



12 March, 2009

Mr Chris Pattas
General Manager Network Regulation South
Australian Energy Regulator
GPO Box 520
Melbourne Vic 3001

Dear Mr Pattas,

PROPOSED 2009-10 DISTRIBUTION LOSS FACTORS

CitiPower has completed a review of its proposed Distribution Loss Factors (DLF's) for 2009-10 taking into account clause 3.6.3 of the National Electricity Rules including:-

- Site specific DLF's for end users with load of more than 40 GWh or a demand of more than 10MW;
- Site specific DLF's for generators over 10MW;

The 2009-10 loss factors are based on forecast sales and demand data with estimated losses derived from an average top down loss of 4.15% (average of last 5 years) of sales. As agreed with the DLF working group in December 2007, the calculation does not deduct from the overall losses an allowance for theft and metering of 0.2% of sales which was applied in previous years.

The proposed DLF's set out in the attached submission have been calculated in accordance with the Commission's guidance paper – Calculation Methodology for Distribution Loss Factors (DLF's) for the Victorian Jurisdiction, 14 February 2007.

The actual top down loss for 2007-08 has been calculated to be 3.74%. See attached reconciliation for 2007-08.

CitiPower has identified four end use customers that qualify for site specific loss factors as set out in the attached submission. The site specific loss factors for these connection points have been calculated taking into account the characteristics of their specific supply arrangements and their electricity consumption characteristics. The information set out in relation to these customers should be treated confidentially as it provides sensitive information associated with identifiable customers.

In order to assist the AER in approving the DLF's, the Essential Services Commission (ESC) has reviewed the proposed DLF's and provided the attached report which states that

“the Commission is satisfied that the proposed DLFs are consistent with the DLF Calculation Methodology and meet the Rules’ requirements.”

Please give me a call on telephone 9683 4282 if you require further information or wish to discuss any aspect of this matter.

Yours Sincerely

Rolf Herrmann
Manager Regulation

2009-10 DLF Proposal

Company Name	CITIPOWER PTY
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Forecast Sales (MWh) – 2009/10 (Including loads for site specific DLF's)

	DLF A	DLF B	DLF C	DLF D	DLF E	Total
Short Subtrans.	114,557	10,003	489,109	1,752,374	3,854,104	6,220,147
Long Subtrans.	-	-	-	-	-	-

Forecast Losses (MWh) – 2009/10 (Including loads for site specific DLF's)

	DLF A	DLF B	DLF C	DLF D	DLF E	Total
Short Subtrans.	21,215	51,158	34,847	130,770	19,921	257,912
Long Subtrans.	-	-	-	-	-	-

Proposed Network Average DLFs for General Customers

	DLF A	DLF B	DLF C	DLF D	DLF E
2008/09 DLFs					
Short Subtrans.	1.0038	1.0129	1.0189	1.0439	1.0494
Long Subtrans.	---	---	---	---	---
Proposed 2009/10 DLFs					
Short Subtrans.	1.0034	1.0118	1.0174	1.0409	1.0460
Long Subtrans.	---	---	---	---	---
% Difference					
Short Subtrans.	-0.043%	-0.111%	-0.144%	-0.284%	-0.316%
Long Subtrans.	---	---	---	---	---

Definitions: DLF A is the distribution loss factor to be applied to a second tier customer or pool customer connected to either a 66kV or a 22kV subtransmission line.

DLF B is the distribution loss factor to be applied to a second tier customer or pool customer connected to the lower voltage side of a zone substation

DLF C is the distribution loss factor to be applied to a second tier customer or pool customer connected to a distribution line at voltages of 22kV, 11kV or 6.6kV.

DLF D is the distribution loss factor to be applied to a second tier customer or pool customer connected to the lower voltage terminals of a distribution transformer.

DLF E is the distribution loss factor to be applied to a second tier customer or pool customer connected to low voltage lines of 240/415 V

2009-10 DLF Proposal cont.

Site-Specific Distribution Loss Factors (DLF) for Large Customers (Customers with demand > 10 MW or annual energy consumption > 40 GWh)

No	NMI Number	DLF 2008/09	Proposed DLF 2009/10	% Difference
1	VAAA000673	1.0189	1.0181	-0.082%
2	VAAA000577	1.0172	1.0152	-0.198%
3	VAAA000574	1.0157	1.0146	-0.107%
4	VAAA000431	1.0179	1.0166	-0.125%

Energy Procured (MWh) - 2007-08

Energy obtained from transmission connections	6,258,799
Energy obtained from embedded generation	119,047
Inter DB supply from other Distributors	1,859
Total Energy Procured (pa)	6,379,705

Energy Supplied (MWh) – 2007-08

Total annual energy supplied to CitiPower customers	6,128,032
Inter DB supply to other distributors	21,811
Net Energy Supplied (pa)	6,149,843

RECONCILIATION -2007/08 - CITIPOWER

	MWh	
$\Sigma ME_i \times DLF_i$ for 2007/08	6,417,693	A
Actual Consumption or Sales for 2007/08	6,149,843	B
Losses recovered through application of DLFs to customers' actual consumption for 2007/08	267,850	C = A-B
Actual Measured Losses 2007/08	229,862	D
Actual Measured Losses 2007/08 as %age of Sales	3.74%	D/B
Allowance for theft & faulty metering energy (0.2% of sales)	12,300	E=B*0.2%
Actual Measured Losses 2007/08 adjusted for theft & faulty metering	217,562	F = D - E
Difference or error in overall losses	50,288	G = C - F
Difference or error in overall losses as % of total energy sales (Over-recovered)	0.82%	H = G/B