

Our Ref: 18:D23:26804
Your Ref: D2023/329368

Ms Djuna Pollard
Chief Executive Officer
Power and Water Corporation
GPO Box 3596
DARWIN NT 0801

By email

Dear Ms Pollard

RE: APPROVAL OF 2024-25 ANNUAL PRICING PROPOSAL FOR SYSTEM CONTROL AND MARKET OPERATOR CHARGES

I refer to your letter of 29 September 2023, submitting the Power and Water Corporation's (PWC) 2024-25 Annual Pricing Proposal for System Control and Market Operator charges (2024-25 Pricing Proposal).

The Commission notes that the current regulatory decision (System Control Charges Final Decision for the 2019-20 to 2023-24 regulatory period) ends on 30 June 2024. The 2024-25 Annual Pricing Proposal provides interim system control and market operator charges to be in effect between 1 July 2024 and 30 June 2025. An initial full pricing proposal from PWC for the regulatory period commencing 1 July 2025 is expected to be submitted to the Commission in December 2023.

The Commission confirms that the 2024-25 Annual Pricing Proposal meets the Commission's requirements for simplicity, escalating approved charges for 2023-24 to account for inflation (based on the Australian Bureau of Statistics' June quarter 2023 consumer price index, weighted average of eight capital cities).

As such, in accordance with section 39(2) of the *Electricity Reform Act 2000*, the Commission approves the charges to be applied by the power system controller for the period 1 July 2024 to 30 June 2025, as set out in Table 1 below.

Table 1: 2024-25 approved System Control charges (excludes GST)

Component	2024-25
System control (\$/kWh)	0.005527
Market operator (\$/kWh) ¹	0.000585

¹ Market operator component to only be paid by customers supplied by the Darwin-Katherine regulated system

The charges approved for 2024-25 are the maximum that PWC can charge for services provided by the power system controller with respect to its regulated electricity networks.

A copy of this letter (as the approval instrument) and PWC's 2024-25 Annual Pricing Proposal will be published on the Commission's website.

Yours sincerely

Lyndon Rowe
Utilities Commissioner

2 November 2023