



20 September 2012

Ms Meredith Mayes
AEMC Director
Australian Energy Market Commission
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Our Reference: 02.11.01.02

Lodgement online – ERC0142

Draft Rule Determination – Distribution Losses in Expenditure Forecasts

Dear Meredith

United Energy (UE) appreciates the opportunity to respond to the AEMC Draft Rule determination, National Electricity Amendment (Distribution Losses in Expenditure Forecasts) Rule 2012.

The AEMC draft rule requires distributors to provide an explanation of how distribution losses have been taken into account in developing and implementing its asset management and investment strategy.

As noted by other Victorian distributors, the Electricity Distribution Code already requires distributors to take into account losses in its investment decisions and UE complies with this requirement.

The RIT-D and the extension of the EEO program will also address the issue of network losses.

UE supports the draft rule as a practical means to provide clarity and transparency to a number of stakeholders on how distributors consider losses already as part of the relevant input to our planning decision.

Should you require any clarification of the submitted information, please contact me on (03) 8846 9856.

Yours sincerely

Verity Watson
Manager Regulatory Strategy
United Energy