

Ekta Sareen  
Senior Regulatory Economist  
Network Rail  
Kings Place  
90 York Way  
London  
N1 9AG

6 December 2012

Dear Ekta,

**Periodic Review 2013: Network Rail consultation on charging for losses and regenerative braking for metered operators on the DC network**

Thank you for the opportunity to respond to the consultation on charging for losses and regenerative braking for metered operators on the DC network. This letter constitutes the Go-Ahead Group's response and also represents the views of London Midland, Southeastern and Southern Train Operating Companies. Our letter should be read in conjunction with our response to the consultation on traction energy and electrification asset usage dated 18 September 2012.

I confirm that no part of this response is confidential and that it can be published on your web site.

We note that there is a technical briefing being planned for January 2013 which will allow us the opportunity to understand the detail behind these proposals.

Subject to this detailed technical review, we are broadly supportive of the key proposals relevant to our businesses:

- that DC losses be charged at 15.57% for the dc network in the southern region; and
- regenerated DC energy to be charged as it is now (i.e. the losses mark-up to apply to consumption net of regenerated energy).

In addition we believe that:

- it is important that Network Rail have a real incentive to reduce transmission losses;
- the 15.57% should progressively reduce so that it is 10% by the end of the Control Period (as proposed by ATOC); and
- the capture and sharing accurate information is vital.

Reduction in DC transmission losses would represent a large industry cost-saving and an improvement in the industry's environmental record. We strongly believe that Network Rail should have an incentive to reduce transmission losses during CP5, not just to the 15.57% value currently judged to be the existing level of loss, but to an improved level.

For this to be a successful incentive:

- the transmission loss charges should be capped for both metered and modelled operators and there must be a deletion of the current provisions in the Track Access Contracts that

reopen the 'wash up ' once 90% of operators are metered. If these two steps are not in place then electricity costs revert to becoming pass through costs and the incentive on Network Rail disappears;

- there must continue to be open information sharing between train operators and Network Rail including but not limited to both on on-board meter readings and electricity supply data;
- it is essential that there is accurate data on traction energy consumption as early as possible and so the industry needs to support and deliver quasi-metering, which will delivered metered consumption data quicker and at a lower industry cost than a full meter programme, while delivering the required levels of accuracy.

Please do not hesitate to contact me if you want to discuss any of the issues raised in the consultation in further detail.

Yours sincerely

Richard Stuart  
Director, Rail Policy  
The Go-Ahead Group plc

07970 045601  
[richard.stuart@go-ahead.com](mailto:richard.stuart@go-ahead.com)