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Jon Hocking Manager Network Regulation Endeavour Energy 51 Huntingwood Drive HUNTINGWOOD NSW 2148

By email:

jon.hocking@endeavourenergy.com.au

Dear Mr Høcking

D-factor for demand management activities undertaken in 2011-12

I refer to Endeavour Energy's D-factor submission for demand management activities undertaken in 2011–12.

In Appendix K of the 2009 NSW distribution determination the AER adopted the Independent Pricing and Regulatory Tribunal's (IPART) D-factor scheme for the 2009–14 regulatory control period. The AER has reviewed Endeavour Energy's D-factor submission against section 11.2 of IPART's NSW Electricity Distribution Pricing for 2004/05 to 2008/09 and Guidelines on the Application of the D-factor in the Tribunal's 2004 NSW Electricity Distribution Pricing Determination.

Based on the information provided in Endeavour Energy's submission and independent expert's review, the AER has determined a D-factor of 0.000 is to be included in Endeavour Energy's weighted average price cap for 2013–14.

If you would like to discuss this matter further please contact Anne Sastro on (02) 9230 9109.

Yours sincerely

Chris Pattas

General Manager

Network Operations and Development Branch