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Ms Clare Savage
Chair
Australian Energy Regulator
GPO Box 520
Melbourne VIC 3000

Dear Ms Savage

Power and Water Corporation 2024-2029 Regulatory Proposal

We are pleased to submit Power and Water Corporation's (Power and Water) regulatory proposal for 1 July 2024 to 30 June 2029.

We provide electricity distribution, gas supply, water and sewerage services to customers across the Northern Territory (NT), as well as electricity generation and retail services to minor centres. We are owned by the NT Government, and are proud to serve Territorians.

In developing our regulatory proposal, we have undertaken our largest ever customer engagement and research program. Our stakeholders, customers and system participants have shared their priorities and preferences, making it clear what they expect from their network service provider. We have used this feedback to inform our regulatory proposal, and shape our investments for the next five years and beyond.

Our aim is to build on the progress made over recent years, particularly since joining the rigours of the national regulatory framework. In the three years of our regulatory journey so far, we have taken on board lessons learnt and built them into our proposal. As a business we have matured, and sought to improve our customer focus, data quality, and operating model. Though we still have some way to go to be on par with some of our industry peers, we are heading in the right direction. We are committed to keeping the conversation going with our stakeholders, and testing that our services remain consistent with what our customers need from us.

We are proposing a moderate increase in our revenue requirements over 2024-2029 compared to the current period. This reflects the changing economic conditions, somewhat offset by efficiencies we have implemented. This will result in an increase to network tariffs. We have sought to manage bill impacts to the extent possible by revising aspects of our investment strategy since the August 2022 Draft Plan, and also by increasing customer tariff segmentation and improving cost-reflectivity for those customers who are (and may in the future be) more able to respond to price signals.

This is a defining time for our industry and for the NT. Our investment focus reflects our plans to improve the service we provide, and to make a difference to the lives of Territorians. We are investing to become a smarter, more efficient

POWER AND WATER CORPORATION

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business over the long term, uplifting our capabilities and thereby improving the quality of our decisions and the efficiency of our expenditure.

Our submission comprises the main Regulatory Proposal document, which is designed as an easy-to-understand summary of our plans for the AER and customers to consider, supported by a suite of documents and models that provide more granular detail.

Where a document contains confidential information, we have issued this to the AER in accordance with the AER's confidentiality guidelines.

We look forward to working with the AER and our stakeholders through the review process. If you have any questions or concerns, please contact Jason Howe, Executive General Manager – Customer, Strategy and Regulation, on [REDACTED] or via email [REDACTED]

Yours sincerely

[REDACTED]

Djuna Pollard
Chief Executive Officer

31 January 2023