Powercor Australia Ltd ACN 064 651 109 ABN 89 064 651 109

Head Office 40 Market Street Melbourne

Telephone 03) 9683 4444 Facsimile 03) 9683 4499

09 Melbourne Victoria 8001

DX 433 Melbourne www.powercor.com.au

Address all correspondence to

Locked Bag 14090



12 March, 2010

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

email: AERInquiry@aer.gov.au

Dear Mr Pattas

Proposed 2010-11 Distribution Loss Factors

Powercor Australia has completed a review of its proposed Distribution Loss Factors (DLF's) for 2010-11 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 2010-11 loss factors are based on forecast sales and demand data with estimated losses derived from an average top down loss of 6.88% (average of last 5 years) of sales.

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

The actual top down losses for 2008-09 have been calculated to be 6.74% of sales. See attached reconciliation for 2008-09.

Powercor Australia has identified sixteen end use customers and three generators 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 the three generators on pages 7 and 8 should be treated confidentially as it provides sensitive information associated with identifiable customers.

Please also find attached a report from Parsons Brinkerhoff Australia Pty Limited (PB) who have reviewed and certified the proposed DLF's. The report states that PB is satisfied that the proposed DLF's meet the requirements of clause 3.6.3 of the National Electricity Rules and are consistent with the methodology developed by the ESC.

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

Yours Sincerely

Rolf Herrmann Manager Regulation

2010-11 DLF Proposal

12 March 2010

Company Name: Powercor Australia Ltd

Forecast Energy Procured 2010-11 (MWh)

Energy obtained from transmission connections	11,317,076
Energy obtained from embedded generation	365,446
Energy obtained from ETSA	7,092
Energy provided to AGL	-14,087
Energy provided to CitiPower (Docklands)	-110,213
Total Energy Procured 2010-11	11,565,313

Forecast Energy Supplied 2010-11 (MWh)	10,820,943
Forecast Losses 2010-11	744,373
Forecast Losses 2010/11 as % of Forecast Sales	6.88%

Forecast Energy Supplied 2010-11 (MWh)

	DLF A	DLF B	DLF C	DLF D	DLF E	Total
Short Subtrans.	1,081,283	30,109	963,569	1,085,222	3,027,346	6,187,528
Long Subtrans.	149,723	0	539,424	672,375	3,271,891	4,633,413

Forecast Annual Distribution Losses 2010-11 (MWh)

	DLF A	DLF B	DLF C	DLF D	DLFE	Total
Short Subtrans.	22,664	33,517	126,940	110,845	28,650	322,617
Long Subtrans.	155,770	29,722	112,565	98,293	25,406	421,756

Powercor 2010-2011 DLF Proposal cont.

Network Average DLFs for General Customers

	DLF A	DLF B	DLF C	DLF D	DLF E
Approved 2009/10 DLFs					
Short Subtrans.	1.0048	1.0115	1.0371	1.0634	1.0721
Long Subtrans.	1.0369	1.0436	1.0692	1.0955	1.1042
Proposed 2010/11 DLFs					
Short Subtrans.	1.0038	1.0105	1.0360	1.0620	1.0706
Long Subtrans.	1.0348	1.0415	1.0670	1.0930	1.1016
% Difference					
Short Subtrans.	-0.100%	-0.099%	-0.106%	-0.132%	-0.140%
Long Subtrans.	-0.203%	-0.201%	-0.206%	-0.228%	-0.235%
DLFCodes					
Short Subtrans.	KAS	KBS	KCS	KDS	KES
Long Subtrans.	KAL	KBL	KCL	KDL	KEL

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 $\,$

Powercor 2010-2011 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 2009-10	Proposed DLF 2010-11	% Diff.	DLF Code
1	VCCCAF0002	1.0011	1.0008	-0.030%	KAF1
2	VCCCAF0001	1.0062	1.0081	0.189%	KAF
3	VCCCDA0031	1.0006	1.0009	0.030%	KDA2
4	VCCCGD0001	1.0012	1.0009	-0.030%	KGD
5	VCCCGJ0001	1.0029	1.0021	-0.080%	KGJ
6	VCCCDA0022	1.0014	1.0013	-0.010%	KDA
7	VCCCRD0007	1.0134	1.0095	-0.385%	KRD
8	VCCCDA0025	1.0087	1.0085	-0.020%	KDA1
9	VCCCAB0003	1.0158	1.0183	0.246%	KAB
10	VCCCAD0001	1.0110	1.0107	-0.030%	KAD
11	6203764760	1.0134	1.0084	-0.493%	KGK
12	VCCCSE0004	1.0582	1.0561	-0.198%	KSE
13	VCCCGE0019	1.0098	1.0093	-0.050%	KGE
14	VCCCBC0025	1.0313	1.0289	-0.233%	KBC
15	VCCCTE0002	1.0593	1.0568	-0.236%	KTE
16	VCCCSB0012	1.0569	1.0564	-0.047%	KSB

Site-Specific Distribution Loss Factors (DLF) for Large Embedded Generators (Generators with export power > 10 MW)

No	NMI Number	DLF 2009-10	Proposed DLF 2010-11	% Diff.	DLF Code
1	6203661632	1.0100	1.0129	0.287%	KCH
2	6203008781	1.0328	1.0357	0.281%	KCF
3	6203690629	1.0328	1.0357	0.281%	KYW

Powercor 2010-2011 DLF Proposal cont.

Actual Energy Procured 2008/09 (MWh)

	MWh	
Energy obtained from transmission connections	10,923,388	
Energy obtained from embedded generation	357,039	
Energy obtained from ETSA	6,913	
Energy provided to Jemena	-13,731	
Energy provided to CitiPower	-15,265	
Total Energy Procured 2007/08	11,258,344	X

RECONCILIATION - 2008/09

	MWh	
Σ ME _i x DLF _i for 2008/09	11,300,028	A
Actual Consumption or Sales for 2008/09	10,547,505	В
Losses recovered through application of DLFs to customers' actual consumption for 2008/09	752,523	C=A-B
Total Energy Procured 2008/09	11,258,344	X
Actual Measured Losses 2007/08	710,838	D=X-B
Actual Measured Losses 2007/08 as %age of Sales	6.74%	D/B
Difference or error in overall losses	41,685	F = C - D
Difference or error in overall losses as % of total energy sales (Over-recovered)	0.40%	G = F/B



