



5 June 2014

Review of rate of return and remaining mine life from 1 July 2014  
Independent Pricing and Regulatory Tribunal  
PO Box Q290  
QVB Post Office  
NSW 1230

Online submission: [www.ipart.nsw.gov.au/Home/Consumer\\_Information/Lodge\\_a\\_submission](http://www.ipart.nsw.gov.au/Home/Consumer_Information/Lodge_a_submission)>

To whom it may concern

**Submission on the Review of rate of return and remaining mine life from 1 July 2014**

Origin Energy Limited (Origin) welcomes this opportunity to make a submission on the 'Review of rate of return and remaining mine life from 1 July 2014' draft report (the 'Draft Report'). Origin is a major energy company focused on gas exploration, production and export, power generation and energy retailing. Listed in the S&P ASX top 20, Origin has around 6,000 employees and is a major NSW energy retailer.

Origin has recently acquired the Eraring coal-fired power station ('Eraring') which supplies approximately one fifth of NSW electricity demand. Eraring receives domestic coal via NSW Rail's Metropolitan Rail Network (MRN) from a range of coal mines to both the north and south of the power station. Coal sourced from the localities north of the power station is transported across the Australian Rail Track Corporation (ARTC) section of the Hunter Valley Coal Network (HVCN).

To allow more cost effective access to coal in the Hunter Region, Origin is undertaking infrastructure improvements to improve our capability to take the train and wagons types typically used across the HVCN.

Origin acknowledges IPART's draft decisions on rate of return and on the remaining mine life from 1 July 2014. Origin sees itself as a key stakeholder to these decisions because of its ownership of the Eraring and its requirement to access coal via rail to maintain energy security in NSW. In this light and regarding the draft decisions, we note that:

- Origin was not approached to comment on Frontier Economic's analysis of the economic life of Eraring and that we are available to participate in this exercise in future.
- The draft pricing decision does not seem to support the capacity upgrades needed to ameliorate the existing and anticipated coal transport congestion, particularly along the NSW Rail track to Newcastle.

Origin supports IPART's draft recommendation of reducing red tape for rail access. This support is contingent on any streamlining process having extensive and meaningful consultation with stakeholders to ensure that existing flexibility around coal path rights is not compromised.

If you have any questions regarding this submission, please contact Emily Brodie on (02) 9503 5014.

Yours sincerely

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