

27 May 2009

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Drew Hellyer  
Senior Policy Analyst - Policy & Regulation

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Pipe Networks House  
127 Creek Street, Brisbane  
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Dear Drew

**Re: Update of Minerva DORC**

As per your request, we have revised the Minerva DORC estimate with the following::

**1. Asset Class 1 - Inclusion of all sidings between Burngrove and Nogoa**

Sidings have been included in the estimate, with track construction consisting of timber sleepers and 47kg rail.

- i) Tolmies #1 (1.287km) and #2 (0.327km)
- ii) Comet (0.851km)
- iii) Yamala (0.887km)
- iv) Nogoa #1 (1.372km), #2 (1.209km) and #3 (0.427km)

Two turnouts and two sets of points have also been included for each siding. The land corridor was previously assumed to be 16m wide so no additional allowance has been made for land or earthworks costs associated with site preparation (clearing, grubbing etc). An additional cost for Top 600 and track laying has been included for the additional 6.360km of track.

**2. Asset Class 2 and 13 - Inclusion of signalling requirements for the sidings**

The following has been included for each siding

- i) Two aspect signals on approach, within the loop and on departure (6 in total per loop)
- ii) Cabling along the length of the line from Burngrove to Nogoa
- iii) An allowance for an addition to the Rockhampton control board, and
- iv) Power supply to a signal box at each siding

Attached are the results of the new estimate. Please contact me on [REDACTED] if you have any queries or additional requirements.

Regards,

[REDACTED]  
Ken Devencorn  
Senior Associate

**Wurba Junction to Burngrove DORC - Summary of Results**

Print Date	27/05/2009
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**Key Assumptions**

Valuation Base Date	Jul-05	
Tariff Start Date	Nov-05	
Inflation factor (Jul 05 to Nov 05)	2.3%	
Max Remaining Life (yrs)	50	all items prior to Minerva project
Max Remaining Life (yr)	2055	all items prior to Minerva project
Track Asset Option	Current Asset	

**Distances**

From	Chainage (km)	To	Chainage (km)	Distance (km)
Burngrove	202.283	Comet	224.300	22.017
Comet	224.300	Yamala	242.540	18.240
Yamala	242.540	Nogoa	263.110	20.570
Nogoa	0.000	Gindie	20.860	20.860
Gindie	20.860	Wurba Junction	42.591	21.731
<b>Burngrove</b>	<b>202.360</b>	<b>Wurba Junction</b>	<b>42.591</b>	<b>103.418</b>

Total length of included sidings (km)	6.360
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**ORC Valuation**

Asset	Optimised Replacement Cost (ORC) (\$ July 2005)		Optimised Replacement Cost (ORC) (\$ Nov 2005)	
	Total	Total/km	Total	Total/km
1 Track				
2 Signals				
3 Bridges				
4 Culverts				
5 Earthworks				
6 Other				
7 Land Acquisition				
8 Telecom				
9 Land				
10 System				
11 Regional				
12 Elec System				
13 Power System				
14 - 19 CapEx				
Minerva Project			\$16,251,385	
<b>Total</b>	<b>\$154,000,000</b>	<b>\$1,490,000</b>	<b>\$173,800,000</b>	<b>\$1,520,000</b>

**DORC Valuation**

Asset	Depreciated Optimised Replacement Cost (DORC) (\$ July 2005)		Depreciated Optimised Replacement Cost (DORC) (\$ Nov 2005)	
	Total	Total/km	Total	Total/km
1 Track				
2 Signals				
3 Bridges				
4 Culverts				
5 Earthworks				
6 Other				
7 Land Acquisition				
8 Telecom				
9 Land				
10 System				
11 Regional				
12 Elec System				
13 Power System				
14 - 19 CapEx				
Minerva Project				
<b>Total</b>	<b>\$59,000,000</b>	<b>\$570,000</b>	<b>\$76,600,000</b>	<b>\$580,000</b>

**Summary of Results**

	Total (\$M)	Total (\$/km)	
ORC (\$ Jul 2005)	\$154.0	\$1,490,000	excludes Minerva Project
ORC (\$ Nov 2005)	\$173.8	\$1,520,000	includes Minerva project, plus inflation (4 months)
DORC (\$ Jul 2005)	\$59.0	\$570,000	
DORC (\$ Nov 2005)	\$76.6	\$580,000	

