



Ms Catherine Barker
Director Business Performance
Queensland Competition Authority
GPO Box 2257
Brisbane QLD 4001

7 October 2016

Dear Catherine,

Aurizon Network Pty Ltd – FY2016 Revenue Adjustment Amounts

Aurizon Network is submitting the FY2016 Revenue Adjustment Amounts to the Queensland Competition Authority (QCA) for approval, in accordance with clause 3.2 of Schedule F, Part B of Aurizon Network's 2010 Access Undertaking (2010AU).

Under the 2010AU, Aurizon Network is required to submit these Revenue Adjustment Amounts to the QCA for approval 30 days following the QCA's approval of Adjustment Charges relating to the relevant year.¹ The QCA approved FY2016 Adjustment Charges on 9 September 2016, and so submission of the Revenue Adjustment Amounts to the QCA for approval falls due on 9 October.

In FY2016, 225.9 million net tonnes were railed across the Central Queensland Coal Network. This was the third consecutive year of record net tonnes. This has resulted in the over-recovery of \$20.6 million which will be returned to Access Holders.

The Revenue Adjustment Amounts are subject to QCA approval and it is anticipated that they will be applied as part of the QCA's finalisation of Aurizon Network's forthcoming UT5 Access Undertaking.

Please contact Michelle De Saram on (07) 3019 7199 or michelle.desaram@aurizon.com.au should you have any queries regarding the submission.

Yours sincerely

A handwritten signature in black ink that reads "Donna Bowman".

Donna Bowman
Network Regulation Manager (Access Undertaking)
Aurizon Network Pty Ltd

¹ Clause 3.2.6, Part B, Schedule F.

Aurizon Network Access Undertaking 2010 FY2016 Revenue Adjustment Amounts **Explanatory Memorandum**

7 October 2016



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1 Executive Summary

1.1 Introduction

This submission details the Revenue Adjustment Amounts for Financial Year (FY) 2016, as required by Schedule F, Part B of Aurizon Network's 2010 Access Undertaking (2010AU)¹

Under the 2010AU, Aurizon Network:

is required to recover from (or return to) access holders, Revenue Adjustment Amounts, comprising the difference between revenues earned (Total Actual Revenues (TAR)) and revenues allowed (System Allowable Revenues (SAR)) for the relevant Reference Tariff components

1.2 Revenue Adjustment Amounts

The Revenue Adjustment Amounts include the:

- AT₂₋₄ Reference Tariff components for Blackwater, Goonyella, Moura, Newlands and Goonyella to Abbot Point (GAPE) systems; and
- AT₅ and EC Reference Tariff components for the Blackwater and Goonyella systems.

This submission details the:

- Net returns to Access Holders for the Goonyella, Moura, Newlands and GAPE systems; and
- Net recovery from Access Holders for the Blackwater system

The total of the Revenue Adjustment Amounts for FY2016, relative to the FY2016 Adjusted SARs, represents a net return to Access Holders of \$20.6 million. The Revenue Adjustment Amounts are summarised in Table 1 below²:

Table 1 FY2016 Revenue Adjustment Amounts

System	AT ₂₋₄ \$m	AT ₅ \$m	Total \$m
Blackwater	7.6	4.8	12.4
Goonyella	(26.4)	(2.0)	(28.4)
Moura	(0.2)	n/a	(0.2)
Newlands	(2.6)	n/a	(2.6)
GAPE	(1.8)	n/a	(1.8)
Total	(23.3)	2.7	(20.6)

On 28 April 2016, the QCA issued its Final Decision on the 2014 Draft Access Undertaking (2014DAU) followed by Aurizon Network submitting the 2014 Amended DAU (2014ADAU) on 7 July 2016. On 1 September 2016, The QCA released a draft decision in respect of the 2014 ADAU. A Final decision on the 2014ADAU is yet to be reached. Aurizon Network's 2010AU is the only approved undertaking in place and forms the basis of this submission.

¹ Clause 3.2 in respect of the Revenue Adjustment Amounts and Clause 3.3 in respect of the Increments

² Positive amounts represent a recovery from Access Holders, negative amounts represent a return to Access Holders

In order to provide certainty of tariffs for FY2016 and to set transitional tariffs for FY2017, Aurizon Network submitted a draft amending access undertaking in May 2016 (May 2016DAAU) to the QCA for approval. This was approved by the QCA on 23 June 2016.

This Revenue Adjustment Amount submission has been based on the pricing model brought into effect by the May 2016DAAU and the provisions under Schedule F, Part B of the 2010AU.

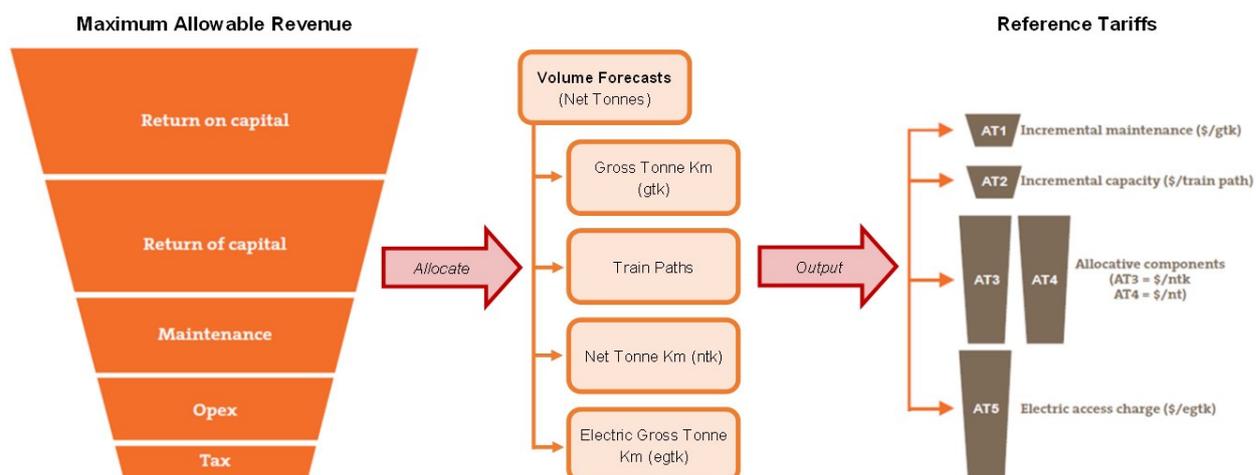
Consistent with the process outlined in Aurizon Network's submission to the May 2016DAAU, the difference between the final FY2016 SARs approved as part of the May 2016DAAU and the approved 2014ADAU SARs is proposed to be returned to, or recovered from, Access Holders in FY2017 as part of the finalisation of the 2014DAU.

2 Summary of Revenue Cap Method

2.1 Regulatory provisions

The 2010AU has been extended until 30 November following the QCA's approval³.

Aurizon Network's regulated revenues are derived using a regulatory 'building blocks' approach where capital and operating costs are aggregated into a Maximum Allowable Revenue (MAR) for each system. The approved MAR is then translated into reference tariffs based on QCA approved volume forecasts. SAR represents the allowable revenue recoverable through the AT₂₋₄ and AT₅ reference tariffs, which form the basis of Aurizon Network's Revenue Cap.



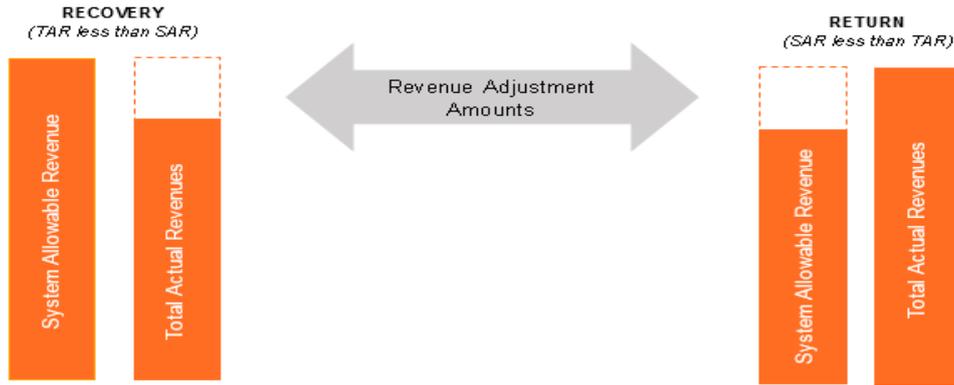
Schedule F of the 2010AU details:

- the basis on which Aurizon Network recovers revenues from Access Holders, i.e. primarily from reference tariffs charged for trains operated; and
- the guidelines on Take or Pay, Adjustment Charges and Revenue Cap to enable Aurizon Network to earn the SAR in each system in the same or subsequent years.

2.2 Revenue Cap Framework

Aurizon Network is required to recover from (or return to) Access Holders the Revenue Adjustment Amounts, being the difference between revenues earned (TAR) and revenues allowed (SAR) for the relevant Reference Tariff components.

³ 26 September 2016, the QCA approved Aurizon Network's August 2016 DAAU extension to 30 November



There are seven revenue caps, the ‘non-electric’ revenue cap (AT₂₋₄) for each of the five systems plus two ‘electric’ revenue caps (AT₅), one each for the two electrified systems, Blackwater and Goonyella.

Within the AT₂₋₄ and AT₅ Revenue Adjustment Amounts, there are six areas of allowable adjustments, provided for under Schedule F, Part B of the 2010AU.

The following must be addressed by Aurizon Network for each system by way of a submission to the QCA by 30 September following the relevant year or within 30 days of the QCA’s approval of the Adjustment Charges⁴.

Maintenance Costs	<ul style="list-style-type: none"> ▪ Clause 3.2.2(a)(i) ▪ Adjustment to reflect actual cost of maintaining branch lines for new loading facilities
Maintenance Cost Index (MCI)	<ul style="list-style-type: none"> ▪ Clause 3.2.2(a)(ii) ▪ Adjustment to reflect the difference between actual and forecast MCI, less an approved X factor
Electric Traction (EC) Costs	<ul style="list-style-type: none"> ▪ Clause 3.2.2(b)(i) ▪ Adjustment to reflect the difference between actual energy costs and EC collected
Connection to an electricity transmission or distribution network	<ul style="list-style-type: none"> ▪ Clause 3.2.2(b)(ii) ▪ Adjustment to reflect the difference between actual and forecast electricity connection costs
Operating Costs	<ul style="list-style-type: none"> ▪ Clause 3.2.2(c) ▪ Adjustment to reflect the difference between actual and forecast CPI, less an approved X factor
Rebate adjustment	<ul style="list-style-type: none"> ▪ Clause 3.2.3(c) and Clause 3.2.5(b) ▪ Adjustment to TAR for AT₂₋₄ and AT₅ in relation to assets under a rebate agreement, less any rebates paid

⁴ Clause 3.2.6 states that Revenue Adjustment Amounts submitted within 30 days after the approval of Adjustment Charges. Aurizon Network’s Adjustment Charges submission FY2016 was approved on 9th September 2016.

2.3 The 2016 Draft Amending Access Undertaking (2016DAAU)

On the 28 April 2016, the QCA issued its Final Decision on the 2014DAU. Aurizon Network recognised there was a risk that a final approved Undertaking would not be in place by 30 June 2016. Therefore in order to provide certainty of tariffs for FY2016 and to set transitional tariffs for FY2017, Aurizon Network submitted the May 2016DAAU to the QCA for approval. This was approved by the QCA on 23 June 2016.

The 2016DAAU sought to:

- finalise revenues, volume forecasts and reference tariffs for FY2016;
 - transitional allowable revenues, volumes and reference tariffs to be replaced with adjusted Final Decision SARs and Final Decision volume forecasts;
 - adjusted Final Decision SARs excluded the FY2014 and FY2015 true-ups from the FY2016 tariffs and included FY2014 and FY2015 true-ups in full in FY2017 tariffs; and
 - the revised FY2016 SARs, volumes forecasts and tariffs to be confirmed as final for FY2016
- confirm arrangements to finalise FY2016 whereby at the end of FY2016, Aurizon Network would calculate;
 - an Adjustment Charge for the difference between the FY2016 transitional reference tariffs and the final FY2016 reference tariffs⁵;
 - Take or Pay, based on the final FY2016 SARs and volume forecasts; and
 - Revenue Cap Adjustments based on the difference between collected AT₂₋₄ and AT₅ revenues (inclusive of any Take or Pay and relinquishment fees) and the final FY2016 SARs.
- propose that any difference between the final FY2016 SARs confirmed by QCA as part of the 2016DAAU and the approved 2014DAU SARs for FY2016 are trued up in FY2017 as part of the finalisation of the 2014DAU;

The QCA approved the May 2016DAAU on 23 June 2016 highlighting:

- the final true up of revenues will be dealt with in the approval of the replacement undertaking; and
- the decision relates to the 2010AU and does not limit the QCA's consideration of matters in the approval of the replacement undertaking.

⁵ . Aurizon Network's Adjustment Charges submission FY2016 was approved on 9th September 2016.

2.4 Financial Model

A detailed financial model has been prepared and provided to the QCA in support of the FY2016 Revenue Cap submission. The model includes:

- detailed billing data;
- the Take or Pay model;
- the FY2016 Adjustment Charge model;
- calculations of the CPI and MCI adjustments; and
- calculations of the EC, connection costs and rebate adjustments.

As the financial models contain specific information on individual Train Services and billing information on electricity costs, Aurizon Network claims confidentiality over the financial models which contains ringfenced information. Outputs from the models are summarised in this submission.

3 Revenue Adjustment Amounts for FY2016

3.1 Revenue Adjustment Amounts

Revenue Adjustment Amounts are caused primarily by actual throughput varying from the parameters underlying the regulatory system forecasts which form a key input in the determination of reference tariffs.

In FY2016, 225.9 million net tonnes were railed across the CQCN. This achievement was the third consecutive year of record net tonnes. As a result of these railings, tonnages in Goonyella, Newlands and GAPE exceeded the system forecast net tonnes approved by the QCA as part of the May 2016DAAU and resulted in over-recoveries of the relevant SARs for these systems.

A summary of regulatory forecast tonnage throughput and GTKs by system compared with actual tonnages and GTKs are provided in Tables 2 and 3 below.

Table 2 FY2016 Tonnage Performance

System	Forecast Tonnages (million NT)	Actual Tonnages (million NT)	Variance %
Blackwater	66.2	64.2	(3%)
Goonyella	112.1	121.5	8%
Moura	13.4	12.1	(10%)
Newlands	10.7	12.1	13%
GAPE	15.3	16.0	5%
Total	217.6	225.9	4%

Table 3 FY2016 GTK Performance

System	Forecast GTK (billion)	Actual GTK (billion)	Variance %
Blackwater	37.3	36.1	(3%)
Goonyella	36.7	39.9	9%
Moura	3.5	3.2	(6%)
Newlands	2.5	2.6	7%
GAPE	9.2	9.0	(1%)
Total	89.1	91.0	2%

All systems with the exception of Moura and Blackwater recorded an over-recovery of AT₂₋₄ SAR due to above system forecast volumes.

The Moura system recorded GTKs which were 6% lower than the system forecast resulting in an under-recovery of AT₂₋₄ revenues and triggering of Annual Take or Pay. The Take or Pay amount recovered the full extent of the AT₂₋₄ SAR under-recovery.

The Blackwater System GTK's were 3% below the System Forecast but Annual Take or Pay did not trigger due to the actual GTKs being greater than the system forecast GTKs when adjusted for Aurizon Network Cause and Force Majeure cancellations. There was however a small amount (<\$50K) of UT1 Variable Take or Pay payable. The result was an under recovery of AT₂₋₄ SAR in the Blackwater System.

GAPE system GTKs were 1% below the System Forecast but Take or Pay did not trigger due to the actual GTKs being greater than the system forecast GTKs when adjusted for Aurizon Network Cause and Force Majeure cancellations. In addition the TAR exceeded the SAR resulting in an over recovery of AT₂₋₄.

Goonyella recorded Total Actual AT₅ revenue above SAR driven by the higher volumes resulting in an over-recovery of AT₅ revenue. In Blackwater, below System Forecast electric GTK's resulted in an under-recovery of the AT₅ SAR

The total of the Revenue Adjustment Amounts for FY2016, relative to the FY2016 Adjusted SARs, represents a net return to Access Holders of \$20.6 million, comprising a return of \$23.3 million for AT₂₋₄ and a recovery of \$2.7 million for AT₅, varying between returns and recoveries at a system level.

The Revenue Adjustment Amounts for 'non-electric' and 'electric' are reconciled to the Adjusted SAR and TAR as outlined below in Tables 4 and 5:

Table 4 Revenue Adjustment Amounts – AT2-4

System	Adjusted System Allowable Revenue \$m	Total Actual Revenue \$m	Revenue Adjustment Amounts \$m
Blackwater	321.0	313.3	7.6
Goonyella	276.3	302.7	(26.4)
Moura	40.0	40.1	(0.2)
Newlands	27.9	30.6	(2.6)
GAPE	116.3	118.0	(1.8)
Total	781.5	804.7	(23.3)

Table 5 Revenue Adjustment Amounts – AT5

System	Adjusted System Allowable Revenue \$m	Total Actual Revenue \$m	Revenue Adjustment Amounts \$m
Blackwater	99.3	94.5	4.8
Goonyella	74.2	76.3	(2.0)
Total	173.5	170.8	2.7

A comparison with Revenue Adjustment Amounts (excluding cost of capital adjustments) for previous submissions is presented in Table 6:

Table 6 Total Revenue Adjustment Amounts – FY2007 to FY2016

Year	AT ₂₋₄ Adjustment \$m	AT ₅ Adjustment \$m	Total Adjustment \$m
2007	15.7	10.1	25.8
2008	27.8	15.8	43.6
2009	4.6	28.3	32.9
2010	(6.1)	6.0	(0.1)
2011	19.2	30.0	49.2
2012	2.7	11.2	13.9
2013	28.2	10.9	39.1
2014	15.5	(8.5)	7.0
2015	(25.3)	(2.3)	(27.6)
2016	(23.3)	2.7	(20.6)

4 Adjustments to SAR

Schedule F, Part B, section 3.2.1 details five adjustments that are made to the approved SAR as part of the Revenue Adjustment calculation.

Further detail is located within Attachment A and is detailed in the financial model accompanying this submission.

Maintenance	Branchlines for new loading facilities 3.2.2 (a) (i) Recovery of maintenance costs to reflect maintaining branchlines for new loading facilities.
Maintenance Cost Index (MCI)	MCI 3.2.2 (a) (ii) Recovery of maintenance to reflect the difference between the actual MCI (less an approved X-Factor) for FY2016 and the forecast MCI used for determining reference tariffs.
Electric Traction Costs	EC Costs 3.2.2 (b) (i) The difference between actual cost of electric traction and the actual EC revenues
Connection to an electricity transmission or distribution network	Connection Costs 3.2.2 (b) (ii) The difference between actual connection costs and the forecast costs used for determining reference tariffs.
Operating Costs Consumer Price Index (CPI)	CPI 3.2.2 (c) Recovery of operating costs to reflect the difference between the actual CPI (less an approved X-Factor) for FY2016 and the forecast CPI used for determining reference tariffs.

4.1 Branchlines for new loading facilities

There was no branchlines for new loading facilities commissioned in the period and therefore no adjustment to SAR has been made under clause 3.2.2 (a) (i).

4.2 Maintenance Costs Index (MCI)

With respect to Clause 3.2.2(a)(ii)⁶, Aurizon Network has calculated a net return to Access Holders of \$2.3m for AT₂₋₄ and \$0.1m for AT₅. Overall, the actual MCI for the year was less than the forecast MCI used for determining FY2016 reference tariffs. The methodology for determining the MCI adjustment is detailed below.

⁶ Note that consistent with the 2016DAAU pricing model, no X Factor has been applied to forecast or actual indexes

The MCI is a weighted index of a number of separate indexes. The weighting used in calculating reference tariffs for FY2016 was as follows:

	Fuel	Accommodation	Consumables	Labour	CPI
Index Weights	3.2%	1.5%	34.9%	44.5%	15.9%

Each of the separate indexes was forecasted in the 2016DAAU pricing model for the purposes of determining reference tariffs for FY2016. The approved indexes from FY2012 dollars were as follows:

	Fuel	Accommodation	Consumables	Labour	CPI	Weighted Index
FY12 Dollars Index Weights- Forecast	94.2%	98.4%	106.1%	111.5%	109.5%	108.7

The actual MCI indexes have been calculated with detailed workings provided to the QCA as part of this submission. The actual indexes were as follows:

	Fuel	Accommodation	Consumables	Labour	CPI	Weighted Index
FY12 Dollars Index Weights- Actual	76.9%	99.7%	104.5%	110.8%	108.5%	107.4

The actual weighted MCI was below the forecast MCI.

The adjustments to SAR from applying the respective forecast and actual MCI to the maintenance costs included in the SAR for FY2016 are outlined below in tables 7 and 8:

Table 7 SAR Maintenance costs allowance adjusted for MCI

	AT ₂₋₄ \$m	AT ₅ \$m	Total \$m
Maintenance costs allowance in SAR	185.4	10.4	195.8
Adjusted Maintenance costs allowance	183.1	10.3	193.4
Net return to Access Holders	(2.3)	(0.1)	(2.4)

Table 8 MCI Adjustment to SAR by System

	AT ₂₋₄ \$m	AT ₅ \$m	Total \$m
Blackwater	(1.0)	0.0	(1.1)
Goonyella	(0.9)	(0.1)	(1.0)
Moura	(0.1)		(0.1)
Newlands	(0.1)		(0.1)
GAPE	(0.2)		(0.2)
Net return to Access Holders	(2.3)	(0.1)	(2.4)

4.3 Operating Costs Consumer Price Index (CPI)

With respect to Clause 3.2.2(c)⁷, Aurizon Network has calculated a net return to Access Holders of \$1.2m for AT₂₋₄ only. Overall, the actual CPI for the year was less than the forecast CPI used for determining FY2016 reference tariffs. The methodology for determining the CPI adjustment is set out below.

Forecast CPI figures for the Brisbane 'All Groups' were taken from the mid-point of the Reserve Bank of Australia's forecast CPI band. The following table shows the actual versus forecast CPI:

	Forecast CPI used for FY2016 tariffs	Actual CPI
FY2016	109.54	108.46

The adjustments to SAR from applying the respective forecast and actual CPI to the operating costs included in the SAR for FY2016 are outlined below in tables 9 and 10:

Table 9 SAR Operating costs allowance adjusted for CPI

	AT ₂₋₄ \$m	AT ₅ \$m	Total \$m
Operating costs allowance in SAR	126.2	0.7	127.0
Adjusted Operating costs allowance	125.1	0.7	125.8
Net return to Access Holders	(1.2)	0.0	(1.2)

Table 10 CP Adjustment to SAR by System

	AT ₂₋₄ \$m	AT ₅ \$m	Total \$m
Blackwater	(0.4)	n/a	(0.4)
Goonyella	(0.5)	n/a	(0.5)
Moura	(0.1)	n/a	(0.1)
Newlands	(0.1)	n/a	(0.1)
GAPE	(0.1)	n/a	(0.1)
Net return to Access Holders	(1.2)	n/a	(1.2)

⁷ Note that consistent with the 2016DAAU pricing model, no X Factor has been applied to forecast or actual indexes

4.4 Electric Traction Costs (EC) adjustment

With respect to Clause 3.2.2(b)(i), Aurizon Network has calculated an adjustment for the difference between:

- amounts paid to Origin Energy Limited for the consumption of EC as per invoices⁸; and
- EC revenues for FY2016 for Goonyella and Blackwater⁹.

This resulted in an over-recovery of \$6.3m in FY2016, where the EC revenue is higher compared to the EC expense.

While this Revenue Adjustment submission is made under the provision of the 2010DAU, Aurizon Network notes that the QCA in the 2014DAU Final Decision removed the EC adjustment from the AT₅ Revenue Adjustment calculation and approved an annual reconciliation of EC tariffs for the following year.

Following this, Aurizon Network included an estimate of the expected over-recovery of EC revenue for FY2016 in the proposed 'final' EC tariffs for FY2017, as per Aurizon Network's 2014 ADAU. The estimated amount was materially close¹⁰ to the amount calculated in this Revenue Adjustment calculation.

As a result, Aurizon Network proposes, that the FY2016 EC over recovery is included in the 2014ADAU FY2017 EC tariffs and excluded from the FY2016 Revenue Adjustment calculation.

4.5 Connection Costs

With respect to Clause 3.2.2(b)(ii), Aurizon Network has calculated a net recovery from Access Holders of \$1.5m for AT₅ represented by the difference between:

- The amounts paid to Powerlink Pty Ltd (Powerlink) for the connection of Aurizon Network's electric infrastructure to the Powerlink network, per invoices raised by Powerlink; and
- The connection cost allowances included in the calculation of the AT₅ Reference Tariff components for FY2016

⁸ Gross of regeneration credits that are returned to Operators

⁹ Blackwater EC revenue includes revenue collected from QR Passenger Pty Ltd for electric passenger services on the North Coast Line for which the comparable costs are reflected in the amounts paid to Origin

¹⁰ Variances to actuals will be trued up in the FY2018 EC calculation

4.6 Adjusted SARs Summary

The Adjusted SARs are reconciled to the SARs as outlined below in Tables 11 and 12:

Table 11 Adjusted System Allowable Revenues – AT₂₋₄

System	AT ₂₋₄ System Allowable Revenue Per Schedule F \$m	MCI Adjustment \$m	CPI Adjustment \$m	Adjusted AT ₂₋₄ System Allowable Revenue \$m
Blackwater	322.4	(1.0)	(0.4)	321.0
Goonyella	277.8	(0.9)	(0.5)	276.3
Moura	40.1	(0.1)	(0.1)	40.0
Newlands	28.1	(0.1)	(0.1)	27.9
GAPE	116.6	(0.2)	(0.1)	116.3
Total	784.9	(2.3)	(1.2)	781.5

Table 12 Adjusted System Allowable Revenues – AT₅

System	AT ₅ System Allowable Revenue Per Schedule F \$m	MCI Adjustment \$m	EC Adjustment \$m	Connection Costs \$m	Adjusted AT ₅ System Allowable Revenue \$m
Blackwater	99.5	(0.0)	0.0	(0.2)	99.3
Goonyella	72.7	(0.1)	0.0	1.7	74.2
Total	172.1	(0.1)	0.0	1.5	173.5

5 Total Actual Revenue

5.1 Adjustments to Access Charges

The Access Charges payable by Access Holders for individual Train Services are set out in detail in the financial model that has been provided to the QCA with this submission.

Aurizon Network confirms that:

- Access Charges are per Aurizon Network's billing system;
- Allocations for cross-system traffics between the Blackwater and Goonyella systems are in accordance with both the cross-system pricing rules in Schedule F and the revenue adjustment process as applied in prior years' calculations;
- Revenue related to the Adjustment Charge approved by the QCA on 9th September 2016 has been included in the Total Actual Revenue;
- Access revenues in the Moura and Blackwater systems include Take or Pay. Take or Pay has been determined in accordance with the relevant Standard Access Agreement and has been agreed with and billed to the relevant Access Holders. A copy of the Take or Pay model has been provided to the QCA with this submission; and

- Goonyella revenue include two relinquishment fees for a sum of \$1.6 million. No other relinquishment fees were collected, or were entitled to be collected, during FY2016.

5.2 Rebate Adjustments

The TAR in this submission, includes a rebate adjustment, which is the SAR for AT₂₋₄ and AT₅ for assets under a rebate agreement, less any rebates paid under that agreement. The rebate agreement includes an arrangement under an Access Facilitation Deed (AFD).

An adjustment may be required to the extent that the rebateable revenues within SAR vary from the rebates paid under the AFD. The adjustments are equivalent to the difference between actual and regulatory forecast tonnages for the mine covered by the AFD, multiplied by the relevant rebate rate per tonne.

The adjustments for rebates represents a net recovery from Access Holders of \$1.1 million:

- recoveries of \$1.3m for non-electric assets (AT₂₋₄)
- return of \$0.2m million for electric assets (AT₅)

There are no rebate arrangements covering mines in the Moura and GAPE systems and for electric infrastructure in the Blackwater system.

The billed access charges are reconciled to the TARs as outlined below in Tables 13 and 14:

Table 13 Total Actual Revenue AT₂₋₄

System	AT ₂₋₄ Billed excl. Cross System \$m	Cross System , Take or Pay and Relinquishment Fees \$m	Rebate Adjustments \$m	Total Actual Revenue AT ₂₋₄ \$m
Blackwater	308.4	6.1	(1.1)	313.3
Goonyella	290.6	11.8	0.3	302.7
Moura	37.0	3.1	n/a	40.1
Newlands	31.0	0.0	(0.4)	30.6
GAPE	118.0	0.0	n/a	118.0
Total	785.1	20.9	(1.3)	804.7

Table 14 Total Actual Revenue AT₅

System	AT ₅ Billed excl. Cross System \$m	Cross System , Take or Pay and Relinquishment Fees \$m	Rebate Adjustments \$m	Total Actual Revenue AT ₅ \$m
Blackwater	88.1	6.4	n/a	94.5
Goonyella	74.9	1.2	0.2	76.3
Total	163.0	7.6	0.2	170.8

6 Glossary

In this submission:

- References to Aurizon Network are to Aurizon Network Pty Ltd,
- References to 2010AU are to the Undertaking approved on 1 October 2010 by the QCA;
- All numbers within the tables of this submission are subject to rounding
- References to 2014DAU are to Aurizon Network's Draft Access Undertaking submitted in August 2014 to the QCA;
- References to the 2014ADAU are to Aurizon Network's Amended Draft Access Undertaking submitted by Aurizon Network on 7 July 2016 to the QCA for approval. The QCA issued a draft decision to approve the 2014ADAU on 1 September 2016, but as at the date of this submission not issued a final approval of it;
- References to 2016DAAU are to Aurizon Network's Draft Amending Access Undertaking submitted in May 2016 to the QCA, approved by the QCA on 23 June 2016;
- References to Final Decision are to the QCA's Final Decision on the 2014ADAU in April 2016;
- References to an approved Undertaking are to the Undertaking resulting from the final approval of the 2014DAU;
- References to FY are to the relevant financial year ending 30 June; and
- Terms that are defined in the 2010AU have the meaning given in the 2010AU

Attachment A – Total Actual Revenues and Adjusted System Allowable Revenues (Schedule for Publication)

Attachment A Revenue Cap Adjustment 2015/16

Total Actual Revenue					System Allowable Revenue						Revenue Adjustment
	Billing models (excl Cross System Traffic)	TAR Adjustments		Total Actual Revenue	SAR per Schedule F	SAR Adjustments			Adjusted SAR	Total Refund (Recovery)	
		Adjustments (inc Cross System, Take or Pay, Transfer fees)	Rebate Adjustments			MCI adjustment Maintenance Costs	CPI adjustment Operating Costs				
AT₂₋₄											
Blackwater	308,384,897	6,080,809	(1,142,861)	313,322,845	322,358,256	(1,022,848)	(364,103)		320,971,305	(7,648,460)	
Goonyella	290,616,392	11,759,900	294,750	302,671,042	277,730,951	(874,471)	(540,769)		276,315,711	26,355,331	
Moura	37,036,616	3,089,937	-	40,126,553	40,126,553	(111,379)	(61,327)		39,953,848	172,706	
Newlands	31,032,876	-	(438,275)	30,594,601	28,091,572	(71,610)	(71,908)		27,948,053	2,646,548	
GAPE	118,031,392	-	-	118,031,392	116,570,057	(176,405)	(115,995)		116,277,657	1,753,736	
	785,102,174	20,930,646	(1,286,386)	804,746,434	784,877,389	(2,256,713)	(1,154,102)	-	781,466,573	23,279,861	
AT₅											
Blackwater	88,110,190	6,391,161		94,501,351	99,468,345	(45,743)	-	-	99,265,016	(4,763,665)	
Goonyella	74,896,900	1,178,628	213,086	76,288,614	72,663,045	(79,094)	-	-	74,249,037	2,039,577	
Moura											
Newlands											
GAPE											
	163,007,090	7,569,789	213,086	170,789,965	172,131,390	(124,837)	-	-	173,514,053	(2,724,088)	
Total Revenue Adjustment Amount (for 2015/16)										20,555,773	