

Our Ref: 10/13049  
Your Ref: G10/0527/1

Mr Stephen Devlin  
A/g General Manager Networks  
ActewAGL Distribution  
GPO Box 366  
CANBERRA ACT 2601

Dear Mr Devlin

### **Approval of Distribution Loss Factors for 2011-12**

Thank you for your letter of 2 February 2011 seeking the Commission's assistance with the review and approval of distribution loss factors (DLFs) for the 2011-12 financial year.

I understand that Distribution Network Service Providers (DNSPs) are required to submit their calculations for 2011-12 distribution loss factors to the AER by 11 March 2011. I am advised that the Australian Energy Regulator (AER) has not published a methodology for the determination of DLFs for the 2011-12 financial year and has, therefore, proposed an arrangement whereby DNSPs will continue to determine DLFs in accordance with their own published methodology or, where appropriate, the relevant published methodology operating in their jurisdiction.

The AER has indicated that independent assurance or certification provided by either an auditor/consultant or the jurisdictional regulator (by agreement) is acceptable. The Commission agrees to assist you through provision of the required statement of assurance.

In this context, the DLFs proposed by ActewAGL for the 2011-12 financial year are:

1.0499 for low voltage customers  
1.0295 for high voltage customers



**ICRC**  
independent competition and regulatory commission

Level 2, 12 Moore Street, Canberra City ACT  
2601  
GPO Box 296 Canberra City ACT 2601

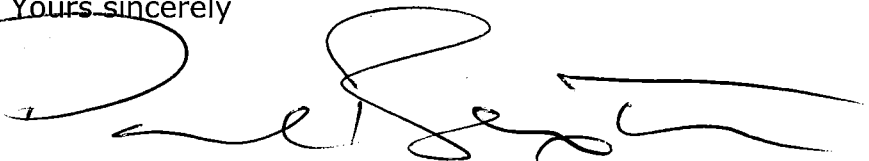
Phone 02 6205 0799 Fax 02 6207 5887  
[www.icrc.act.gov.au](http://www.icrc.act.gov.au) [icrc@act.gov.au](mailto:icrc@act.gov.au)

ABN 89 647 913 351

The proposed DLFs have been reviewed by the Commission. The Commission advises that they have been determined in accordance with the methodology agree for previous years by the Commission and ActewAGL.

I trust this statement of assurance is sufficient to support ActewAGL's submission to the AER.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Paul Baxter', written in a cursive style.

Paul Baxter  
Senior Commissioner

14 February 2011