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To: Traction Electricity Steering Group (TESG)

November 2015

Information: Cumulative financial value of OTM Incentive Charge – November 2015 update

Purpose

The purpose of this is to present information on the cumulative financial value of the OTM Incentive Charges that Network Rail has received from metered operators under Paragraph 7 of the Traction Electricity Rules.

Background

At the Traction Electricity Steering Group (TESG) meeting on 7 April 2014, Southern Railway proposed that the cumulative financial value of the OTM Incentive Charges that have been levied should be published. On 28th April 2014, Network Rail outlined a proposed approach to publishing this data¹.

As per Paragraph 7.2 of the Traction Electricity Rules, Network Rail will pay the total OTM Incentive Charges levied, to metered operators only, in proportion to their metered Traction Electricity Charge. This process will take place after the year-end Cost Reconciliation.

Cumulative financial value of the OTM Incentive Fund

The table, below, shows the cumulative financial value of the OTM Incentive Charges received by Network Rail from metered train operators, as per Paragraph 7.1 of the Traction Electricity Rules. This figure was previously reported as being £111,439.55. The revision is due to an operator providing additional information that reduced their level of infill data and, consequently, reduced the value of the OTM Incentive Charge.

Cumulative financial value of OTM Incentive Charge	Billing Period
£108,005.03	1 April 2015 – 27 June 2015

All numbers are in real prices. These figures are intended for information purposes only.

Next steps

As outlined in our letter of 28th April 2014, we will publish this information at the end of each financial quarter. The next update of this information will be in January 2016 when the data for 1st April 2015 to 12th December 2015 will be published. This letter will shortly be available to download from our OTM website².

¹ This letter is available to download from our OTM website here: <http://www.networkrail.co.uk/using-our-network/OTM-incentive-charge-publication-proposal.pdf>

² The Network Rail On Train Metering (OTM) website can be accessed here: <http://www.networkrail.co.uk/using-our-network/on-train-metering/>



If you have any questions, please do not hesitate to contact me on my details, above.

Yours sincerely,

Aaren Healy
