

## NOTICE

### **Adjustments to WestNet Rail's ceiling costs for certain rail lines approved**

The Authority has approved WestNet Rail's proposed adjustments to the ceiling costs for the mainlines, the Worsley line, terminal ends and grain lines as they are consistent with the floor and ceiling costs contained in the Authority's corrected Final Determination of 26 June 2007.

WestNet Rail wrote to the Authority with its proposed adjusted ceilings for the lines (effective from 1 July 2008) on 30 June 2008.

A copy of WestNet Rail's letter is available on the Authority's [web site](#).

#### **CPI-X and WACC Adjustments**

The company's approved Part 5 Instruments (Costing Principles) enable it to adjust the determined floor and ceiling costs by the weighted average cost of capital (WACC) as determined by the Authority and 75 per cent of the relevant consumer price index (CPI).

The WACC is determined annually (and applied from 1 July of each year) with the parameters and methodology for its determination reviewed every five years. The Authority's final determination from its five-yearly review of WestNet Rail's WACC was made on 23 June 2008. The CPI-X adjustment is made in the second and third years after the Authority's floor and ceiling cost determination. The Costing Principles provide for the Authority to review and approve these adjustments.

For further information contact:

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LYNDON ROWE  
**CHAIRMAN**

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