

HUNTER VALLEY COAL NETWORK ACCESS UNDERTAKING (2011 HVAU)

SCHEDULE G - Annual Compliance Assessment - information provision (excerpt)

Defined terms are as per the 2011 HVAU

Clause 2 - Information to be provided by ARTC

ARTC will provide the following information as a minimum to the ACCC in order for the ACCC to carry out its assessment under section 4.10 of the 2011 HVAU:

- (a) a covering letter from ARTC stating that it submits documentation on its compliance with this Undertaking and the relevant year to which it relates.
- (b) documentation demonstrating ARTC's compliance with the annual RAB and RAB Floor Limit roll forward as set out at section 4.4 of the 2011 HVAU, including:
 - (i) an explanation of how each component¹ of the RAB and RAB Floor Limit has been calculated in accordance with the formula in this Undertaking, and any assumptions used;
 - (ii) a breakdown of values for each component of the RAB and RAB Floor Limit, including a split into Constrained Network and non-Constrained Network and, for Capital Expenditure, values to Segment and asset (project) level (where values are zero, this should be stated);
 - (iii) a table summarising the values for each component of the RAB and RAB Floor Limit and the outcome of the calculations, including the average closing value for the RAB and RAB Floor Limit;
 - (iv) evidence of any endorsement by the RCG of any proposed Capital Expenditure where relevant;
 - (v) evidence of disposals value including any endorsement by the RCG of any proposed disposals, and where possible, appropriate references to the Booz Allen Hamilton DORC database which established the regulatory asset base value as at 1 July 1999², and any references to the depreciated optimised replacement cost in relation to assets in Segments not ascribed a regulatory asset value in accordance with the NSW Rail Access Undertaking in force at the time immediately preceding the Commencement Date of this Undertaking, and approved by the ACCC from time to time, and demonstrating adjustments to derive the current value of disposals;

¹ This refers to the components used to calculate the RAB and RAB Floor Limit as set out in the formulae in Section 4.4 of the 2011 HVAU.

² The Booz-Allen and Hamilton report, Valuation of Certain Assets of the Rail Access Corporation, 14 May 2001, was the basis for the Independent Pricing and Regulatory Tribunal of NSW's June 2001 recommendation (accepted by the Minister for Transport in December 2001) which established the depreciated optimised replacement cost (DORC) value for rail assets in the Hunter Valley coal network.

- (vi) the spreadsheet or other models underlying calculations (not for publication);
 - (vii) the name, address, contact details (including email address) of stakeholders considered by ARTC to be relevant Applicants and Access Holders and other parties consulted regarding compliance matters. This is to include a contact at CEO/Executive level for the purpose of an ACCC letter and a regular operational contact for email notification. Where a stakeholder identified by ARTC is not a relevant Applicant or Access Holder, ARTC will indicate their relationship with ARTC and/or their interest in ARTC's compliance, for instance: end user, industry advocate, etc. This information is not provided for publication.
- (c) details as to ARTC's compliance with the ceiling test, including allocation of the total unders or overs amount to Constrained Coal Customers, including:
- (i) a table indicating the values for the total unders or overs amount for the review period including:
 - (A) Access revenue;
 - (B) Full Economic Costs for the review period, with a detailed breakdown into standard operating cost line items, return, depreciation;
 - (C) the total unders or overs amount (for publication), and the proposed allocation of the total unders or overs amount to Constrained Coal Customers (not for publication);
 - (D) comparative values from the previous review period;
 - (ii) an explanation of the assumptions and methodology used to derive the above values, and any changes made since the previous review period;
 - (iii) the spreadsheet or other models underlying calculations relevant to reconciliation of Access revenue with the applicable Ceiling Limit and calculation of any allocation of the total unders or overs amount to Constrained Coal Customers (not for publication) which should clearly indicate which Segments formed part of the Constrained Network for the review period;
 - (iv) evidence of any relevant Access Holders' endorsement of the total unders or overs amount;
- (d) where the documentation shows RAB to be greater than the RAB Floor Limit in Pricing Zone 3, documentation setting out the Interim Indicative Access Charge or Indicative Access Charge, as applicable for Pricing Zone 3 in that calendar year and the previous calendar year.
- (e) a copy of the Final Audit Report contemplated at section 4.10(f)(x) of the 2011 HVAU.
- (f) the name, title and contact details of the person or persons authorised by ARTC to provide more information in relation to the submission.