



16 July 2018

Emma Ansell
Infrastructure Regulation Division
Australian Competition and Consumer Commission
Level 17, 2 Lonsdale Street, Melbourne 3000

Submitted via email: emma.ansell@accc.gov.au

Dear Ms Ansell

VARIATION TO THE 2011 HUNTER VALLEY ACCESS UNDERTAKING - DRAFT DECISION

Origin Energy Limited (Origin) welcomes the opportunity to comment on the ACCC's draft decision on the 2011 Hunter Valley Access Undertaking. Origin would like to firstly note our subsequent discussions with the ACCC on this topic and the likely cost impacts of this decision on our operations that support the Eraring power station.

Origin is a customer of ARTC and is an active, but small volume customer that operates trains across the ARTC network. Utilising this network, we are able to bring coal from various mines throughout the Hunter Valley to the Eraring Power Station, which is situated near Lake Macquarie. The coal is locally utilised in electricity generation and as such we should be considered as a domestic coal user.

Origin understands that variations to the 2011 Hunter Valley Access Undertaking would result in a fundamental change to the cost structure and pricing levels faced by us. As a result, we would expect an increase in our costs of ~16% when using a train path within Price Zone 1 (Newcastle to Muswellbrook) and a ~25% increase in prices within Price Zone 2 (Muswellbrook to Ulan).

This cost increase levied on Origin stems from our need to operate trains that are shorter than the current export type configurations. As these short trains are deemed to be utilizing a similar train path length to the standard export train they incur a similar cost.

Origin is unable to operate longer trains such as those used for the export of coal because of the changeover from the ARTC network to the Sydney Trains Network at the exchange South of Newcastle. Additionally, the Eraring Rail Loop design restricts the size of trains able to be safely received within our coal handling facilities.

Origin requests that domestic coal operators on the ARTC system are excluded from the cost increase that has been allocated based on train size.

Given the predominance of Export services relative to Domestic Services operating through the ARTC system the impact of this exclusion would have minimal impact on the charges levied on Export Services.

Should you have any questions or wish to discuss this information further, please contact myself on 0409 573 541 or via email, blair.hammond@originenergy.com.au

Yours sincerely,

A handwritten signature in black ink, appearing to read "Blair Hammond".

Blair Hammond
Head of Coal and Fuel
Commercial Transactions
Origin Energy