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To: Traction Electricity Steering Group (TESG)

December 2016

## Information: Cumulative financial value of OTM Incentive Charge – December 2016 update

### Purpose

The purpose of this letter 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.

Cumulative financial value of OTM Incentive Charge	Billing Period
£ 62,250.26	1 April 2016 – 17 September 2016
<small>All numbers are in real prices. These figures are intended for information purposes only.</small>	

### Next steps

The next update of this information will be in February 2017 when the data for 1<sup>st</sup> April 2016 to 10<sup>th</sup> December 2016 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>

<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/>



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

Yours sincerely,

Aaren Healy.

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