



28 June 2010

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

Dear Russell

**WestNet proposed Floor and Ceilings submission for Mainlines and Terminals**

WestNet submits the proposed floor and ceiling costs for the nominated lines in accordance with clause 9 of the Code and section 5.1 of the approved Costing Principles. The routes covered by this submission include:

- Kwinana to Bunbury
- Terminal "end bits" of the Kwinana to Bunbury line
- Brunswick to Premier
- Forrestfield to Kalgoorlie
- Kalgoorlie to Leonora
- Kalgoorlie to Esperance
- Kwinana to Soundcem

This submission includes an electronic copy of the Access Pricing Model (APM) for publication on the ERA website.

A confidential version of the APM has also been included. This includes elements considered by WestNet to be commercially sensitive and for use by the Economic Regulation Authority (ERA), your consultants and advisors only.

WestNet will be happy to step through the submission and the model at a time suitable to the ERA. Further enquiry on any matter associated with this submission and the attachments may be directed to Nathan Speed, Senior Commercial Analyst by phone on 08 9212 2641 or email at NSpeed@wnr.com.au.

Yours sincerely

Paul Larsen  
Chief Executive Officer  
WestNet Rail

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# Adjusted Ceilings - Effective 1 July 2010

	Ceiling Submission  WACC: 8.63% Effective 1 July 2009	Ceiling Adjustment for WACC & CPI-X  WACC: 8.91% 75% of CPI: 1.45% Effective 1 July 2010
<b>Kwinana to Bunbury Inner Harbour</b>	\$32,535,195	\$33,612,950
Route Section		
Kwinana to Mundijong Jn	\$5,416,957	\$5,595,628
Mundijong Jn to Pinjarra	\$7,948,572	\$8,215,872
Pinjarra to Pinjarra East	\$634,128	\$649,170
Pinjarra East to Alumina Jn	\$651,915	\$664,198
Pinjarra East to Pinjarra South	\$296,664	\$304,060
Pinjarra to Wagerup	\$4,798,609	\$4,968,067
Wagerup to Brunswick Jn	\$6,698,927	\$6,934,375
Brunswick Jn to Picton Jn	\$4,507,794	\$4,654,479
Picton Jn to Bunbury Inner Harb	\$1,581,628	\$1,627,101
<b>Brunswick to Premier</b>	\$10,826,428	\$11,177,574
Route Section		
Brunswick North - East	\$178,795	\$183,831
Brunswick - Brunswick East	\$513,762	\$527,437
Brunswick East - Worsley	\$3,382,752	\$3,496,942
Worsley - Worsley North	\$641,404	\$659,463
Worsley North - Hamilton	\$1,195,097	\$1,232,209
Worsley East - Worsley North	\$180,422	\$185,673
Worsley - Worsley East	\$344,174	\$353,597
Worsley East - Ewington Jn	\$3,938,084	\$4,071,526
Ewington Jn - Premier	\$451,939	\$466,896
<b>Forrestfield to Kalgoorlie</b>	\$159,266,317	\$165,370,982
Route Section		
F'Field Sth to Midland	\$7,624,038	\$7,889,909
Midland to Millendon Jn	\$6,697,733	\$6,941,138
Millendon Jn to Toodyay West	\$23,591,870	\$24,507,540
Toodyay West to Avon Yard	\$10,436,094	\$10,831,634
Avon Yard to West Merredin	\$36,388,912	\$37,795,257
West Merredin to Koolyanobbing	\$33,102,884	\$34,399,087
Koolyanobbing to West Kalgoorlie	\$35,731,258	\$37,090,505
West Kalgoorlie to Border	\$1,921,410	\$1,988,781
Avon to West Merredin Sidings	\$2,101,391	\$2,187,747
West Merredin to Koolyanobbing Sidings	\$1,118,281	\$1,164,237
Koolyanobbing to W Kal Sidings	\$552,446	\$575,149
<b>Kalgoorlie to Leonora</b>	\$27,418,970	\$28,490,446
Route Section		
Kalgoorlie to Malcolm	\$24,482,149	\$25,441,886
Malcolm to Leonora	\$2,908,480	\$3,019,094
Menzies sidings	\$28,341	\$29,465
<b>Kalgoorlie to Esperance</b>	\$48,548,730	\$50,351,542
Route Section		
West Kalgoorlie to Hampton	\$2,911,514	\$3,012,676
Hampton to Kambalda	\$5,209,034	\$5,393,897
Kambalda to Salmon Gums	\$26,842,076	\$27,645,243
Salmon Gums to Esperance	\$13,580,650	\$14,065,340
Kambalda siding	\$56,766	\$59,017
Norseman Siding	\$48,843	\$50,780
Salmon Gums Siding	\$119,847	\$124,588

	Ceiling Submission  WACC: 8.63% Effective 1 July 2009	Ceiling Adjustment for WACC & CPI-X  WACC: 8.91% 75% of CPI: 1.45% Effective 1 July 2010
<b>Terminal Ends</b>	\$3,210,917	\$3,290,853
<b>Route Section</b>		
Inner Harbour 485 Pt to Alcoa (Inbound)	\$463,885	\$472,485
Inner Harbour 486 Pt to ALCOA (Outbound)	\$321,981	\$328,618
Inner Harbour 487 Pt to Worsley (Outbound)	\$217,905	\$222,738
Inner Harbour 485 Pt to 486 pts	\$422,627	\$429,696
Inner Harbour 486 Pt to 487 pts	\$162,766	\$165,536
Inner Harbour 487 Pt to Woodchips	\$450,124	\$468,655
Kwinana no3 points to bauxite junction	\$498,849	\$511,186
Alcoa Bauxite Jn - Alcoa Bauxite Sdg	\$325,154	\$333,011
Alcoa Bauxite Jn - Alcoa Caustic Sdg Pts	\$237,798	\$245,438
Alcoa Caustic Sdg Pts -Alcoa Alumina Sdg Pts	\$109,828	\$113,489
<b>Kwinana to Soundcem</b>	\$2,086,022	\$2,162,369
<b>Grain Lines</b>		
Avon to Goomalling	\$5,106,874	\$5,307,901
Katanning to Tambellup	\$4,027,083	\$4,177,193
Kulin to Yilminning	\$7,913,578	\$8,213,838

# **Adjusted Floors - Effective 1 July 2010**

	Floor Submission  WACC: 8.63% Effective 1 July 2009	Floor Adjustment for WACC & CPI-X  WACC: 8.91% 75% of CPI: 1.45% Effective 1 July 2010
<b>Kwinana to Bunbury Inner Harbour</b>	<b>\$2,410,073</b>	<b>\$2,424,466</b>
Route Section		
Kwinana to Mundijong Jn	\$364,421	\$366,804
Mundijong Jn to Pinjarra	\$538,485	\$542,605
Pinjarra to Pinjarra East	\$117,529	\$117,660
Pinjarra East to Alumina Jn	\$155,655	\$155,670
Pinjarra East to Pinjarra South	\$49,828	\$49,900
Pinjarra to Wagerup	\$252,254	\$254,506
Wagerup to Brunswick Jn	\$351,355	\$354,436
Brunswick Jn to Picton Jn	\$377,464	\$379,406
Picton Jn to Bunbury Inner Harb	\$203,080	\$203,480
<b>Brunswick to Premier</b>	<b>\$540,542</b>	<b>\$546,300</b>
Route Section		
Brunswick North - East	\$10,351	\$10,437
Brunswick - Brunswick East	\$37,857	\$38,104
Brunswick East - Worsley	\$223,413	\$225,783
Worsley - Worsley North	\$34,830	\$35,056
Worsley North - Hamilton	\$53,909	\$54,470
Worsley East - Worsley North	\$9,373	\$9,457
Worsley - Worsley East	\$14,982	\$15,109
Worsley East - Ewington Jn	\$143,473	\$145,370
Ewington Jn - Premier	\$12,355	\$12,516
<b>Forrestfield to Kalgoorlie</b>	<b>\$7,762,127</b>	<b>\$7,832,263</b>
Route Section		
F'Field Sth to Midland	\$802,983	\$806,122
Midland to Millendon Jn	\$493,733	\$496,415
Millendon Jn to Toodyay West	\$1,305,422	\$1,315,804
Toodyay West to Avon Yard	\$653,461	\$658,261
Avon Yard to West Merredin	\$1,484,019	\$1,499,532
West Merredin to Koolyanobbing	\$1,297,622	\$1,312,567
Koolyanobbing to West Kalgoorlie	\$1,463,402	\$1,479,311
West Kalgoorlie to Border	\$101,094	\$101,539
Avon to West Merredin Sidings	\$89,351	\$90,645
West Merredin to Koolyanobbing Sidings	\$47,549	\$48,238
Koolyanobbing to W Kal Sidings	\$23,490	\$23,830
<b>Kalgoorlie to Leonora</b>	<b>\$813,796</b>	<b>\$823,196</b>
Route Section		
Kalgoorlie to Malcolm	\$670,045	\$678,554
Malcolm to Leonora	\$142,947	\$143,826
Menzies sidings	\$804	\$816
<b>Kalgoorlie to Esperance</b>	<b>\$2,080,504</b>	<b>\$2,099,476</b>
Route Section		
West Kalgoorlie to Hampton	\$239,268	\$240,193
Hampton to Kambalda	\$312,975	\$314,896
Kambalda to Salmon Gums	\$928,653	\$939,012
Salmon Gums to Esperance	\$592,157	\$597,818
Kambalda siding	\$1,884	\$1,912
Norseman Siding	\$1,621	\$1,645
Salmon Gums Siding	\$3,945	\$4,002

	Floor Submission  WACC: 8.63% Effective 1 July 2009	Floor Adjustment for WACC & CPI-X  WACC: 8.91% 75% of CPI: 1.45% Effective 1 July 2010
<b>Terminal Ends</b>	\$132,257	\$132,680
<b>Route Section</b>		
Inner Harbour 485 Pt to Alcoa (Inbound)	\$21,862	\$21,879
Inner Harbour 486 Pt to ALCOA (Outbound)	\$13,694	\$13,708
Inner Harbour 487 Pt to Worsley (Outbound)	\$8,643	\$8,655
Inner Harbour 485 Pt to 486 pts	\$20,786	\$20,789
Inner Harbour 486 Pt to 487 pts	\$7,968	\$7,970
Inner Harbour 487 Pt to Woodchips	\$7,999	\$8,113
Kwinana no3 points to bauxite junction	\$25,833	\$25,948
Alcoa Bauxite Jn - Alcoa Bauxite Sdg	\$13,143	\$13,187
Alcoa Bauxite Jn - Alcoa Caustic Sdg Pts	\$8,489	\$8,557
Alcoa Caustic Sdg Pts -Alcoa Alumina Sdg Pts	\$3,840	\$3,873
<b>Kwinana to Soundcem</b>	\$140,269	\$141,678
<b>Grain Lines</b>		
Avon to Goomalling	\$209,973	\$211,162
Katanning to Tambellup	\$168,336	\$169,298
Kulin to Yilminning	\$280,378	\$283,954