



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

8 November 2019

Dear George

Regulatory Asset Base roll-forward - Financial Year (FY) 2018

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 FY2018.

The RAB roll-forward reflects the Queensland Competition Authority's (**QCA**) final decision on 24 October 2019 to approve capital expenditure of \$212.5 million for FY2018.

A summary of the RAB roll-forward, conducted in accordance with the principles in Schedule E, clause 1.1, for FY2018 is provided in **Attachment A**. There are no asset disposals and transfers for RAB related assets in FY2018.

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.

Since Aurizon Network's last RAB roll-forward submission, the RAB roll-forward model (**the Model**) has been redeveloped to reduce its complexity and to address the risk of increasing instability.

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. Aurizon Network would appreciate the opportunity to discuss the Model with QCA staff and would be happy to address any questions they may have.

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 blue ink, appearing to read "L Lynch", is written over a light blue horizontal line.

Loretta Lynch
Head of Finance and Regulation Network



Amended Attachment A – RAB roll-forward 2017-18

Central Queensland Coal Region – Regulatory Asset Base Roll-forward

Total RAB Assets
2017/18, as of 30 June, 2018

System		Opening Asset	17/18 Capex	Plus inflation	less	Closing Asset	Disposals/transfers	Closing Asset Value
		Value 2017/18			depreciation	Value 2017/18		as 30 June 2018
		\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
Goonyella	(inc Middlemount, Hail Creek and Vermont)	1,517,205	67,363	27,123	110,432	1,501,260	-	1,501,260
Blackwater	(Inc WIRP exc Rolleston and Minerva)	1,390,827	82,088	25,212	101,996	1,396,131	-	1,396,131
Blackwater	(Rolleston Inc WIRP)	843,309	513	14,444	48,070	810,196	-	810,196
Blackwater	(Minerva)	61,397	3,705	1,114	4,454	61,762	-	61,762
Moura	(Inc WIRP)	308,047	18,437	7,563	14,177	319,870	-	319,870
Newlands	(inc NAPE)	307,377	20,272	10,014	13,662	324,001	-	324,001
GAPE	(Inc GSE and Byerwen GAPE and Byerwen NAPE)	973,312	8,128	19,488	64,920	936,008	-	936,008
Goonyella (Electric)	(inc Middlemount, Hail Creek and Vermont)	246,303	4,540	4,294	14,789	240,347	-	240,347
GAPE (Electric)	(Inc GSE and Byerwen GAPE and Byerwen NAPE)	3,829	-	66	197	3,697	-	3,697
Blackwater (Electric)	(Inc WIRP exc Rolleston)	240,687	1,581	4,147	14,663	231,752	-	231,752
Blackwater (Electric)	(Rolleston Inc WIRP)	201,046	117	3,443	10,609	193,998	-	193,998
Total		6,093,340	206,743	116,908	397,967	6,019,023	-	6,019,023

Note:

1. Capex is in start of year terms
2. WIRP capex allocations to existing Blackwater and Rolleston users is consistent with UT5 FD allocations



Aurizon Network Executive Officer Statement

**Pursuant to Schedule E, clause 1.3(d) of
Aurizon Network's 2017 Access Undertaking (2017AU)**

I confirm, to the best of my knowledge, that the information contained within Aurizon Network's Regulatory Asset Base roll-forward for Financial Year (FY) 2018 is, in all material respects, correct and based on the roll-forward principles outlined in Schedule E, clause 1.1.

A handwritten signature in black ink, appearing to read "M Riches".

Michael Riches
Group Executive Network

8 November 2019