



2-10 Adams Drive
Welshpool WA 6106
GPO Box S1422
PERTH WA 6845
Telephone (08) 9212 2501
Facsimile (08) 9212 2920
WestNet Rail Pty Ltd ABN 42 094 721 301

30 June 2008

Mr Lyndon Rowe
Chairman
Economic Regulation Authority
PO Box 8469
PERTH BC WA 6849

Dear Lyndon

ERA Final Determination on the 2008 Weighted Average Cost of Capital for the Freight (WestNet Rail) Railway Network

In accordance with clauses 2.5 and 5.1 of the approved Costing Principles (specifically being adjustments to the Weighted Average Cost of Capital (WACC) and the CPI-x provisions respectively), I am writing to submit on behalf of WestNet Rail the revised ceilings for the Mainlines, Worsley line, Terminal Ends and Grain lines, effective from 1 July 2008.

The increase in the WACC (from 7.1% to 9.77%) was advised by notice on 23 June 2008 by the ERA and the CPI-x value is 3.18%.

The attached table provides the adjusted ceilings that will become effective from 1 July 2008.

If you need to discuss this matter further please do not hesitate to contact me.

Yours faithfully

Paul Larsen
General Manager
WestNet Rail

Adjusted Ceilings – Effective 1 July 2008

	Ceiling Adjustment for WACC and CPI-X WACC: 7.1% 75% of CPI: 1.827% Effective 1 July 2007	Ceiling Adjustment for WACC and CPI-X WACC: 9.77% 75% of CPI: 3.181% Effective 1 July 2008
Kwinana to Bunbury Inner Harbour	\$25,735,038	\$31,642,191
Route Section		
Kwinana to Mundijong Jn	\$4,118,737	\$5,079,533
Mundijong Jn to Pinjarra	\$5,803,033	\$7,228,455
Pinjarrato Pinjarra East	\$697,829	\$773,099
Pinjarra East to Alumina Jn	\$800,367	\$854,917
Pinjarra East to Pinjarra South	\$314,377	\$352,093
Pinjarra to Wagerup	\$3,422,284	\$4,363,422
Wagerup to Brunswick Jn	\$5,296,451	\$6,636,389
Brunswick Jn to Picton Jn	\$3,750,446	\$4,579,492
Picton Jn to Bunbury Inner Harb	\$1,531,514	\$1,774,792
Brunswick to Premier	\$7,648,250	\$9,402,700
Route Section		
Brunswick North - East	\$160,890	\$189,675
Brunswick - Brunswick East	\$450,165	\$525,772
Brunswick East - Worsley	\$2,692,994	\$3,337,198
Worsley - Worsley North	\$475,407	\$548,690
Worsley North - Hamilton	\$931,458	\$1,120,618
Worsley East - Worsley North	\$127,578	\$151,149
Worsley - Worsley East	\$254,396	\$295,033
Worsley East - Ewington Jn	\$2,235,189	\$2,837,894
Ewington Jn - Premier	\$320,173	\$396,669
Forrestfield to Kalgoorlie	\$122,968,429	\$159,842,073
Route Section		
F'Field Sth to Midland	\$6,080,856	\$7,611,509
Midland to Millendon Jn	\$6,156,947	\$7,660,905
Millendon Jn to Toodyay West	\$18,543,626	\$24,064,419
Toodyay West to Avon Yard	\$8,757,984	\$11,197,075
Avon Yard to West Merredin	\$27,712,709	\$36,192,341
West Merredin to Koolyanobbing	\$24,983,691	\$32,903,282
Koolyanobbing to West Kalgoorlie	\$26,267,050	\$34,327,839
West Kalgoorlie to Border	\$1,727,424	\$2,119,498
Avon to West Merredin Sidings	\$1,522,445	\$2,093,653
West Merredin to Koolyanobbing Sidings	\$830,222	\$1,140,059
Koolyanobbing to W Kal Sidings	\$385,474	\$531,494
Kalgoorlie to Leonora	\$23,222,082	\$30,385,669
Route Section		
Kalgoorlie to Malcolm	\$20,545,619	\$26,951,443
Malcolm to Leonora	\$2,652,998	\$3,403,057
Menzies sidings	\$23,464	\$31,169
Kalgoorlie to Esperance	\$39,764,425	\$51,306,286
Route Section		
West Kalgoorlie to Hampton	\$2,519,463	\$3,129,867
Hampton to Kambalda	\$4,130,555	\$5,248,979
Kambalda to Salmon Gums	\$21,924,294	\$28,472,543
Salmon Gums to Esperance	\$11,012,941	\$14,217,514
Kambalda siding	\$43,540	\$58,420
Norseman Siding	\$39,197	\$52,503
Salmon Gums Siding	\$94,435	\$126,461

The Terminal Ends and Grain Lines are only adjusted for the movement in WACC from 7.1% to 9.77%.

	Ceiling Adjustment for WACC and CPI-X WACC: 7.1% CPI: nil Effective 1 July 2007	Ceiling Adjustment for WACC and CPI-X WACC: 9.77% 75% of CPI: 3.181% Effective 1 July 2008
Terminal Ends	\$3,105,310	\$3,471,013
Route Section		
Inner Harbour 485 Pt to Alcoa (Inbound)	\$515,183	\$548,259
Inner Harbour 486 Pt to ALCOA (Outbound)	\$334,816	\$360,656
Inner Harbour 487 Pt to Worsley (Outbound)	\$219,605	\$239,542
Inner Harbour 485 Pt to 486 pts	\$472,587	\$494,634
Inner Harbour 486 Pt to 487 pts	\$181,740	\$189,990
Inner Harbour 487 Pt to Woodchips	\$308,639	\$415,061
Kwinana no3 points to bauxite junction	\$475,069	\$530,703
Alcoa Bauxite Jn - Alcoa Bauxite Sdg	\$315,402	\$350,462
Alcoa Bauxite Jn - Alcoa Caustic Sdg Pts	\$195,188	\$234,761
Alcoa Caustic Sdg Pts -Alcoa Alumina Sdg Pts	\$87,681	\$106,946
Grain Lines		
Avon to Goomalling	\$4,286,311	\$5,601,741
Katanning to Tambellup	\$3,011,896	\$3,961,758
Kulin to Yilminning	\$6,195,291	\$8,203,248