



For Public Register

8 July 2009

Mr David Hatfield and Ms Jaime Martin
Adjudication Branch
Australian Competition and Consumer Commission
23 Marcus Clarke Street
Canberra ACT 2601

Dear Mr Hatfield and Ms Martin

Port Waratah Coal Services Limited, Newcastle Coal Infrastructure Group Pty Limited and Newcastle Port Corporation applications for authorisation A91147 - A91149

Xstrata Coal Pty Limited ("Xstrata") strongly supports the interim authorisation application made by Port Waratah Coal Services Limited ("PWCS"), Newcastle Coal Infrastructure Group Pty Limited ("NCIG") and Newcastle Port Corporation ("NPC") for the NSW coal industry long term solution.

Xstrata will provide a further submission on the substantive application for authorisation by the Commission's 24 July 2009 deadline.

In this respect the interface with the ARTC Undertaking currently before the Commission is very important and Xstrata's further submission will deal with this in more detail.

In relation to the interim authorisation, the period between 1 July 2009 and 31 December 2009 forms an integral component of, and is critical for the development of, the long term solution that coal producers have been striving for since the first application in this series of authorisations.

The interim authorisation is critical for PWCS to be able to conduct its Nomination and Allocation process and for PWCS, together with NPC and other critical stakeholders, to take steps to implement contractual alignment across the coal chain. The interim authorisation and the next six months will allow the industry to transition commercially and operationally to long term contracts.

The conduct for which interim authorisation is sought is not an extension of the CBS because it includes steps to implement contractual alignment by way of assigning responsibility for system losses to responsible parties based on underlying commercial contracts.

If the Commission has further questions, Xstrata would be pleased to assist.

Yours sincerely

A handwritten signature in black ink, appearing to read 'S. Bridger', is written over a horizontal line.

Stephen Bridger
Executive General Manager, Logistics

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