



Our Ref: LS-100-J-0028

2nd July 2010

Lyndon Rowe
Chairman ERA
Economic Regulation Authority
Level 6, Governor Stirling Tower
197 St Georges Terrace
PERTH WA 6000

Dear Lyndon

RE: FLOOR AND CEILING COST PROPOSAL

Fortescue Metals Group Ltd ("Fortescue") on behalf of The Pilbara Infrastructure Pty Ltd ("TPI") hereby submits its Floor and Ceiling Cost Proposal.

The work is contained in a model which is attached as an Excel spreadsheet. The model is designed to be self explanatory, starting with the information in the left most tab of the spreadsheet and working your way progressively to the right. The individual segment floor and ceiling costs are to be found in the sheet entitled "Rail Pricing".

For the route from Cloudbreak to Port Hedland, the floor price would be \$5.07 and the ceiling price \$5.77. Note that these values are based strictly on a single segment route.

Please be advised that Fortescue, on behalf of TPI, grants the ERA permission to display this model on the ERA website for the purpose of obtaining public comment.

With respect to persons being assigned to address forthcoming queries pertaining to the model, Douglas Smith is assigned to be TPI's nominated person until the 13th July. Beyond this date I will assume responsibility.

Yours sincerely
FORTESCUE METALS GROUP LTD

JULIAN TAPP
Head of External Relations

Attachments:
R-CA-PU-0001-TPI 3rd party access floor and ceiling – Public Version.xls

The New Force in Iron Ore
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