



TREASURER

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Mr Ken Clarke
Chairman
Power and Water Corporation
GPO Box 1921
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Dear Mr ~~Clarke~~ **Ken**

RE: REVISED MINISTERIAL DIRECTION TO POWER AND WATER CORPORATION IN RELATION TO IMPLEMENTATION OF AN ALTERNATIVE REVENUE PATH FOR THE 2014-19 REGULATORY CONTROL PERIOD

I refer to my letter dated 6 June 2014, advising of my intention to issue the Power and Water Corporation Board with a revised direction under section 8(4)(a) of the *Government Owned Corporations Act* and requesting the board respond in accordance with section 8(5)(b) of the same Act, and your subsequent correspondence of 16 June 2014.

While I acknowledge the concerns of the Power and Water Corporation Board, as Shareholding Minister I hereby issue the Power and Water Corporation Board with a direction under section 8(4)(a) of the *Government Owned Corporations Act* to apply an alternative revenue requirement incorporating revenue increases above the consumer price index of:

- i) 7.7 per cent in 2014-15;
- ii) 8 per cent in 2015-16; and
- iii) 0 percent from 2016-17 to 2018-19

This direction results in a total cumulative increase in real terms of 16.3 per cent over the regulatory control period and a required revenue allowance of \$855.7 million. This lower revenue amount reflects a reduction in the return that the Territory expects to earn from its investment in the Power and Water Corporation.

As Shareholding Minister, I formally direct the Board of Power and Water Corporation to implement this proposed revenue path and to submit a tariff schedule necessary to give effect to this revenue path to the Department of Treasury and Finance by 20 June 2014 for approval.

Department of Treasury and Finance will continue to closely monitor Power and Water Corporation financial performance and sustainability over the 2014 Statement of Corporate Intent period and advise me accordingly.

Yours sincerely

A handwritten signature in blue ink, appearing to read "David Tollner". The signature is fluid and cursive, with a large initial "D" and a long horizontal flourish at the end.

DAVID TOLLNER

19 JUN 2014