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23 February 2010

Mr Paul Baxter Senior Commissioner Independent Competition and Regulatory Commission GPO Box 296 Canberra City ACT 2601

Dear Mr Baxter,

Approval of Distribution Loss Factors for 2010-2011

Under Clause 3.6.3(i) National Electricity Rules, ActewAGL is required to seek Australian Energy Regulator's (AER) approval of Distribution Loss Factors (DLF) for 2010/11 by 12 March 2010.

In the absence of other AER approved DLF guidelines, recent advice from AER indicates that it would be appreciated if the ICRC can provide assurance that the loss factors have been prepared in accordance with the process employed in the previous years. This supporting advice is required to be provided to AER by 12 March 2010.

Pursuant to the requirements of the National Electricity Rules, ActewAGL submits the proposed DLF for 2010-2011.

For low voltage customers 1.0488 For high voltage customers 1.0284

These loss factors are to be applied to sales and are consistent with ActewAGL's average distribution losses on purchases for the past five years of 4.406%. The difference between the low and high voltage rates reflects our estimate of the average difference in the losses of low and high voltage customers.

Should you require any further clarification, please contact Janusz Worony on 6293 5871.

Yours sincerely,

Michael Charlton

General Manager Networks ActewAGL Distribution

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