





24 August 2020

Arc Infrastructure proposed costs for grain routes

Approval

The ERA has approved Arc Infrastructure's proposed adjustments to the total and incremental costs for routes subject to agreements with Co-operative Bulk Handling (CBH). The adjustments are consistent with the <u>ERA's 2015 determination of costs for these routes</u>.

Arc Infrastructure provided its proposed adjusted costs to the ERA for its approval on 6 August 2020. A copy of Arc Infrastructure's proposed costs is <u>available on the ERA</u> <u>website</u>. Costs for some multi-user routes are redacted, at Arc Infrastructure's request, consistent with redactions in the 2015 determination.

These costs are used to audit Arc Infrastructure's over-payments accounts, which are related to its access agreements with CBH.

Cost annual adjustments

Arc Infrastructure's approved Part 5 Instruments (Costing Principles) require annual adjustments to be made to total and incremental costs factoring in changes to the rate of return and Consumer Price Index.

The ERA determines the rate of return for regulated rail networks each year. Arc's costs are also adjusted for 75 per cent of the increase in the Consumer Price Index

Further information

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