

George Passmore
Director – Business Performance
Queensland Competition Authority
Level 27, 145 Ann Street
BRISBANE QLD 4000

14 May 2019

Dear George

Amendment to Regulatory Asset Base roll-forward - Financial Year (FY) 2016 and FY2017

On 21 March 2019, Aurizon Network submitted to the Queensland Competition Authority (QCA) a Regulatory Asset Base roll-forward Report (**RAB roll-forward**) pertaining to Aurizon Network's approved capital expenditure for FY2016 and FY2017.

The review by QCA staff has identified some minor modelling discrepancies, specifically in relation to the allocation and treatment of deferred capital expenditure associated with project [A.01552]: the Wiggins Island Balloon Loop.

Aurizon Network thanks QCA staff for their review and has updated the RAB roll-forward to correct these discrepancies. The impact on the closing RAB value for each year is as follows:

Financial Year	Closing RAB value (\$000) as at 21 March 2019	Closing RAB value (\$000) - Updated	Variance (\$000)
FY2016	6,140,566	6,140,655	89
FY2017	6,118,508	6,118,689	181

An updated summary of the RAB roll-forward, conducted in accordance with the principles in Schedule E, clause 1.1, for each year is provided in **Attachment A**.

Aurizon Network has also provided updated financial models in support of the revised RAB roll-forward. Aurizon Network notes that these financial models contain commercially sensitive information and requests that they are not published by the QCA.

Should you have any questions in relation to the RAB Roll-forward, please do not hesitate to contact Sandra Xia via email: Sandra.Xia@aurizon.com.au.

Sincerely,



Loretta Lynch
Head of Finance and Regulation Network



Attachment A

Central Queensland Coal Region – Regulatory Asset Base Roll-forward

Total RAB Assets
2015/16

System	Opening Asset Value 2015/16 \$000s	15/16 Capex \$000s	plus Inflation \$000s	less Depreciation \$000s	Closing Asset Value 2015/16 \$000s	Disposals / Transfers \$000s	Opening Asset Value 2016/17 \$000s
Goonyella (inc Middlemount, Hail Creek and Vermont)	1,501,272	71,992	23,438	96,087	1,500,615	-	1,500,615
Blackwater (inc WIRP; exc Rolleston and Minerva)	1,296,910	228,524	26,216	87,291	1,464,359	-	1,464,359
Blackwater Rolleston (inc WIRP)	525,510	238,012	18,630	36,189	745,963	-	745,963
Blackwater Minerva	66,166	-	986	3,460	63,692	-	63,692
Moura (inc WIRP)	267,609	36,082	6,972	11,666	298,997	-	298,997
Newlands (inc NAPE)	282,990	15,160	9,858	11,551	296,457	-	296,457
GAPE (inc GSE, Byerwen GAPE and Byerwen NAPE)	1,081,958	34	27,125	57,737	1,051,311	-	1,051,311
Goonyella (Electric) (inc Middlemount, Hail Creek and Vermont)	221,639	63,635	4,250	25,632	263,892	-	263,892
GAPE (Electric) (inc GSE)	4,168	-	62	235	3,995	-	3,995
Blackwater (Electric) (inc WIRP; exc Rolleston)	255,576	29,841	4,746	28,854	261,309	-	261,309
Blackwater (Electric) Rolleston (inc WIRP)	21,830	173,881	3,661	9,307	190,064	-	190,064
Total	5,525,630	857,093	125,943	368,010	6,140,655	-	6,140,655

Note:

- Capex is in start of year terms
- WIRP capex allocations are consistent with the UT4 Final Decision

Total RAB Assets
2016/17

System	Opening Asset Value 2016/17 \$000s	16/17 Capex \$000s	plus Inflation \$000s	less Depreciation \$000s	Closing Asset Value 2016/17 \$000s	Disposals/transfers \$000s	Asset Value as at 30-June-17 \$000s
Goonyella	1,500,615	92,658	29,238	108,388	1,514,323	-	1,514,323
Blackwater	1,464,359	99,023	32,211	100,725	1,494,868	-	1,494,868
Blackwater	745,963	1,220	21,025	36,903	731,305	-	731,305
Blackwater	63,692	-	1,169	3,472	61,388	-	61,388
Moura	298,997	13,551	8,202	13,058	307,692	-	307,692
Newlands	296,457	12,372	11,135	12,787	307,176	-	307,176
GAPE	1,051,311	4,113	23,275	68,627	1,010,072	-	1,010,072
Goonyella (Electric)	263,892	3,796	4,912	26,296	246,304	-	246,304
GAPE (Electric)	3,995	-	73	240	3,829	-	3,829
Blackwater (Electric)	261,309	5,300	5,389	15,094	256,905	-	256,905
Blackwater (Electric)	190,064	1	4,238	9,478	184,825	-	184,825
Total	6,140,655	232,236	140,865	395,068	6,118,689	-	6,118,689

Note:

1. Capex is in start of year terms
2. WIRP capex allocations are consistent with the UT4 Final Decision