



Economic Regulation Authority

 WESTERN AUSTRALIA

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NOTICE

DRAFT DETERMINATION

The Pilbara Infrastructure's Costing Principles

The Authority today published its draft determination on Costing Principles proposed by The Pilbara Infrastructure (TPI) for its Pilbara rail network.

Costing Principles establish a basis for the railway owner to set upper and lower cost bounds for each route section for price negotiations associated with access agreements made under the Railways (Access) Code 2000.

The draft determination is to approve the proposed Costing Principles subject to 17 amendments. The Authority's [draft determination](#), TPI's [proposed Costing Principles](#) and [public submissions](#) are available on the Authority's web site.

The Authority commissioned consultant PricewaterhouseCoopers (PwC) to provide advice on TPI's proposed Costing Principles and the public submissions to assist the Authority in preparing its determination. The [PwC report](#) is available on the Authority's web site.

Public consultation was conducted over a six-week period from 20 August 2008, following submission of the proposed Costing Principles by TPI. The Authority considered all submissions in preparing its final determination.

Key Issues

While the draft determination deals with a range of issues which arose from the assessment of TPI's proposal, key issues include the following:

- Timetable for submission of TPI's costing model and floor and ceiling costs,
- Costs associated with land on which the railway infrastructure is located,
- Economic lives for some asset classes,
- Adoption of cost allocators for indirect costs, and
- Use of an efficiency 'X' factor.

Public Submissions

Interested parties are invited to make submissions on the Authority's draft determination. All submissions should be in both electronic and hard copy form and must be received **by 4.00pm WST on 12 January 2010**.

Written submissions should be mailed to:

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

Electronic submissions should be sent to: publicsubmissions@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 2000.

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 in part contains information of a confidential nature and no duty of confidence shall arise for the Authority.

For further information contact:

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CHAIRMAN

24 November 2009