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Our Ref:

Wednesday, 10 December 2008

Mr Jeremy Threlfall
Assistant Director-Rail
Economic Regulation Authority
PO Box 8469
Perth BC WA 6849

Dear Mr Threlfall

The Pilbara Infrastructure Proposed Segregation Arrangements

The ERA released its draft determination in relation to the above on 3 December 2008 and invited comment by 30 January 2009. HPPL has reviewed the draft determination with the assistance of Acil Tasman.

HPPL is pleased to see that the staged approach proposed by TPI to the implementation of its segregation arrangements has not been accepted by the ERA and changes are being required to be made to the segregation arrangements proposed by TPI. HPPL was concerned at the staged approach and welcomes the position taken by the ERA.

HPPL also supports the other changes that the ERA is requiring to be made to the segregation arrangements proposed by TPI.

HPPL also notes that TPI has provided a paper by Synergies in support of the TPI position on WACC issues in response to the ERA issues paper and that this paper has been placed on the ERA website, with other comment on the ERA paper. Although the ERA has not requested comment on the Synergies paper, HPPL asked Acil Tasman to review the paper. The Acil Tasman report provides views on the Strategies paper that may be of interest and value to the ERA as it considers the responses to its issues paper on the WACC. To this end HPPL has attached a copy of the Acil Tasman paper.

Peter Murphy
General Manager, External Affairs and Government Relations
Hancock prospecting Pty Ltd