

## NOTICE

### Issues Paper – Invitation for Public Submissions

#### The Pilbara Infrastructure Pty Ltd – Determination of the Weighted Average Cost of Capital

The Authority has released an issues paper as the first stage of determining the weighted average cost of capital (WACC) for the Pilbara railway built and operated by TPI (The Pilbara Infrastructure Group), a subsidiary of Fortescue Metals Group Ltd.

On 1 July 2008, the railway was included in the State's rail access regime – consisting of the Railways (Access) Act 1998 and the Railways (Access) Code 2000 – which is administered by the Authority.

As the TPI railway - from the Cloud Break iron ore mine to Port Hedland - was the first 'greenfields' or new railway to be included in the rail access regime, the Authority is undertaking a public consultation process in determining the WACC.

The Railways (Access) Code requires the Authority to make an annual determination of the WACC to be applied in calculating the floor and ceiling costs for each of the covered rail networks.

TPI provided a submission to the Authority on 29 July 2008 outlining its views on the key risks associated with the railway and an overview of possible methodologies for quantifying these risks. TPI's [submission](#) is available on the Authority's web site.

The [issues paper](#), also available from the Authority web site, outlines the matters under review. A draft determination will be published in early 2009 and further submissions will be invited on that time.

The Authority will issue the final determination on or before 30 June 2009.

#### Public submissions

The Authority invites submissions on both the issues paper (with particular reference to the questions posed throughout the paper) and TPI's submission.

All submissions should be in hard copy form and electronic form (where possible) and must be received by **4:00pm (Western Standard Time) on Wednesday 15 October 2008**.

Written submissions should be mailed to:

Mr Russell Dumas  
Director – Gas and Rail Access  
Economic Regulation Authority  
PO Box 8469  
Perth BC WA 6849

Electronic submissions should be made to: [TPIWACC@era.wa.gov.au](mailto:TPIWACC@era.wa.gov.au)

In general, submissions made to the Authority will be treated as in the public domain and placed on the Authority's web site.

Where an interested party wishes to make a submission in confidence, it should clearly indicate the parts of the submission for which confidentiality is claimed and specify in reasonable detail the basis for the claim. Any claim of confidentiality will be considered in accordance with the provisions of Section 50 of the Railways (Access) Code.

The publication of a submission on the Authority's web site shall not be taken as indicating that the Authority has knowledge either actual or constructive of the contents of a particular submission and, in particular, whether the submission in whole or part contains information of a confidential nature and no duty of confidence will arise for the Authority.

For further information contact:

**General Enquiries**

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LYNDON ROWE  
**CHAIRMAN**

4 September 2008