

Our Ref: Paul Bilyk Direct Line: 07 3222 0506 File Ref: 473748

30 October 2012

Mr Michael Carter Chief Executive Officer QR Network Pty Ltd GPO Box 456 Brisbane OLD 4001

Dear Mr Carter

## QR Network's 2010-11 Regulatory Asset Base (RAB) Roll-forward

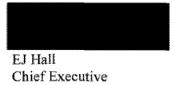
On 26 October 2012, the Authority approved QR Network's proposed 2010-11 RAB roll-forward application, as amended on 3 September 2012, as set out in Attachment 1.

In reaching this decision, the Authority reviewed QR Network's submission, as amended on 3 September 2012, and considered that it was consistent with the requirements contained in clause 1.2, Schedule A of the access undertaking, including that it:

- (a) provided information in the level of detail and format required by separately reporting the roll-forwards for individual coal systems and spur lines such as Rolleston and Minerva;
- (b) included capital expenditure for 2010-11 of \$119.5 million consistent with that approved by the Authority in June 2012;
- (c) calculated each component of the asset base roll-forward in accordance with the approach outlined in the access undertaking:
  - (i) inflation using Brisbane CPI index of 3.8% for 2010-11;
  - (ii) depreciation applying a straight-line depreciation approach using the Authority's endorsed asset lives; and
  - (iii) disposals and transfers specifying assets that were disposed of in 2010-11.

The Authority notes that clause 9.3.3 of the access undertaking requires QR Network to publicly release an annual report of changes to its regulatory asset base within one month of receiving this notice of acceptance. This notice will be placed on the Authority's website at <a href="https://www.qca.org.au">www.qca.org.au</a>.

Yours sincerely



Attachment 1

QR Network's revised 2010-11 RAB Roll-forward ('000)

	Goonyella	Blackwater	Moura	Newlands	Vermont	Minerva	Rolleston	Total
Non-Electric								
Opening	1,234,808	1,078,532	255,373	164,217	48,132	74,338	238,756	3,094,157
Capex	87,743	9,949	687	1,600	354	0	0	100,334
Add: Inflation	49,025	41,554	9,807	6,329	1,853	2,851	9,157	120,576
Less: Depreciation	57,896	46,602	9,254	7,487	2,712	3,168	12,237	139,356
Closing	1,313,681	1,083,433	256,614	164,659	47,627	74,021	235,676	3,175,711
Electric								
Opening	236,545	140,713			8,803			386,061
Capex	18,921	268			0			19,190
Add: Inflation	9,432	5,402			338			15,171
Less: Depreciation	18,325	17,051			494			35,870
Closing	246,573	129,332			8,646			384,552