



01 March 2017

Mr Charles Millstead
Chief Executive Officer
Queensland Competition Authority

Dear Mr Millstead

DBCT 2017 AU – Transitional Capital Charges and Reconciliation

On 16 June 2016, the QCA approved a DAAU (**Extension DAAU**) extending the 2010 AU until a replacement undertaking was approved. The Extension DAAU provided for transitional capital charges to apply for the duration of the (extended) 2010 AU, with a Final True-Up Amount (**FTU Amount**) to be paid to the relevant parties once a replacement undertaking was approved. The FTU Amount is calculated by reconciling the difference between the transitional capital charges under the 2010 AU and the capital charges that would have applied, had the replacement undertaking had been in force from 1 June 2016.

On 16 February 2017, the QCA approved a replacement undertaking (the **2017 AU**), including (under Schedule C Part C) provisions for transitional charges and a FTU Amount from the 2010 AU. Accordingly, DBCTM has calculated a FTU Amount of \$2.491m, which is payable from DBCTM to the relevant DBCT Access Holders.

The attached calculation of the FTU Amount has been made in consultation with the QCA and will be paid to Access Holders after notification from the QCA that it accepts the FTU Amount.

DBCTM notes that the RAB, ARR and TIC are \$2,388.878m, \$192.987m and \$2.3914/tonne respectively, applying in the 2016-17 financial year.

Please contact Jonathan Blakey if you have any related queries.

Yours sincerely

Anthony Timbrell
Chief Executive Officer
DBCT Management

Attachment 1: BBSW Rates applying to FTU calculation
Attachment 2: FTU Calculation
Attachment 3: Revised ARR model including NECAP 2016