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To: Traction Electricity Steering Group (TESG)

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## 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 28<sup>th</sup> April 2014, Network Rail outlined a proposed approach to publishing this data<sup>1</sup>.

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 may need to be revised because of an issue with infill data during periods 4-6. Part of an operator's fleet was incorrectly listed as metered in their contract and, as these vehicles did not have meters, their electricity consumption data appeared as being infilled. Therefore, we are carrying out further analysis to ensure that this figure is correct and will publish any revisions in due course.

Cumulative financial value of OTM Incentive Charge	Billing Period
£115,062.54	1 April 2015 – 19 September 2015

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

### Next steps

As outlined in our letter of 28<sup>th</sup> 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 1<sup>st</sup> April 2015 to 12<sup>th</sup> December 2015 will be published. This letter will shortly be available to download from our OTM website<sup>2</sup>.

<sup>1</sup> 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>



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

Yours sincerely,

Aaren Healy

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