

Ref: CW:JC:C1859222

9 March 2012

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

Dear Mr Pattas

Distribution Loss Factors (DLFs) for 2012-13

Essential Energy has reviewed our Distribution Loss Factors (DLFs) based on data from the most recent available continuous 12 month period and forecasts provided by specific customers. Essential Energy has engaged a consultant (Hill Michael) to calculate all DLFs for 2012-13. Increases or decreases in DLF values from last year's DLFs for tariff class (general) customers and most site specific customers are less than one per cent. These DLF changes will have only a minor effect on customer's energy costs for 2012-13. Mine sites in the Cobar area will see larger increases in their DLF due to large increases in load.

Site Specific DLFs

Class or NMI	DLF Code	Current DLF 2011-12	Proposed DLF 2012-13
NAAA00AC11	BS33	1.1027	1.1503
4001161869	BS32	1.1357	1.1626
4001227465	BS35	1.0208	1.0231
4001224331	BS35	1.0208	1.0231
NTTTW0RU20	BS37	1.0060	1.0000
NAAANRAB50	BS38	1.0120	1.0193
NAAA00AB64	BS40	n/a	1.1025
NAAA00AC21	BS39	1.0215	1.0179
NAAANRAA01	BS41	1.1027	1.1293
NAAANRAA02	TBA	n/a	1.0233
NTTTW0W110	NONE	1.0000	1.0000
4001151659	BS43	1.0017	0.9991

Class or NMI	DLF Code	Current DLF 2011-12	Proposed DLF 2012-13
NFFFNRKU39	BS44	0.9960	0.9976
4001175717	BS45	1.0708	1.0813
4508034707	BS46	1.0341	1.0499
4001223403	TBA		1.0525
4001210762	BS48	0.9894	0.9872
4001231908	BS50	0.9871	0.9859
4001193201	BS02	0.9626	0.9761
4001185251	BS03	0.9999	1.0134
4508000221	TBA	n/a	1.0087

General DLFs

Class or NMI	DLF Code	Current DLF 2011-12	Proposed DLF 2012-13
Low Voltage	BL0A, DLDL, DLD2, DLD6, DLGB, DLGD	1.0941	1.0996
LV & Metered at CE Substation	BL5A	1.0532	1.0492
High Voltage Line	BH0A	1.0480	1.0440
High Voltage Substation	BH5A	1.0257	1.0164
Subtransmission	BS0A	1.0232	1.0139

An independent review report prepared for the Australian Energy Regulator by Intelligent Energy Systems is attached.

If you have any questions or require any further information in relation to our proposed DLFs, please do not hesitate to contact me on 02 6338 3553.

Yours sincerely



Catherine Waddell
Group Manager Regulated Pricing

Att. 1: Intelligent Energy Systems' Independent Review Report