

File Ref: 760955

29 August 2014

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

Dear Mr Kummant

Aurizon Network's 2012-13 Regulatory Asset Base (RAB) Roll-forward

On 17 June 2014, we approved Aurizon Network's proposed 2012-13 RAB roll-forward application, as set out in the table included as an attachment to this letter.

In reaching this decision, we have reviewed Aurizon Network's submission, and consider it is consistent with the requirements of clause 1.2 of Schedule A of the 2010 access undertaking (UT3), including that it:

- provides 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
- includes capital expenditure for 2012-13 of \$226,418,677 - consistent with that approved by us in May 2014
- calculates each component of the RAB roll-forward in accordance with the approach outlined in UT3, i.e.:
 - inflation - using Brisbane CPI of 1.99% for 2012-13
 - depreciation - applying a straight-line depreciation approach using the endorsed UT3 asset lives
 - disposals and transfers - specifying assets that were disposed of in 2012-13.

I note that clause 9.3.3 of UT3 requires Aurizon Network to publicly release an annual report of changes to its RAB within one month of receiving this notice of approval. This notice will be placed on the QCA's website.

Any enquiries in relation to this matter should be directed to Leigh Spencer on 07 3222 0532.

Yours sincerely



John Hindmarsh
Chief Executive Officer

ATTACHMENT

Table: Aurizon Network's 2012-13 RAB Roll-forward (\$ '000)

	<i>Goonyella</i>	<i>Blackwater</i>	<i>Moura</i>	<i>Newlands</i>	<i>Vermont</i>	<i>Minerva</i>	<i>Rolleston</i>	<i>GAPE</i>	<i>Total</i>
Non-Electric									
Opening	1,300,032	1,082,823	251,472	312,493	45,320	71,507	225,503	899,598	4,188,748
Capex	54,692	49,892	4,295	23,821	-	-	8,068	59,178	199,946
Add: Inflation	26,413	22,043	5,047	15,526	902	1,423	4,567	26,073	101,994
Less: Depreciation	65,909	51,410	9,726	10,579	2,801	3,261	12,799	-	156,485
Closing	1,315,228	1,103,347	251,089	341,261	43,421	69,669	225,339	984,848	4,334,202
Electric									
Opening	233,754	291,605	-	-	8,228	-	-	-	533,587
Capex	8,369	13,726	-	-	-	-	-	4,377	26,472
Add: Inflation	4,735	5,934	-	-	164	-	-	43	10,876
Less: Depreciation	19,773	27,230	-	-	509	-	-	-	47,512
Closing	227,084	284,040	-	-	7,883	-	-	4,421	523,428
Total Closing	1,542,312	1,387,387	251,089	341,261	51,304	69,669	225,339	989,269	4,857,630