~(ii)~~ (ii) the cost of a Pre-feasibility Study or Feasibility Study relating to that Expansion ~~except; and~~

~~(iii)~~ (iii) where a Concept Study was undertaken pursuant to a QCA determination under clause 7A.5, the cost of that Concept Study. .

However, any amounts that are not repaid or reimbursed (as applicable):

~~(iv)~~ (iv) for a Pre-feasibility Study, ~~(other than a Pre-feasibility Study required pursuant to a QCA determination under clause 8.4.4(b)(iii)(A); 7A.5), under clause 8.4.4(b)(iii)(A); and~~

~~(v)~~ (v) for a Feasibility Study, ~~under clause 8.4.4(b)(iii)(B), (other than a Feasibility Study required pursuant to a QCA determination under clause 7A.5), under clause 8.4.4(b)(iii)(B),~~

will not be treated as capital expenditure and will not be included in the Regulatory Asset Base.

8.4 Funding Concept Studies, Pre-feasibility Studies and Feasibility Studies

8.4.1A Application

For clarity, the provisions of this clause 8.4 (other than clause 8.4.1(a)(iii)) do not apply in the case of Expansions to be undertaken in accordance with clause ~~7A.5~~ to address any Existing Capacity Deficit.

8.4.1 Concept Studies

(a) Aurizon Network must fund all Concept Studies except:

(i) if an Access Seeker (or, as applicable, Customer), at its absolute discretion, agrees to fund the Concept Study; ~~or~~

(ii) ~~clause 8.3.1(a)(ii) applies; or~~

~~(iii)~~ (iii) a Concept Study required to be undertaken pursuant to clause 7A.5 to the extent that the QCA approves the costs of a Concept Study pursuant to clause 7A.5(bd)(i)(B).

~~(a)~~ If Aurizon Network does not fund a Concept Study, the funding party must not be provided with any rights that person would not otherwise be entitled to had they not funded the Concept Study. For clarity, this includes providing the funding Access Seeker (or, as applicable, Customer) with priority for the Expansion ~~relevant to that Access Seeker (or, as applicable, Customer).~~

Clause 12, definitions

AN Alternative TA has the meaning given to that term in clause 7.5A(e).

AN Proposed Transitional Arrangements has the meaning given to that term in clause 7.5A(a)(iii).

AN Performance Breach

(a)...

(b) ...

(c)...

except to the extent that any act or omission of Aurizon Network under **paragraphs (a) – (c)** is directly attributable to:

(d) the proper performance, completion and/or implementation of any Transitional Arrangements agreed to or determined under clause ~~0~~7A.5;

(e) a delay to the implementation of any Transitional Arrangements on the basis that the QCA has not made any relevant determination; or

(f) an agreement, recommendation or determination under clause 7A.5 that Aurizon Network will not implement any Transitional Arrangement to address an Existing Capacity Deficit or Remaining Existing Capacity Deficit.

Remaining Existing Capacity Deficit has the meaning given to that term in clause 7.5A(ea)(i).

Supplementary Detailed Report has the meaning given to that term in clause 7.5A(ea)(i).

Schedule E, clause 2.2

(aa) Where Aurizon Network undertakes a Concept Study pursuant to a QCA determination under clause 7A.5 and the Expansion to which the Concept Study relates does not ultimately proceed under clause 7A.5(da):

(i) details of the relevant Concept Study costs and a supporting submission;

(A) as to why the costs are considered prudent and efficient; and

(B) detailing the proposed consequential changes to the Allowable Revenue (and associated Reference Tariffs),

will be provided to the QCA by Aurizon Network for consideration;

(ii) within 15 days of the provision of the details and supporting submission (or such longer period as may be required by the QCA), the QCA will either:

confirm in writing to Aurizon Network that the costs are approved as a prudent and efficient capital cost; or
consult with Aurizon Network in relation to alternative Concept Study costs considered by the QCA to be prudent and efficient, before notifying Aurizon Network in writing of the Concept Study costs that the QCA has approved as prudent and efficient; and

- (iii) the Study Costs approved by the QCA as prudent and efficient will be included in the value of the Regulatory Asset Base(s) to which the Concept Study relates (or where the Concept Study relates to more than one Coal System, the Study Costs will be allocated amongst Coal Systems (including allocations amongst Reference Tariffs) on a pro-rata basis by reference to the other Approved Capital Expenditure), for the next Year of the Term following approval of that expenditure by the QCA. For clarity, no other party's approval is required for inclusion of the capital expenditure and the QCA will not be required to undertake any consultation in respect of the expenditure related to the Concept Study.

Schedule F, clause 4.3(c)

- (xi) the amount for Concept Study costs approved by the QCA as prudent and efficient in accordance with clause 7A.5(bd) (in respect of an Expansion that does not ultimately proceed).