Economic Regulation Authority

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Promoting fair prices, quality services and choice.

NOTICE

Invitation for Public Submissions

The Pilbara Infrastructure Pty Ltd – Overpayment Rules and Costing Principles

The Economic Regulation Authority is inviting public submissions on the <u>overpayment rules</u> and <u>costing principles</u> that have been proposed by railway owner, The Pilbara Infrastructure Pty Ltd (TPI), for its recently constructed railway in the Pilbara.

These documents are available on the Authority's web site.

On 3 July 2008, the Authority received TPI's proposed segregation arrangements, train path policy and train management guidelines. These documents were placed on the Authority's web site on 14 July 2008 with an invitation for public comment by 26 August 2008. The Authority noted at that time that two further Part 5 Instruments would be placed on its web site for public comment when they were received. The Authority subsequently received TPI's proposed overpayment rules on 28 July 2008 and costing principles on 15 August 2008.

Background

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

On that date, the *Railway and Port (The Pilbara Infrastructure Pty Ltd) Agreement Act 2004* (Agreement Act) between the State Government and TPI amended both the Railways Act and the Code to make the inclusion.

The Agreement Act required TPI to submit to the Authority segregation arrangements and four Part 5 Instruments (train management guidelines, statement of train path policy, costing principles and over-payment rules) no later than seven days after the Railways Act and the Code applied to the company's railway.

The Part 5 Instruments are for the purposes of providing access to monopoly infrastructure with reasonable quality of service at fair prices, and to prevent abuse of monopoly power. However, the regime gives recognition to the need for infrastructure owners to achieve fair and reasonable returns on their investment.

Public Submissions

The Authority invites submissions on TPI's proposed overpayment rules and costing principles. Submissions should be in both electronic and hard copy form and must be received by **4.00 pm (Western Standard Time) on Wednesday 1 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: railnetworks@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 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 in 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

20 August 2008