



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

21 March 2019

Dear George

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

In compliance with Schedule E, clause 1.3 of the 2017 Access Undertaking (**2017AU**), I am pleased to submit the Regulatory Asset Base roll-forward Report (**RAB roll-forward**) pertaining to Aurizon Network's approved capital expenditure for FY2016 and FY2017.

The RAB roll-forward reflects the Queensland Competition Authority's (**QCA**) final decision to approve capital expenditure of:

- › \$887.3 million for FY2016 (approved on 13 October 2017); and
- › \$240.4 million for FY2017 (approved on 19 July 2018).¹

Upon final approval of this capital expenditure, the QCA subsequently² approved Aurizon Network's requests to extend the timeframe for providing the RAB roll-forward for these years. The QCA extension allowed submission one month after the QCA's final approval of the 2017AU, which occurred on 21 February 2019; resulting in a due date for this RAB roll-forward submission of 21 March 2019.

A 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**; and
- › asset disposals for each year is provided in **Attachment B**.

In accordance with the 2017AU, Schedule E, clause 1.3(d), the RAB roll-forward report is accompanied by a statement signed by Aurizon Network's Executive Officer.

Detailed financial models in support of the RAB roll-forward have been provided to QCA staff in soft copy form. Aurizon Network notes that these financial models contain commercially sensitive information and requests that they are not published by the QCA.

¹ QCA-approved amounts are expressed in 'mid-year' terms.

² On 14 September 2017 and 20 September 2018 respectively.

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,

A handwritten signature in black ink, appearing to be 'L Lynch', written in a cursive style.

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	15/16 Capex	plus Inflation	less Depreciation	Closing Asset Value 2015/16	Disposals / Transfers	Opening Asset Value 2016/17
		\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$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	228,593	26,217	87,295	1,464,426	-	1,464,426
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	36,013	6,967	11,666	298,923	-	298,923
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	3,580	9,307	189,983	-	189,983
Total		5,525,630	857,093	125,858	368,014	6,140,566	-	6,140,566

Note:

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

**Total RAB Assets
2016/17**

System		Opening Asset Value 2016/17	16/17 Capex	plus Inflation	less Depreciation	Closing Asset Value 2016/17	Disposals/transfers	Asset Value as at: 30-June-17
		\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
Goonyella	(inc Middlemount, Caval Ridge, Hail Creek and Vermont)	1,500,615	92,858	29,238	108,388	1,514,323	-	1,514,323
Blackwater	(Inc WIRP; exc Rolleston and Minerva)	1,464,426	99,029	32,212	100,729	1,494,937	-	1,494,937
Blackwater	Rolleston (Inc WIRP)	745,963	1,220	21,025	36,903	731,305	-	731,305
Blackwater	Minerva	63,692	-	1,169	3,472	61,388	-	61,388
Moura	(Inc WIRP)	298,923	13,545	8,196	13,058	307,606	-	307,606
Newlands	(inc NAPE)	296,457	12,372	11,135	12,787	307,176	-	307,176
GAPE	(Inc GSE, Byerwen GAPE and Byerwen NAPE)	1,051,311	4,113	23,275	68,627	1,010,072	-	1,010,072
Goonyella (Electric)	(inc Middlemount, Hail Creek and Vermont)	263,892	3,796	4,912	26,296	246,304	-	246,304
GAPE (Electric)	(Inc GSE)	3,995	-	73	240	3,829	-	3,829
Blackwater (Electric)	(Inc WIRP; exc Rolleston)	261,309	5,300	5,389	15,094	256,905	-	256,905
Blackwater (Electric)	Rolleston (Inc WIRP)	189,983	1	4,154	9,478	184,661	-	184,661
Total		6,140,566	232,236	140,778	395,072	6,118,508	-	6,118,508

Note:

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

Attachment B

Central Queensland Coal Region – Asset Disposals and Transfers

2015/16

Asset ID	Asset Class	Description	Location	System	Net Proceeds
1006270	3602	TRACTION POWER DISTRIBUTION	DUARINGA - BOONAL JT	BLACKWATER	0
1048530	3206	TRACK TURNOUT - TYPE 2 [12A/B]	DUARINGA - BOONAL JT	BLACKWATER	0
1048531	3206	TURNOUT FITTED WITH 1 SNX ROLLER	DUARINGA - BOONAL JT	BLACKWATER	0
1048532	3206	TURNOUT FITTED WITH 6 TEKSOL SWITCH ROLLERS	DUARINGA - BOONAL JT	BLACKWATER	0
1048670	3206	TRACK TURNOUT - TYPE 2 [12A/B]	DUARINGA - BOONAL JT	BLACKWATER	0
1048671	3206	TURNOUT FITTED WITH 1 SNX ROLLER	DUARINGA - BOONAL JT	BLACKWATER	0
1048700	3206	TRACK TURNOUT - TYPE 2 [7A/B]	DUARINGA - BOONAL JT	BLACKWATER	0
1048701	3206	TURNOUT FITTED WITH 1 SNX ROLLER	DUARINGA - BOONAL JT	BLACKWATER	0
1048702	3206	TURNOUT FITTED WITH 6 QR	DUARINGA - BOONAL JT	BLACKWATER	0
1048703	3206	TURNOUT FITTED OUT WITH 6 SWITCH ROLLERS	DUARINGA - BOONAL JT	BLACKWATER	0
1048800	3206	TRACK TURNOUT - TYPE 2 [12A/B]	DUARINGA - BOONAL JT	BLACKWATER	0
1048801	3206	TURNOUT FITTED WITH 1 SNX ROLLER	DUARINGA - BOONAL JT	BLACKWATER	0
1048802	3206	TURNOUT FITTED WITH 6 TEKSOL SWITCH ROLLERS	DUARINGA - BOONAL JT	BLACKWATER	0
1048860	3206	TRACK TURNOUT - TYPE 2 [7A/B]	DUARINGA - BOONAL JT	BLACKWATER	0
1049010	3206	TRACK TURNOUT - TYPE 2 [7A/B]	DUARINGA - BOONAL JT	BLACKWATER	0
1049011	3206	TURNOUT FITTED WITH 1 SNX ROLLER	DUARINGA - BOONAL JT	BLACKWATER	0
1049012	3206	TURNOUT FITTED WITH 6 TEKSOL SWITCH ROLLERS	DUARINGA - BOONAL JT	BLACKWATER	0
1097080	3107	EMBANKMENTS	STIRRATX - ANNANDALEX	MOURA	0
1097081	3107	EMBANKMENTS FORMATION STRENGTHENING UPGRADE	STIRRATX - ANNANDALEX	MOURA	0
1097083	3107	EMBANKMENTS FORMATION UPGRADE	STIRRATX - ANNANDALEX	MOURA	0
2442700	3203	RAILWAY TRACK - TYPE 1	STIRRATX - ANNANDALEX	MOURA	0
3273070	3206	TURNOUT FITTED WITH 1 SNX ROLLER	DUARINGA - BOONAL JT	BLACKWATER	0
3306980	3206	TURNOUT FITTED WITH 6 TEKSOL SWITCH ROLLERS	DUARINGA - BOONAL JT	BLACKWATER	0

2016/17

Asset ID	Asset Class	Description	Location	System	Net Proceeds
1022461	3206	TURNOUT FITTED WITH 6 SWITCH ROLLERS	WOTONGAX - BLAIR ATHOL JT	GOONYELLA	0
3466730	3109	Sheepwash Culvert	NOGOAX - SPRINGSURE	BLACKWATER	0
3466740	3109	Springsure Culvert	NOGOAX - SPRINGSURE	BLACKWATER	0
3466750	3109	Springsure Culvert	NOGOAX - SPRINGSURE	BLACKWATER	0
3466760	3109	Springsure Culvert	NOGOAX - SPRINGSURE	BLACKWATER	0
3466770	3109	Springsure Culvert	NOGOAX - SPRINGSURE	BLACKWATER	0
3622120	3244	PSC (conc) Sleeper û 28.0 t axle load	NOGOAX - SPRINGSURE	BLACKWATER	0
3622140	3244	PSC (conc) Sleeper û 28.0 t axle load	NOGOAX - SPRINGSURE	BLACKWATER	0
3627160	3245	PSC (conc) Sleeper - 22.5 t axle load	NOGOAX - SPRINGSURE	BLACKWATER	0
3627180	3245	PSC (conc) Sleeper - 22.5 t axle load	NOGOAX - SPRINGSURE	BLACKWATER	0
3631910	3246	Timber sleeper	NOGOAX - SPRINGSURE	BLACKWATER	0
3631930	3246	Timber sleeper	NOGOAX - SPRINGSURE	BLACKWATER	0