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Ms Paula Conboy
Chair
Australian Energy Regulator
GPO Box 520
Melbourne VIC 3000

Dear Ms Conboy

Power and Water Corporation 2019-2024 Regulatory Proposal

We are pleased to submit Power and Water Corporation's (Power and Water) regulatory proposal for 1 July 2019 to 30 June 2024.

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 proud to be owned by the NT Government, and therefore the people of the NT.

In developing our regulatory proposal, we have undertaken the largest network customer engagement and research program in the NT. Our stakeholders, customers and system participants have given us rich input on their priorities and preferences to inform our regulatory proposal.

We are proposing a significant reduction in our revenue compared to the current period, reflecting the significant efficiencies we have implemented. This will deliver network bill savings (excluding the impact of inflation) on average for most of our customers in the 2019-2024 period. Our proposed expenditure will maintain current reliability and responsiveness levels for most customers, and improve reliability for poor performing rural and urban areas.

We have submitted our customer overview, regulatory proposal and tariff structure statement in final form to the AER. We have also identified relevant documents that support our regulatory proposal. Where a document is confidential, we have provided a public and confidential version in accordance with the AER's confidentiality guidelines.

As discussed with the AER, we are currently in the process of finalising further documents that support our capital expenditure forecast as outlined in our regulatory proposal. This includes documents such as our Strategic Asset Management Plan, which we will provide to the AER by 28 February 2018. We request that the AER consider these documents during the review process.

We have used best endeavors to provide the AER with the information requested in its Regulatory Information Notice (RIN) issued to Power and Water on 9 November 2017. As discussed with AER staff, we are unfortunately only in a position to provide our RIN response in draft form at this time. This is because the underlying data and information necessary to complete the RIN response is still being collated, prepared and audited.

Accordingly, our RIN response accompanying our Regulatory Proposal is in draft, and contains incomplete data and information that has not been verified. We expect that some of the data and responses will change as a result of the verification and audit process. In light of these issues we

request that the AER does not publish the draft RIN response as it may include incomplete or incorrect data. To assist the AER in the identification of documents provided in final and draft form, our document register and the title of the document indicate whether a RIN document or spreadsheet is in draft form.

We expect to provide the AER with a final RIN response by 16 March 2018. The final response will include the results of the audit and review, together with a signed statutory declaration of an officer of Power and Water.

We note that the outcomes of the RIN audit and verification process may result in consequential changes to data contained in our regulatory proposal and supporting attachments. We will notify the AER of any consequential changes to our regulatory proposal when we submit our RIN response in final form.

We look forward to working with the AER and our stakeholders through the review process. If you have any questions or concerns, please contact Ms Jodi Triggs, Senior Executive Manager - Network Regulation and Commercial, on (08) 8943 6555 or via email Jodi.Triggs@powerwater.com.au.

Yours Sincerely



Michael Thomson
Chief Executive

31 January 2018