

→ Fiona Towers



RailCorp

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Mr J Cox
Chief Executive Officer
Independent Pricing and Regulatory Tribunal
PO Box Q290
QVB Post Office NSW 2000

Dear Mr Cox

NSW Rail Access Undertaking: Review Rate of Return – Review of Remaining Mine Life

Thank you for your letter of 10 October 2008 in which you advised that IPART is conducting a review of both the Rate of Return and the Remaining Mine Life of Hunter Valley mines serviced by infrastructure that comprises the Hunter Valley Regulatory Asset Base (RAB).

RailCorp acknowledges that the Tribunal will be conducting this review in accordance with the NSW Rail Access Undertaking.

RailCorp is of the belief that while there are 2 infrastructure owners of various sections of the Hunter Valley RAB it would be an unnecessary industry complication and inappropriate to have separate Rate of Return & Remaining Mine Life. This particularly is the case when it is recognised that revenue from the small RailCorp component of the Hunter Valley RAB does not approach the revenue ceiling limit.

Under these circumstances RailCorp is prepared to accept the rate of return and the remaining mine life as determined by the Tribunal in accordance with the NSW Rail Access Undertaking.

Yours sincerely

TONY GAUSDEN
General Manager, Network Access