

9 March 2010

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

Dear Mr Pattas

Distribution Loss Factors for 2010/11

I refer to your letter of 19 October 2009 and am pleased to provide Integral Energy's proposed Distribution Loss Factors (DLFs) for the 2010/11 financial year. The proposed DLFs have been calculated in accordance with Integral Energy's published methodology and the following documents are provided to the AER for approval:

1. The proposed DLFs in a format fit for publication by NEMMCO;
2. A copy of Integral Energy's methodology used to calculate the DLFs; and
3. A copy of Integral Energy's evaluation of distribution loss factors for 2010/11.

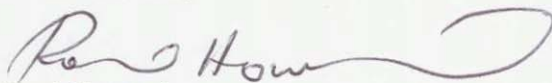
Electronic copies of these documents will also be provided to the AER and these documents can be published on the AER's website.

I have also attached Integral Energy's Strategic Asset Management document "Evaluation of Distribution Loss Factors 2010-2011" dated 18 January 2010 which includes the detailed data associated with the calculation of the DLFs. This report, or any part of it, should not be made public unless agreed to by Integral Energy as it contains details of actual consumption by several large customers.

The process undertaken by Integral Energy to calculate the DLFs for 2010/11 has been independently reviewed by TCFT Business Services and a copy of the review report and TCFT's certification is attached.

The DLFs are submitted for consideration and approval by the Australian Energy Regulator (AER) and should you have any questions in relation to this matter please contact Mr Frank Nevill on telephone (02) 9853 6598.

Yours faithfully



Rod Howard
Group General Manager Network

Going further for you is what we do