

File Ref: 756627

23 July 2014

Mr Alex Kummant
Chief Executive Officer
Aurizon Network Pty Ltd
GPO Box 456
Brisbane QLD 4001

Dear Mr Kummant *Alex*

Final Decision: 2013 Flood Review Event Claim

I am writing to advise of our final decision on the 2013 flood review event for damage in the Blackwater and Moura Systems associated with flooding in central Queensland in January 2013.

On 22 May 2014, I wrote to you indicating we had made a draft decision not to approve the full flood review event claim of \$18.6 million (\$2012-13). Specifically, we considered \$2.54 million (\$2012-13) should be removed from the claim on the basis this reflected ordinary labour costs that we did not consider to be incremental costs.

We published the draft decision on our website and sought submissions from stakeholders by 20 June 2014. We did not receive any submissions. However, on 3 July 2014 Aurizon Network wrote to us advising it accepted our draft decision to approve a pass-through amount of \$16.10 million.

Given the above, on 23 July 2014 we approved \$16.10 million (\$2012-13) in damage repair costs in the Blackwater and Moura systems being recovered through tariffs in accordance with clause 2.2.7(c)(ii)(B) of Schedule F of the 2010 access undertaking. This amount is to be recovered through the AT3 and AT4 tariffs, noting our preference for recovery is in 2014-15, with further consideration of this matter to be included as part of the 2013 draft access undertaking approval process.

We will publish this letter on our website, for the information of stakeholders.

Yours sincerely



Malcolm Roberts
Chairman