

File Ref: 1374815

30 May 2019

Ms Loretta Lynch
Head of Finance and Regulation Network
Aurizon Network Pty Ltd
GPO Box 456
Brisbane Qld 4001

Dear Ms Lynch

Aurizon Network's 2015–16 and 2016–17 RAB roll-forward—QCA final decision

The Queensland Competition Authority has accepted Aurizon Network's amended 2015–16 and 2016–17 Regulatory Asset Base (RAB) roll-forward application, as set out in the tables included as an attachment to this letter.

The QCA is satisfied that the roll-forwards are broadly based on the principles of clause 1.1 of Schedule E of the 2017 Access Undertaking (UT5). A separate process would be required for the QCA to consider any consequential impacts on revenues and reference tariffs.

The QCA will publish this letter on its website for stakeholders' information. Clause 10.4.2 of UT5 also requires Aurizon Network to publish a report of changes to the RAB on its website, within four weeks of the QCA's acceptance of the roll-forward.

Should you require more information, please contact Pag Arao-Arao on (07) 3222 0560.

Yours sincerely



Charles Millstead
Chief Executive Officer

Table 1 Aurizon Network's 2015–16 RAB roll-forward (\$, nominal)

	Goonyella (inc Midlemount, Hail Creek and Vermont)	Blackwater (inc WIRP excl Rolleston and Minerva)	Rolleston (inc WIRP)	Minerva	Moura (inc WIRP Moura)	Newlands (inc NAPE)	GAPE (inc GSE, Byerwen GAPE and Byerwen NAPE)	Total
Non-electric								
Opening	\$1,501,272,232	\$1,296,909,846	\$525,510,223	\$66,166,277	\$267,609,248	\$282,990,480	\$1,081,957,792	\$5,022,416,097
Capex	\$71,991,987	\$228,524,243	\$238,011,676	\$0	\$36,082,364	\$15,159,811	-\$34,442	\$589,735,639
Plus inflation	\$23,437,828	\$26,215,869	\$18,629,729	\$985,717	\$6,971,859	\$9,858,191	\$27,124,882	\$113,224,075
Less depreciation	\$96,087,422	\$87,290,886	\$36,188,598	\$3,460,275	\$11,665,989	\$11,551,375	\$57,736,766	\$303,981,309
Less Disposals	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Closing	\$1,500,614,625	\$1,464,359,073	\$745,963,030	\$63,691,720	\$298,997,482	\$296,457,107	\$1,051,311,467	\$5,421,394,502
Electric								
Opening	\$221,639,285	\$255,576,343	\$21,829,510				\$4,168,351	\$503,213,488
Capex	\$63,634,634	\$29,841,251	\$173,880,984				\$0	\$267,356,869
Plus inflation	\$4,249,891	\$4,746,131	\$3,661,040				\$62,098	\$12,719,161
Less depreciation	\$25,632,046	\$28,854,322	\$9,307,101				\$235,307	\$64,028,776
Less disposals	\$0	\$0	\$0				\$0	\$0
Closing	\$263,891,763	\$261,309,403	\$190,064,434				\$3,995,142	\$719,260,742

Table 2 Aurizon Network's 2016–17 RAB roll-forward (\$, nominal)

	Goonyella (inc Midlemount, Hail Creek and Vermont)	Blackwater (inc WIRP excl Rolleston and Minerva)	Rolleston (inc WIRP)	Minerva	Moura (inc WIRP Moura)	Newlands (inc NAPE)	GAPE (inc GSE, Byerwen GAPE and Byerwen NAPE)	Total
Non-electric								
Opening	\$1,500,614,625	\$1,464,359,073	\$745,963,030	\$63,691,720	\$298,997,482	\$296,457,107	\$1,051,311,467	\$5,421,394,502
Capex	\$92,858,490	\$99,023,380	\$1,220,347	\$0	\$13,551,135	\$12,371,588	\$4,113,424	\$223,138,364
Plus inflation	\$29,238,039	\$32,210,589	\$21,024,912	\$1,168,655	\$8,201,671	\$11,134,657	\$23,274,908	\$126,253,431
Less depreciation	\$108,387,685	\$100,725,000	\$36,902,867	\$3,472,063	\$13,058,249	\$12,787,262	\$68,627,404	\$343,960,530
Less Disposals	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Closing	\$1,514,323,469	\$1,494,868,041	\$731,305,422	\$61,388,312	\$307,692,038	\$307,176,089	\$1,010,072,395	\$5,426,825,768
Electric								
Opening	\$263,891,763	\$261,309,403	\$190,064,434				\$3,995,142	\$719,260,742
Capex	\$3,796,062	\$5,300,324	\$1,091				\$0	\$9,097,477
Plus inflation	\$4,911,703	\$5,389,271	\$4,237,767				\$73,305	\$14,612,047
Less depreciation	\$26,295,645	\$15,093,943	\$9,477,919				\$239,625	\$51,107,131
Less disposals	\$0	\$0	\$0				\$0	\$0
Closing	\$246,303,884	\$256,905,055	\$184,825,373				\$3,828,822	\$691,863,134