

12 March 2008

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

Distribution Loss Factor Submission for OCNSP and CAPNSP

Dear Chris,

Hill Michael have been engaged by Network Service Providers Oaky Creek Coal NSP (OCNSP) and Capcoal NSP (CAPNSP) to manage their ongoing regulatory obligations. Hill Michael hereby submit these DLF's for AER approval. Intelligent Energy Systems Pty Ltd (IES) has undertaken a review of Hill Michael's proposed distribution loss factor calculations for OCNSP and CAPNSP for the 2008/09 financial year.

The DLF proposed for the Envirogen embedded generator connecting to OCNSP is 0.9984. The DLF for the EDL generator connecting to CAPNSP is 0.9994. Please find enclosed the DLF calculation methodologies employed by Hill Michael and IES approval of the proposed calculation.

Please feel free the contact me on (07) 3236 4244 if you require anything further.

Yours sincerely



Michael Hutson
Consulting Engineer