AUSTRALIAN RAIL TRACK CORPORATION LTD

6 May 2009

Dr Nikki Williams
Chief Executive Officer
NSW Minerals Council Ltd
PO Box A244
South Sydney NSW 1235

Via email: *JMcDermott@nswmin.com.au*

Dear Dr Nikki

Since the lodgement of ARTC's Hunter Valley Access Undertaking [HVAU] with the ACCC a number of queries in relation to pricing have been raised by industry participants.

As such, and in order to assist in the process of decision making relating to a number of investments the following clarification is being provided.

ARTC's intention is for access pricing, from commencement of the HVAU, to be consistent between the two primary types of services currently operating in the Hunter Valley Pricing Zones 1 and 2. These services being a 91 wagon train and a 74 wagon train, both configured to operate to applicable section run times and utilising at least 30 tonne axle loads.

To enable this to occur the same gross tonne kilometre rate will be applied from commencement for all pricing components for these services in Pricing Zones 1 and 2. This will provide parity in the access charges for operators of these service types.

ARTC will further commit to maintain parity in pricing between these services for a period of not less than five years, subject to normal annual pricing reviews.

Beyond this period any re-configuration of pricing structures for these services will be undertaken in accordance with the HVAU requirements and with extensive industry consultation and ACCC oversight. It is envisaged in the HVAU that access pricing will ultimately be referenced to a service or services that will provide for delivery of optimum utilisation of coal capacity.

I trust that this provides some clarification to the principles and process provided for in ARTC's HVAU.

Yours sincerely

Signature removed for email transmission

Simon Ormsby
General Manager Commercial