

Submission by Centennial Coal to Consultation Paper ARTC ‘s 2016 Hunter Valley Access Undertaking (8th January 2016)

Centennial takes the view that most of the questions in the consultation paper will be resolved via the interactions with the major western user’s of the network.

Consequently Centennial is choosing to make submissions on parts of the paper that may be in some way unique to Centennial as a shipper bringing coal predominantly to the Newcastle Port from the Lithgow area via the CRN and Sydney Trains network. Centennial only uses 7 kms of the Hunter Valley network to finish the journey to the Newcastle ports. Currently the vast majority of Centennial’s coal travelling to the Port of Newcastle originates at either the Airly and Clarence mine or the Lidsdale siding.

2.5.1 Path Based Pricing

It is of particular concern to Centennial as most of the coal train journey is via the Sydney Trains network that Centennial Coal Train’s are not penalised due to the limitations of that network. The Sydney Trains network has a limit of 12000 hp head end power and a length of 850m. With the grades and turns in the Blue Mountains this equates to a 45 to 50 wagon train with a 3400t payload. Centennial submits that whatever Access Pricing Structure that is used in the future that the structure should not be able to discriminate against trains restricted by their travel over other networks. Under these circumstances Centennial should not pay any more for Access to segments of the ARTC network than the most efficient user.

It should be noted that Centennial is committed to reducing its costs and contributing to the networks efficiency whenever possible. Currently Centennial is engaged in a process with the Assets Standards Authority of Transport for NSW to introduce Wired Distributed Power ECP braked AC loco traction coal trains to move past the current head end power limitations. If successful this may allow an incremental increase in train length and payload up to the next infrastructure limitation which is likely to be refuge length.

2.6 Capacity Management

With increased passenger demand particularly in the Sydney Trains Network it is important to Centennial that interactions between the trains on the Hunter Valley sections of the network are managed to allow efficient interface with trains that have to enter and depart from other networks. It is imperative that the trains entering the shared passenger networks be managed to allow them to enter the other network with 5 minutes of their allocated path. Failure to achieve this will result in the train concerned being classified as ‘unhealthy’ in the Sydney Trains network and may result in significant loss of cycle time and extended disruption to the train programme.

2.12.1 Privatisation of ARTC

Centennial have made submissions to the Commonwealth Government on this subject. Centennial’s concerns are centred around security of rail access for the life of its mines at an appropriate cost. There was also a concern that if there was a change that any mitigation proposed may not prove successful over time in ensuring the security of appropriately priced access and capacity that was needed.

2.12.2 Expiry of 201 HVAU

Cost pressures are extreme in the coal industry at this time. Consequently an extension of the current

agreement with mechanisms to reduce access charges is important.