



Metro Trains Melbourne Pty Ltd

Deleted: 31 March

~~Access Arrangement~~

24 August 2011

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1 INTRODUCTION

1.1 Purpose of this Document

This document is the Access Arrangement in relation to the Metro Trains Melbourne Pty Ltd (ABN 48 136 429 948) ("Metro") rail network.

It is to the Essential Services Commission of Victoria (the "Commission") in accordance with Sections 38W and 38X of the *Rail Management Act 1996*.

Metro notes that it is not providing Reference Services to itself or a related body corporate of Metro.

1.2 Commencement Date and Term

This document will commence on 24 August 2011.

The Access Arrangement will expire on 1 July 2016.

1.3 Composition of the Access Arrangement

This Access Arrangement and its Attachments contains those elements that are required by sections 38W and 38X of the *Rail Management Act 1996 (Vic)*.

1.4 Definitions and Interpretation

The definitions are set out in this Access Arrangement are as set out in the standard Access Agreement provided in Attachment A.

1.5 Contact Details

The contact person for further details in relation to this Access Arrangement Information and the Access Arrangement to which it relates is:

Vickie Steward
Commercial Contracts Manager
Metro Trains Melbourne Pty Ltd
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2 DESCRIPTION OF SERVICES

2.1 Overview

This Access Arrangement applies to all Declared Rail Transport Services.

Metro will make available one Freight Reference Service to Operators and one non-reference service to Operators.

To the extent practicable and reasonable, Operators may obtain a Service which includes only those elements that the Operator wishes to be included in the Freight Reference Service. To the extent practicable and reasonable, Metro will provide an Incremental Cost for an element of a Service if requested to do so by an Operator.

2.2 Freight Reference Services

The Freight Reference Service covers:

- mainline running of a Freight Train from its origin to its destination; including
 - the use of passing loops to facilitate mainline running of the Freight Train; and
 - the use of sidings for operational and incidental purposes.

Access includes, in addition to the use of the Network, the benefit of other services essential to the use of the Network such as signalling and train control services. Access explicitly excludes the use of electric trains by an Operator.

The standard Reference Service and Reference Tariff are based on the following conditions, as well as any other conditions set out in the standard Access Agreement in Attachment A:

- maximum speed and axle load/configuration consistent with the Addenda;
- compliance with Metro standard Terms and Conditions and Protocols as set out in the standard Access Agreement; and
- compliance with nominated sectional running times.

2.3 Non-Reference Services

Metro provides the following non-reference service for Operators:

- Non-reference services for passenger trains; and
- A non-reference service for ad hoc non-passenger movements (which are not Freight Reference Services).

The Terms and Conditions set out in this Access Arrangement for the Reference Services are a reasonable indication of the terms and conditions that would be made available for non-reference services. The precise form and charges for non-reference services will be negotiated between Metro and Operators.

3 REFERENCE TARIFFS

3.1 Standard Freight Reference Services

The Reference Tariffs for the Access Arrangement Period are set out below. These are reducing by 1% annually in real terms in line with Metro’s proposed X factor.

\$ 2010/11	20011/12	2012/13	2013/14	2014/15	2015/16
\$/’000 GTK	5.94	5.88	5.82	5.77	5.71

The reference tariffs are to be converted to a nominal tariff by applying the growth rate between the CPI in the March quarter immediately preceding that financial year and the base March 2010 CPI.

3.2 Non-Standard Freight Reference Services

The access charge for a service that meets the conditions set out in section 2.2 of this Access Arrangement and the conditions in the standard Access Agreement in Attachment A of this Access Arrangement will only differ from the standard Reference Tariff in section 3.1 above where the service characteristics requested by an Operator differ from the characteristics or conditions set out in section 2.2 of this Access Arrangement.

In such circumstances, Metro will determine the access charge by assessing variations to the standard Reference Tariffs to ensure that the change in the revenue that would be received by Metro reasonably reflects the change in costs and risks to Metro arising from the provision of the non-standard service.

4 CHANGES IN REFERENCE TARIFFS

4.1 Annual Variations in Tariffs

Metro will have the right to vary the Reference Tariff for the Freight Reference Service at the end of each financial year subject to compliance with the (CPI-X) reference tariff control formulae set out in the Access Agreement in Attachment A to this Access Arrangement.

The reference tariff control formula ensures that the Reference Tariff does not increase, as a result of any proposed variation to Reference Tariffs, at a rate that is greater than $CPI - X$ (where X is 1%).

4.2 Variation of the Access Arrangement

Section 38ZO allows Metro to vary its Access Arrangement.

Metro also proposes to re-open the Access Arrangement where material Passenger Timetable changes are approved by the Director of Public Transport. Such a decision may have a material impact on the Reference Tariff.

Metro will comply with the process set out in section 38ZO such that the proposed variation will be consistent with the account keeping rules, the ring fencing rules, the capacity use rules, the network management rules, the negotiation guidelines, the pricing principles and any methodology for the calculation of prices determined by the Commission under the Pricing Principles Order, and the principle of passenger priority.

5 Terms and Conditions

Terms and Conditions for the provision of standard Freight Reference Services are set out in the standard Access Agreement in Attachment A.

The following applies in relation to the determination of the value of the Performance Bond and any variation to the protocols:

5.1 Value of Performance Bond

The value of the Performance Bond an Operator may be required to provide as part of the standard Access Agreement is determined as follows:

- For access seekers that have an Acceptable Credit Rating, as defined in the standard Access Agreement, the maximum Performance Bond Amount is four weeks' access charges. This maximum amount is consistent with the level used by ARTC in its approved access undertaking.
- For access seekers that do not have an Acceptable Credit Rating, as defined in the standard Access Agreement, the Performance Bond Amount is to be determined by Metro after having regard to the risk level and frequency of access requested by the Operator, but must be no more than \$500,000.

Deleted: :¶
A BBB or greater credit rating;¶
Net tangible assets of \$2 million or more; and ¶
Provided their most recent set of audited accounts (as part of their access application as specified in Schedule 2, clause 2.1 of the Train Path Request Process and Protocol)¶
are required to provide a

Deleted: a maximum amount equal to of

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5.2 Variation to protocols

Metro acknowledges that the Commission expects it to consult with Operators prior to seeking the Commission's approval for a change to protocols that require its approval under the Network Management Rules or the Capacity Use Rules. Metro must use all reasonable endeavours to undertake such consultation prior to any such application, and to provide the Commission with evidence that such consultation has been conducted.

Attachments

- A ACCESS AGREEMENT
- B TRAIN PATH REQUEST PROCESS AND PROTOCOL
- C ADDITIONAL CAPACITY WORKS PROTOCOL
- D COST ALLOCATION POLICY
- E PRO-FORMA REGULATORY ACCOUNTS TEMPLATES
- F CAPACITY ALLOCATION PROTOCOL
- G NETWORK OPERATING HANDBOOK
 - G.1 Working Timetable May 2011
 - G.2 Metro Working Timetable System Description [WTT Addenda] June 2010 (under revision) and Network Map
 - G.3 Train Operating Protocol
 - G.4 Track Occupation Protocol
 - G.5 Operating Interface Procedures
 - G.6 Emergency Response Plan
 - G.7 Communications Protocol
- H INFORMATION HANDLING PROTOCOL