HUNTER VALLEY COAL PRICING FORECAST 2010-2019

Pricing Zone 1 Central Constrained

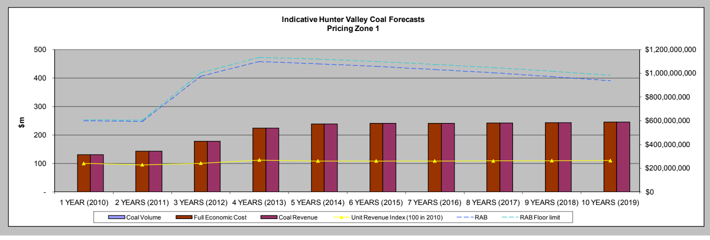
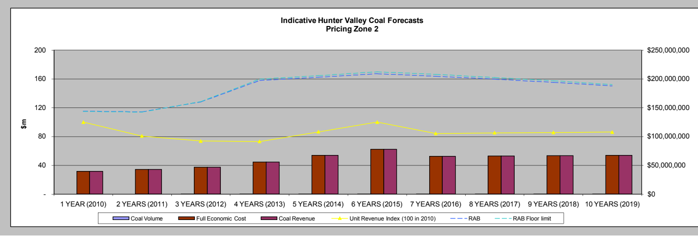
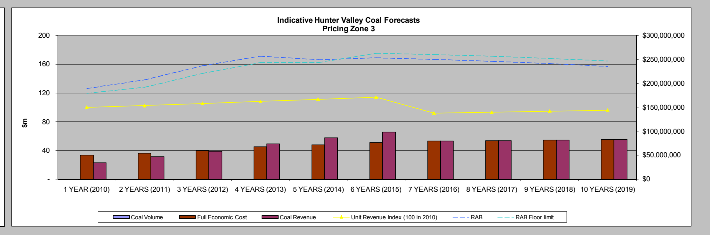
	1 YEAR (2010)	2 YEARS (2011)	3 YEARS (2012)	4 YEARS (2013)	5 YEARS (2014)	6 YEARS (2015)	7 YEARS (2016)	8 YEARS (2017)	9 YEARS (2018)	10 YEARS (2019)
Coal Volume (mNT)	94.4	98.0	108.6	116.7	127.1	127.7	127.7	127.7	127.7	127.7
GT:NT ratio	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60
Route Kms	131.0	131.0	131.0	131.0	131.0	131.0	131.0	131.0	131.0	131.0
Zone 1 Coal GTK (000)	13,206,591	13,581,837	15,153,878	16,252,341	18,251,954	18,261,313	18,261,313	18,261,313	18,261,313	18,261,313
Zone 2 Coal GTK (000)	3,460,917	5,365,175	7,047,402	8,680,940	8,878,641	8,878,641	8,878,641	8,878,641	8,878,641	8,878,641
Zone 3 Coal GTK (000)	1,696,545	2,224,314	2,673,207	3,260,411	3,692,547	4,100,104	4,100,104	4,100,104	4,100,104	4,100,104
Non-Coal GTK (000)	714,551	779,570	801,650	824,392	847,816	871,943	896,794	922,390	948,754	975,909
Total GTK	19,078,604	21,950,895	25,676,137	29,018,084	31,670,957	32,112,001	32,136,852	32,162,448	32,188,812	32,215,967
Zone 1 Coal Train Km (000)	2,091,985	2,154,149	2,400,546	2,568,009	2,864,153	2,866,163	2,866,163	2,866,163	2,866,163	2,866,163
Zone 2 Coal Train Km (000)	539,149	847,117	1,119,620	1,362,039	1,391,096	1,391,096	1,391,096	1,391,096	1,391,096	1,391,096
Zone 3 Coal Train km (000)	346,934	456,771	550,193	672,400	762,335	847,154	847,154	847,154	847,154	847,154
Non-Coal Train Km (000)	858,864	873,168	887,901	903,076	918,707	934,806	951,388	968,468	986,059	1,004,179
Total Train km	3,836,932	4,331,206	4,958,260	5,505,525	5,936,291	6,039,219	6,055,801	6,072,880	6,090,472	6,108,592
Variable Cost Component (VCC)	$15,770,343	$18,135,894	$19,405,407	$20,763,786	$22,217,251	$23,328,113	$23,724,691	$24,128,011	$24,538,187	$24,955,336
Unit VCC (c/GTK)	0.08	0.08	0.08	0.07	0.07	0.07	0.07	0.08	0.08	0.08
Fixed Track	$13,639,150	$15,464,961	$16,702,835	$18,420,408	$18,566,643	$19,706,770	$20,041,785	$20,382,496	$20,728,998	$21,081,391
Asset Management Overhead	$10,258,182	$11,044,122	$12,247,312	$13,035,220	$13,656,671	$13,331,764	$12,779,690	$12,512,852	$12,563,189	$12,644,043
Network Control	$5,332,758	$5,761,867	$6,433,301	$6,937,776	$7,267,889	$7,187,424	$6,981,889	$6,925,594	$7,030,559	$7,145,986
Corporate Overheads	$7,749,991	$8,334,856	$9,264,448	$9,944,608	$10,368,070	$10,201,441	$9,858,709	$9,729,925	$9,828,743	$9,940,966
Depreciation (Existing Assets)	$25,042,045	$22,262,440	$22,863,526	$23,480,841	$24,114,824	$24,765,924	$25,434,604	$26,121,339	$26,826,615	$27,550,933
Return (Existing Assets)	$42,774,293	$41,282,166	$40,288,236	$39,253,446	$38,133,408	$36,924,271	$35,622,043	$34,222,575	$32,721,569	$31,114,559
Fixed Cost Component (FCC)	$104,796,418	$104,150,412	$107,799,657	$111,072,299	$112,107,506	$112,117,594	$110,718,719	$109,894,780	$109,699,673	$109,477,880
Unit FCC (c/GTK)	0.57	0.49	0.43	0.39	0.36	0.36	0.35	0.35	0.35	0.35
Depreciation (Investments)	$3,470,594	$7,427,970	$18,212,115	$33,729,817	$39,498,947	$41,525,925	$43,620,758	$45,854,644	$48,241,582	$50,797,705
Return (Investments)	$6,993,942	$14,288,444	$33,364,595	$58,703,373	$65,125,865	$64,664,170	$63,930,583	$63,004,281	$61,865,004	$60,489,907
New Capital Component (NCC)	$10,464,536	$21,716,414	$51,576,710	$92,433,190	$104,624,812	$106,190,094	$107,551,342	$108,858,925	$110,106,586	$111,287,612
Unit NCC (c/GTK)	0.06	0.10	0.21	0.33	0.34	0.34	0.34	0.35	0.35	0.36
Coal Building Blocks Ceiling (VCC (Coal) + FCC+ NCC)	$130,440,651	$143,358,637	$178,175,906	$223,679,383	$238,354,824	$241,002,369	$241,332,704	$242,189,747	$243,621,191	$244,964,863
Unit VCC (c/GTK)	0.08	0.08	0.08	0.07	0.07	0.07	0.07	0.08	0.08	0.08
Unit FCC + NCC (c/GTK)	0.63	0.59	0.64	0.72	0.70	0.70	0.70	0.70	0.70	0.71
Unit Economic Cost (at constrained level) (c/GTK) includes VCC, FCC & NCC	0.71	0.68	0.72	0.79	0.77	0.77	0.77	0.78	0.78	0.78
Unit Revenue allocation to Pricing Zone (where not at constrained level) (c/GTK)										
CAPITAL COST ASSUMPTIONS (INCLUDING RAB AND RAB FLOOR LIMIT ROLL FORWARD)										
WACC (Existing)	9.16%	9.16%	9.16%	9.16%	9.16%	9.16%	9.16%	9.16%	9.16%	9.16%
LIFE (Existing) (years)	22.0	21.0	20.0	19.0	18.0	17.0	16.0	15.0	14.0	13.0
WACC (New assets)	9.16%	9.16%	9.16%	9.16%	9.16%	9.16%	9.16%	9.16%	9.16%	9.16%
LIFE (New assets) (years)	22.0	21.0	20.0	19.0	18.0	17.0	16.0	15.0	14.0	13.0
RAB AND RAB FLOOR LIMIT ROLL FORWARD										
RAB (Existing)	$454,316,986	$443,951,837	$433,847,837	$423,123,179	$411,679,763	$399,485,665	$386,533,148	$372,818,804	$358,344,223	$343,117,231
RAB Average Value for existing assets	$466,072,487	$449,134,412	$438,899,837	$428,485,508	$417,401,471	$405,582,714	$393,009,406	$379,675,976	$365,581,513	$350,730,727
RAB (New Assets)	$145,256,626	$150,718,091	$541,057,970	$675,227,995	$668,930,038	$658,605,181	$646,104,724	$631,229,488	$613,761,678	$593,462,649
RAB Average Value for new assets	$72,628,313	$147,987,359	$345,888,031	$608,142,983	$672,079,016	$663,767,609	$652,354,953	$638,667,106	$622,495,583	$603,612,163
RAB Floor Limit (existing Assets)	$456,108,533	$445,248,806	$434,406,997	$422,655,145	$409,952,010	$396,254,790	$381,519,065	$365,698,741	$348,745,992	$330,611,200
Average RAB Floor Limit (existing assets)	$466,968,260	$450,678,669	$439,827,902	$428,531,071	$416,303,577	$403,103,400	$388,886,927	$373,608,903	$357,222,366	$339,678,596
RAB Floor Limit (investments)	$152,706,150	$159,268,603	$569,215,997	$712,517,037	$709,445,073	$702,436,362	$693,427,906	$682,211,422	$668,552,865	$652,187,465
Average RAB Floor Limit (investments)	$76,353,075	$155,987,376	$364,242,300	$640,866,517	$710,981,055	$705,940,718	$697,932,134	$687,819,664	$675,382,143	$660,370,165
RAB	$599,573,612	$594,669,928	$974,905,807	$1,098,351,174	$1,080,609,801	$1,058,090,846	$1,032,637,872	$1,004,048,291	$972,105,901	$936,579,880
RAB Floor limit	$608,814,683	$604,517,409	$1,003,622,994	$1,135,172,181	$1,119,397,083	$1,098,691,152	$1,074,946,970	$1,047,910,163	$1,017,298,857	$982,798,665
LOSS CAPITALISATION APPLICATION										
Building Blocks Ceiling test applicable in accordance with HVAU Section 4.2 (c)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
CAPITAL INVESTMENT	$156,257,456	$10,447,053	$424,436,497	$162,989,015	$18,867,222	$17,201,013	$17,665,440	$18,142,407	$18,632,252	$19,135,323
FOR GRAPHICS ONLY										
Coal Volume	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Full Economic Cost	130.44	143.36	178.18	223.68	238.35	241.00	241.33	242.19	243.62	244.96
Coal Revenue	130.44	143.36	178.18	223.68	238.35	241.00	241.33	242.19	243.62	244.96
Unit Revenue Index (100 in 2010)	100.00	95.33	100.84	111.69	108.87	108.61	108.76	109.14	109.79	110.39

Pricing Zone 2 Ulan Constrained

	1 YEAR (2010)	2 YEARS (2011)	3 YEARS (2012)	4 YEARS (2013)	5 YEARS (2014)	6 YEARS (2015)	7 YEARS (2016)	8 YEARS (2017)	9 YEARS (2018)	10 YEARS (2019)
Coal Volume (mNT)	20.8	29.9	38.0	45.8	46.8	46.8	46.8	46.8	46.8	46.8
GT:NT ratio	1.58	1.58	1.58	1.58	1.58	1.58	1.58	1.58	1.58	1.58
Route Kms	140.2	140.2	140.2	140.2	140.2	140.2	140.2	140.2	140.2	140.2
Zone 1 Coal GTK (000)	-	-	-	-	-	-	-	-	-	-
Zone 2 Coal GTK (000)	4,436,357	5,927,213	7,091,514	8,506,590	8,703,605	8,703,605	8,703,605	8,703,605	8,703,605	8,703,605
Zone 3 Coal GTK (000)	-	-	-	-	-	-	-	-	-	-
Non-Coal GTK (000)	147,039	151,450	155,993	160,673	165,493	170,458	175,572	180,839	186,264	191,852
Total GTK	4,583,396	6,078,663	7,247,507	8,667,264	8,869,098	8,874,063	8,879,177	8,884,444	8,889,869	8,895,457
Zone 1 Coal Train Km (000)	-	-	-	-	-	-	-	-	-	-
Zone 2 Coal Train Km (000)	682,694	929,825	1,126,157	1,336,634	1,365,590	1,365,590	1,365,590	1,365,590	1,365,590	1,365,590
Zone 3 Coal Train km (000)	-	-	-	-	-	-	-	-	-	-
Non-Coal Train Km (000)	26,392	27,184	27,999	28,839	29,704	30,595	31,513	32,459	33,433	34,435
Total Train km	709,086	957,009	1,154,157	1,365,473	1,395,294	1,396,185	1,397,103	1,398,048	1,399,022	1,400,025
Variable Cost Component (VCC)	$2,933,163	$2,933,163	$2,933,163	$3,989,102	$9,374,389	$14,999,022	$4,454,246	$4,529,968	$4,606,977	$4,685,296
Unit VCC (c/GTK)	0.06	0.05	0.04	0.05	0.11	0.17	0.05	0.05	0.05	0.05
Fixed Track	$2,586,582	$3,407,115	$3,836,567	$4,220,223	$4,642,245	$6,267,031	$6,373,571	$6,481,922	$6,592,114	$6,704,180
Asset Management Overhead	$2,795,147	$3,456,473	$3,852,042	$4,316,550	$4,200,424	$4,075,092	$3,947,975	$3,890,552	$3,913,976	$3,945,284
Network Control	$1,430,197	$1,839,743	$2,146,628	$2,455,015	$2,429,607	$2,371,085	$2,310,284	$2,293,394	$2,324,512	$2,358,556
Corporate Overheads	$2,074,122	$2,657,689	$3,087,726	$3,515,874	$3,461,907	$3,361,211	$3,258,214	$3,218,104	$3,245,677	$3,276,984
Depreciation (Existing Assets)	$6,728,519	$6,896,732	$7,082,944	$7,274,184	$7,470,587	$7,672,292	$7,879,444	$8,092,189	$8,310,679	$8,535,067
Return (Existing Assets)	$13,251,146	$12,788,897	$12,480,985	$12,160,415	$11,813,436	$11,438,855	$11,035,434	$10,601,890	$10,136,890	$9,639,051
Fixed Cost Component (FCC)	$28,865,715	$31,046,649	$32,486,892	$33,942,261	$34,018,206	$35,185,567	$34,804,922	$34,578,051	$34,523,847	$34,459,122
Unit FCC (c/GTK)	0.65	0.52	0.46	0.40	0.39	0.40	0.40	0.40	0.40	0.40
Depreciation (Investments)	$52,132	$160,237	$765,709	$2,488,673	$4,083,201	$4,942,556	$5,588,555	$5,949,516	$6,339,213	$6,761,011
Return (Investments)	$105,057	$308,231	$1,402,780	$4,331,286	$6,732,381	$7,696,548	$8,190,587	$8,174,635	$8,129,407	$8,051,012
New Capital Component (NCC)	$157,189	$468,468	$2,168,489	$6,819,959	$10,815,582	$12,639,104	$13,779,142	$14,124,152	$14,468,619	$14,812,022
Unit NCC (c/GTK)	0.00	0.01	0.03	0.08	0.12	0.15	0.16	0.16	0.17	0.17
Coal Building Blocks Ceiling (VCC (Coal) + FCC+ NCC)	$31,861,968	$34,375,201	$37,525,411	$44,677,372	$54,033,255	$62,535,584	$52,589,892	$53,139,965	$53,502,916	$53,855,390
Unit VCC (c/GTK)	0.06	0.05	0.04	0.05	0.11	0.17	0.05	0.05	0.05	0.05
Unit FCC + NCC (c/GTK)	0.65	0.53	0.49	0.48	0.52	0.55	0.56	0.56	0.56	0.57
Unit Economic Cost (at constrained level) (c/GTK) includes VCC, FCC & NCC	0.72	0.58	0.53	0.53	0.62	0.72	0.60	0.61	0.61	0.62
Unit Revenue allocation to Pricing Zone (where not at constrained level) (c/GTK)										
WACC (Existing)	9.16%	9.16%	9.16%	9.16%	9.16%	9.16%	9.16%	9.16%	9.16%	9.16%
LIFE (Existing) (years)	22.0	21.0	20.0	19.0	18.0	17.0	16.0	15.0	14.0	13.0
WACC (New assets)	9.16%	9.16%	9.16%	9.16%	9.16%	9.16%	9.16%	9.16%	9.16%	9.16%
LIFE (New assets) (years)	22.0	21.0	20.0	19.0	18.0	17.0	16.0	15.0	14.0	13.0
RAB (Existing)	$141,608,277	$138,440,017	$135,322,372	$132,012,395	$128,496,022	$124,755,830	$120,786,016	$116,580,904	$112,140,545	$107,466,759
RAB Average Value for existing assets	$144,817,852	$140,024,147	$136,881,195	$133,667,383	$130,254,208	$126,625,926	$122,770,923	$118,683,460	$114,360,725	$109,803,652
RAB (New Assets)	$2,188,765	$4,220,176	$24,949,666	$65,066,271	$74,503,579	$84,414,340	$83,905,627	$83,068,862	$81,865,920	$80,254,206
RAB Average Value for new assets	$1,094,383	$3,204,471	$14,584,921	$45,007,968	$69,784,925	$79,458,960	$84,159,984	$83,487,245	$82,467,391	$81,060,063
RAB Floor Limit (existing Assets)	$141,298,908	$137,934,649	$134,575,940	$130,935,307	$126,999,973	$122,756,680	$118,191,666	$113,290,651	$108,038,821	$102,420,802
Average RAB Floor Limit (existing assets)	$144,663,168	$139,616,778	$136,255,294	$132,755,623	$128,967,640	$124,878,327	$120,474,173	$115,741,159	$110,664,736	$105,229,811
RAB Floor Limit (investments)	$2,293,812	$4,436,126	$26,192,252	$68,377,317	$78,617,903	$89,429,000	$89,404,774	$89,080,717	$88,417,242	$87,369,039
Average RAB Floor Limit (investments)	$1,146,906	$3,364,969	$15,314,189	$47,284,785	$73,497,610	$84,023,451	$89,416,887	$89,242,746	$88,748,980	$87,893,140
RAB	$143,797,043	$142,660,193	$160,272,038	$197,078,665	$202,999,601	$209,170,170	$204,691,643	$199,649,767	$194,006,465	$187,720,965
RAB Floor limit	$143,592,721	$142,370,775	$160,768,192	$199,312,624	$205,617,876	$212,185,680	$207,596,440	$202,371,369	$196,456,062	$189,789,840
Building Blocks Ceiling test applicable in accordance with HVAU Section 4.2 (c)	Yes	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
CAPITAL INVESTMENT	$2,347,157	$2,250,512	$22,424,765	$44,052,922	$12,647,010	$13,845,068	$3,407,912	$3,499,926	$3,594,424	$3,691,473
Coal Volume	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Full Economic Cost	31.86	34.38	37.53	44.68	54.03	62.54	52.59	53.14	53.50	53.86
Coal Revenue	31.86	34.38	37.53	44.68	54.03	62.54	52.59	53.14	53.50	53.86
Unit Revenue Index (100 in 2010)	100.00	80.75	73.68	73.13	86.44	100.04	84.13	85.01	85.59	86.16

Pricing Zone 3 Werris Creek

	1 YEAR (2010)	2 YEARS (2011)	3 YEARS (2012)	4 YEARS (2013)	5 YEARS (2014)	6 YEARS (2015)	7 YEARS (2016)	8 YEARS (2017)	9 YEARS (2018)	10 YEARS (2019)
Coal Volume (mNT)	7.6	10.0	12.0	14.6	16.6	18.4	18.4	18.4	18.4	18.4
GT:NT ratio	1.77	1.77	1.77	1.77	1.77	1.77	1.77	1.77	1.77	1.77
Route Kms	127.3	127.3	127.3	127.3	127.3	127.3	127.3	127.3	127.3	127.3
Zone 1 Coal GTK (000)	-	-	-	-	-	-	-	-	-	-
Zone 2 Coal GTK (000)	-	-	-	-	-	-	-	-	-	-
Zone 3 Coal GTK (000)	1,608,523	2,141,063	2,596,196	3,191,561	3,629,703	4,044,775	4,044,775	4,044,775	4,044,775	4,044,775
Non-Coal GTK (000)	702,379	730,049	751,752	774,107	797,132	820,848	845,275	870,436	896,351	923,043
Total GTK	2,310,902	2,871,112	3,347,948	3,965,668	4,426,835	4,865,623	4,890,050	4,915,211	4,941,126	4,967,818
Zone 1 Coal Train Km (000)	-	-	-	-	-	-	-	-	-	-
Zone 2 Coal Train Km (000)	-	-	-	-	-	-	-	-	-	-
Zone 3 Coal Train km (000)	334,378	445,209	539,930	663,835	755,019	841,403	841,403	841,403	841,403	841,403
Non-Coal Train Km (000)	516,781	530,517	544,665	559,237	574,247	589,707	605,630	622,032	638,925	656,325
Total Train km	851,159	975,726	1,084,594	1,223,072	1,329,266	1,431,109	1,447,033	1,463,434	1,480,328	1,497,728
Variable Cost Component (VCC)	$3,618,001	$2,713,501	$2,713,501	$2,713,501	$2,713,501	$2,713,501	$2,759,630	$2,806,544	$2,854,255	$2,902,777
Unit VCC (c/GTK)	0.16	0.09	0.08	0.07	0.06	0.06	0.06	0.06	0.06	0.06
Fixed Track	$3,206,515	$3,206,515	$3,206,515	$3,676,649	$3,676,649	$4,044,314	$4,113,067	$4,182,989	$4,254,100	$4,326,420
Asset Management Overhead	$1,454,732	$1,673,901	$1,818,046	$2,009,957	$2,140,625	$2,289,200	$2,231,128	$2,210,890	$2,235,438	$2,264,822
Network Control	$384,394	$419,640	$450,996	$491,274	$517,418	$543,667	$535,290	$537,061	$550,289	$564,549
Corporate Overheads	$2,344,042	$2,547,251	$2,724,852	$2,954,577	$3,097,042	$3,238,668	$3,172,572	$3,167,208	$3,229,381	$3,296,922
Depreciation (Existing Assets)	$7,396,037	$7,580,938	$7,785,623	$7,995,835	$8,211,723	$8,433,439	$8,661,142	$8,894,993	$9,135,158	$9,381,807
Return (Existing Assets)	$14,565,755	$14,057,647	$13,719,188	$13,366,816	$12,985,414	$12,573,671	$12,130,229	$11,653,674	$11,142,542	$10,595,314
Fixed Cost Component (FCC)	$29,351,476	$29,485,892	$29,705,221	$30,495,107	$30,628,871	$31,122,959	$30,843,428	$30,646,815	$30,546,908	$30,429,834
Unit FCC (c/GTK)	1.82	1.38	1.14	0.96	0.84	0.77	0.76	0.76	0.76	0.75
Depreciation (Investments)	$549,288	$1,531,578	$2,816,339	$4,519,540	$5,639,412	$6,808,565	$8,057,587	$8,739,458	$9,482,468	$10,294,275
Return (Investments)	$1,106,925	$2,946,144	$5,159,533	$7,865,807	$9,298,263	$10,602,297	$11,809,199	$12,008,015	$12,160,317	$12,258,423
New Capital Component (NCC)	$1,656,213	$4,477,722	$7,975,871	$12,385,346	$14,937,675	$17,410,862	$19,866,786	$20,747,473	$21,642,785	$22,552,697
Unit NCC (c/GTK)	0.10	0.21	0.31	0.39	0.41	0.43	0.49	0.51	0.54	0.56
Coal Building Blocks Ceiling (VCC (Coal) + FCC+ NCC)	$33,526,030	$35,987,143	$39,785,301	$45,064,273	$47,791,432	$50,789,544	$52,992,825	$53,703,820	$54,526,168	$55,345,960
Unit VCC (c/GTK)	0.16	0.09	0.08	0.07	0.06	0.06	0.06	0.06	0.06	0.06
Unit FCC + NCC (c/GTK)	1.93	1.59	1.45	1.34	1.26	1.20	1.25	1.27	1.29	1.31
Unit Economic Cost (at constrained level) (c/GTK) includes VCC, FCC & NCC	2.08	1.68	1.53	1.41	1.32	1.26	1.31	1.33	1.35	1.37
Unit Revenue allocation to Pricing Zone (where not at constrained level) (c/GTK)	1.43	1.46	1.50	1.54	1.58	1.63	1.67	1.71	1.76	1.81
WACC (Existing)	9.16%	9.16%	9.16%	9.16%	9.16%	9.16%	9.16%	9.16%	9.16%	9.16%
LIFE (Existing) (years)	22.0	21.0	20.0	19.0	18.0	17.0	16.0	15.0	14.0	13.0
WACC (New assets)	9.16%	9.16%	9.16%	9.16%	9.16%	9.16%	9.16%	9.16%	9.16%	9.16%
LIFE (New assets) (years)	22.0	21.0	20.0	19.0	18.0	17.0	16.0	15.0	14.0	13.0
RAB (Existing)	$165,511,846	$167,103,144	$166,094,108	$161,947,436	$154,464,648	$143,820,934	$140,276,404	$136,574,327	$132,727,259	$128,751,289
RAB Average Value for existing assets	$164,112,330	$166,307,495	$166,598,626	$164,020,772	$158,206,042	$149,142,791	$142,048,669	$138,425,366	$134,650,793	$130,739,274
RAB (New Assets)	$23,810,779.92	$39,844,474.84	$70,907,617.68	$94,773,073.35	$94,624,983.34	$109,669,906.64	$110,005,550.06	$109,679,585.83	$108,601,328.31	$106,668,809.31
RAB Average Value for new assets	$11,905,390	$31,827,627	$55,376,046	$82,840,346	$94,699,028	$102,147,445	$109,837,728	$109,842,568	$109,140,457	$107,635,069
RAB Floor Limit (existing Assets)	$155,316,776	$151,618,758	$147,926,841	$143,925,031	$139,599,284	$134,935,026	$129,917,129	$124,529,899	$118,757,049	$112,581,682
Average RAB Floor Limit (existing assets)	$159,014,795	$153,467,767	$149,772,800	$145,925,936	$141,762,157	$137,267,155	$132,426,078	$127,223,514	$121,643,474	$115,669,366
RAB Floor Limit (investments)	$24,168,673	$40,157,618	$72,495,933	$99,246,574	$103,772,271	$127,718,930	$130,123,850	$132,059,884	$133,449,215	$134,201,932
Average RAB Floor Limit (investments)	$12,084,336	$32,163,145	$56,326,775	$85,871,253	$101,509,422	$115,745,601	$128,921,390	$131,091,867	$132,754,549	$133,825,573
RAB	$189,322,626	$206,947,618	$237,001,725	$256,720,510	$249,089,632	$253,490,841	$250,281,954	$246,253,913	$241,328,587	$235,420,099
RAB Floor limit	$179,485,449	$191,776,376	$220,422,774	$243,171,604	$243,371,555	$262,653,956	$260,040,979	$256,589,783	$252,206,264	$246,783,614
Building Blocks Ceiling test applicable in accordance with HVAU Section 4.2 (c)	No	No	No	No	No	No	Yes	Yes	Yes	Yes
CAPITAL INVESTMENT	$24,730,735	$16,968,399	$34,170,413	$29,487,843	$7,723,140	$28,244,597	$7,385,257	$7,584,658	$7,789,444	$7,999,759
Coal Volume	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Full Economic Cost	33.53	35.99	39.79	45.06	47.79	50.79	52.99	53.70	54.53	55.35
Coal Revenue	22.93	31.29	38.96	49.19	57.46	65.76	52.99	53.70	54.53	55.35
Unit Revenue Index (100 in 2010)	100.00	102.50	105.27	108.11	111.03	114.03	91.89	93.13	94.55	95.97

COMMENT

	COMMENT
Pricing zone headings	Pricing Zones as defined in the Undertaking
Coal Volume (mNT)	Coal volumes sourced from Producer forecasts as at August 2010. No further capacity investment assumed after 2015. Assumes no capacity and volumes arising from Liverpool Range investments.
GT:NT ratio	GTK's divided by NTK's per pricing zone determined using the Ceiling Test Model and above coal volumes. Assumes no change in train configurations.
Route Kms	Maximum route length within Pricing Zone
Zone 2 Coal GTK (000)	GTK's determined by loading the producer volumes forecast for each Calendar year into the the Ceiling Test Model and tallying GTK's by mine and price zone.
Non-Coal GTK (000)	Non Coal GTK's sourced from ARTC 20 Year Revenue Forecast Model
Zone 2 Coal Train Km (000)	Train km's determined by loading producer volumes forecast for each Calendar year into the the Ceiling Test Model and tallying Train km's by mine and price zone.
Non-Coal Train Km (000)	Non Coal Train km's sourced from ARTC 20 Year Revenue Forecast Model
Variable Cost Component (VCC)	Variable cost for Year 1 sourced from spreadsheet "250 Fixed & Variable Costs by GTK.xlsb", Sheet "Cost Per GTK 2010". Variable cost for subsequent years is determined by adjusting the prior year cost by CPI (from the ARTC Corporate plan), a Productivity improvement factor and a Network Accessability factor.
Unit VCC (c/GTK)	Variable cost divided by Total GTK's
Fixed Track	Fixed track cost for year one sourced from the Ceiling Test Model, Sheet "Sector Costs". Fixed costs for subsequent years is determined by adjusting the cost in the prior year by CPI (from the ARTC Corporate plan), a Productivity improvement factor and a network accessability factor.
Asset Management Overhead	Asset Management Overhead costs for year one are sourced from the Ceiling Test Model, Sheet "Sector Costs" for the relevent network segments in the pricing zone. Costs for subsequent years are determined by adjusting the cost in the prior year by CPI (from the ARTC Corporate plan), a Productivity improvement factor and by the relative increase in the proportion of GTK's in the Pricing Zone relative to the ARTC Network in that year (compared to the prior year).
Network Control / Corporate Overheads	Network Control and Corporate overhead costs for year one are sourced from the Ceiling Test Model, Sheet "Sector Costs" for the relevent network segments in the Pricing Zone. Costs for subsequent years are determined by adjusting the cost in the prior year by CPI (from the ARTC Corporate plan), a Productivity improvement factor and by the relative increase in the proportion of Train km's in the Pricing Zone relative to the ARTC Network in that year (compared to the prior year).
Depreciation (Existing Assets)	Depreciation is calculated using the Year 1 RAB opening value sourced from spreadsheet "330 DORC & Depreciation.xlsb", Sheet "RAB 2009 est" (closing balance of prior period for segments in the relevent pricing zone), escalated by CPI and divided by the remaining mine life. In subsequent years, the prior year Depreciation figure is escalated by CPI and divided by the remaining mine life
Return (Existing Assets)	Average Existing RAB floor limit with proposed rate of return (EWACC) assumed. See below.
Unit FCC (c/GTK)	FCC divided by Total Coal GTK's for the price zone and converted to c/GTK
Depreciation (Investments)	Average RAB floor limit for new assets with proposed mine life assumed. See below.
Return (Investments)	Average RAB floor limit for new assets with proposed rate of return (WACC) assumed. See below.
Unit NCC (c/GTK)	NCC divided by Total Coal GTK's for the price zone and converted to c/GTK
Coal Building Blocks Ceiling (VCC (Coal) + FCC+ NCC)	Unit VCC applied to total coal GTK's plus FCC and NCC
Unit VCC (c/GTK)	Unit VCC is aligned to the non-TOP component of charges to be recovered from all coal users.
Unit FCC + NCC (c/GTK)	NCC per GTK plus FCC per GTK. Aligned to TOP Charge. Seeks to recover long term economic cost of new investments, and to maximise recovery of FCC as an objective. On constrained parts of the network both FCC and NCC will be fully recovered.
Unit Economic Cost (at constrained level) (c/GTK) includes VCC, FCC & NCC	Aligned to total charge per GTK at ceiling level (on the Constrained Network for each Pricing Zone).
Unit Revenue allocation to Pricing Zone (where not at constrained level) (c/GTK)	Revenue allocated to the Unconstrained Network (Pricing Zone 3). Equivalent to total revenue for Unconstrained Coal traffic less VCC in the Constrained Network for these traffics.In Pricing Zone 3, revenue allocated will equate to Unit Economic Cost (Building Blocks Ceiling) when prior economic losses are recovered. Price path from Year 5 as highlighted.
WACC (Existing)	Real, pre-tax WACC as proposed in HVAU. Applied to existing assets.
LIFE (Existing) (years)	Remaining mine life proposed in HVAU reduced each year. Applied to existing assets.
WACC (New assets)	Real, pre-tax WACC as proposed in HVAU. Applied to investments.
LIFE (New assets) (years)	Remaining mine life proposed in HVAU reduced each year. Applied to investments.
RAB AND RAB FLOOR LIMIT ROLL FORWARD	**Note: For consistency with the previous model provided to the ACCC and industry, ARTC has maintained the seperation of assets into "Existing" and "New" assets in this model. The same Rate of Return (WACC) and Mine Life are now applied to both categories of assets.**
RAB (Existing)	RAB roll forward with in respect to assets existing as at the Commencement Date (1 Jan 2010 assumed) with Initial RAB for existing assets aligned to values at Table 8 of Explanatory Guide - Interim Indicative Access Charges. Starting RAB for existing assets in each year rolled forward to include a return WACC (row 50) and inflation on the starting RAB each year, subtract Revenue (assumed to equal Economic Cost where constrained or based on Unit Revenue allocation to the Pricing Zone (Row 46) where unconstrained) allocated to existing assets, add operating expenditure (variable mtce, fixed mtce, mtce overheads, network control, corporate overheads) allocated to existing assets. Essentially an allocation of any economic losses assumed to be associated with existing assets incurred in a year are capitalised into the RAB fro existing assets. No disposals assumed. Roll forward in accordance with HVAU section 4.3(a).
RAB Average Value for existing assets	Average of Starting RAB and Closing RAB for existing assets each year.
RAB (New Assets)	RAB roll forward with in respect to investments after the Commencement Date (1 Jan 2010 assumed). Initial RAB for new assets is set to zero. Starting RAB for new assets in each year (zero initially) rolled forward to include a return WACC for new assets (row 52) and inflation on the starting RAB for new assets each year , subtract Revenue (assumed to equal Economic Cost where constrained or based on Unit Revenue allocation to the Pricing Zone (Row 46) where unconstrained) allocated to new assets, add operating expenditure (variable mtce, fixed mtce, mtce overheads, network control, corporate overheads) allocated to existing assets, add Capital Investment for the year (Row 71). Essentially an allocation of any economic losses assumed to be associated with investments incurred in a year are capitalised into RAB for new assets. No disposals assumed. Roll forward in accordance with HVAU section 4.3(b).
RAB Average Value for new assets	Average of Starting RAB and Closing RAB for new assets each year.
RAB Floor Limit (existing Assets)	Traditional roll forward of RAB associated with existing assets with Initial RAB Floor Limit aligned to values at Table 8 of Explanatory Guide - Interim Indicative Access Charges.. Roll forward starting RAB (existing assets) by adding inflation, and subtracting depreciation on inflated starting RAB based on remaining mine life for the year (Row 53). RAB floor limit for existing assets calculated iaw HVAU Section 4.3(d) and depreciation as determined under HVAU Section 4.6.
Average RAB Floor Limit (existing assets)	Average of Starting RAB (existing assets) and Closing RAB (existing assets) each year.
RAB Floor Limit (investments)	Traditional roll forward of RAB associated with investments with Initial RAB Floor Limit set to zero. Roll forward starting RAB (investments) by adding inflation, adding Capital Investment for the year (Row 71), and subtracting depreciation on inflated starting RAB (investments) and Capital Investment for the year based on remaining mine life for the year (Row 53) and based on half year only. RAB floor limit for existing assets calculated iaw HVAU Section 4.3(d), and depreciation as determined under HVAU Section 4.6.
Average RAB Floor Limit (investments)	Average of Starting RAB (investments) and Closing RAB (investments) each year.
RAB	RAB equals RAB for existing assets plus RAB for new assets for each year iaw HVAU Section 4.3(c). Used to compare against RAB Floor Limit to determine whether Building Block Ceiling Test is applicable in each year (HVAU Section 4.2(c). If RAB is greater than RAB Floor Limit in any year then prior economic losses have not been recovered. Loss Capitalisation permits ARTC to earn revenue in excess of Building Block Ceiling in that year.
RAB Floor limit	RAB Floor Limit equals RAB Floor Limit (existing assets) plus RAB Floor Limit (investments) for each year iaw HVAU Section 4.3(d). Used to compare against RAB to determine whether Building Block Ceiling Test is applicable in each year (HVAU Section 4.2(c). If RAB is greater than RAB Floor Limit in any year then prior economic losses have not been recovered. Loss Capitalisation permits ARTC to earn revenue in excess of Building Block Ceiling in that year.
Building Blocks Ceiling test applicable in accordance with HVAU Section 4.2 (c)	Comparison of RAB and RAB Floor Limit in each year. If RAB is greater than RAB Floor Limit in any year then prior economic losses have not been recovered. Loss Capitalisation permits ARTC to earn revenue in excess of Building Block Ceiling in that year. Comparison provides for Building Blocks Ceiling test to become applicable where RAB falls to within 0.1% of RAB Floor Limit.
CAPITAL INVESTMENT	Consists of Major Works (Estimated from Hunter Valley 2009-18 Hunter Valley Corridor Capacity Strategy Consultation Document (June 2009) and HV Budget), and Minor Capital based on Hunter Valley Budget for years 2010-2013, 2014 based on average of 2011-2013, then CPI escalation in subsequent years . Assumes no Major CAPEX after 2015 (no underpinning volumes assumed).