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Ekta Sareen
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6 December 2012

Dear Ekta

Network Rail consultation on charging for losses and regenerative braking for metered operators on the DC network

Thank you for giving SSWT the opportunity to respond to this consultation.

DC losses for metered operators

- We support Network Rail's view that a 15.57% losses mark up for ESTA U is appropriate based on current levels of traffic. We believe that the Network Rail target for CP5 should be to achieve the same level of system losses in ESTA U as it has demonstrated for the Mersey Rail DC network.
- To ensure that a cap on system losses remains an incentive for Network Rail to make efficiency improvements throughout CP5, we believe it is important that ORR does not continue for CP5 its policy that metered train operators revert to being in the volume wash up if more than 90% of consumption in an ESTA is metered. A continuation of this policy would also act as a disincentive for TOCs to switch to metering.
- The following factors will be key to SSWT making a business case for switching to on train metering:
 - Will Network Rail's CP4 Safety & Environment Fund, which provides a fixed grant of £4,327 for each electric train set, be rolled forward to CP5?
 - Whether Network Rail adopts metered billing derived from partly metered fleets. We noted in response to your September consultation on traction electricity that a sample based on meter readings derived from perhaps 20-30% of a fleet or data taken from just 20-30% of days in the month would provide a reliable estimate at an excellent degree of statistical uncertainty.

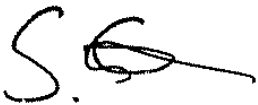
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- On the assumptions and methodology outlined in the report:
 - Paragraph 4.2.1: we do not believe that the Isle of Wight should be used as part of the modelling exercise to determine fixed losses in the Wessex Region. The Isle of Wight DC network is not representative of the rest of the Wessex Region and omitting the Isle of Wight GSP from the calculation reduces the Wessex average to 2.14%.
 - We would like to understand how much real train running data Network Rail used to calibrate its traction model used to determine the level of resistive losses in ESTA U.

Regen braking for metered operators on the DC network

- Q (A): We continue to support Network Rail's proposal to retain the 15% regen discount for modelled DC usage. We have invested heavily in regen braking, modifying our Class 444, 450 and 458 fleets (202 units) to drive down our EC4T costs and it would be unreasonable to remove this discount before we have delivered the savings that drove our business case.
- Q (B): We agree with Network Rail that the current approach to reflecting regenerated energy in metered DC charges (i.e. applying a total losses mark up to net energy consumption) is still the most appropriate option for CP5.

Yours sincerely,

A handwritten signature in black ink, appearing to read "S. Gibbins".

Sam Gibbins
Track Access Manager
Stagecoach South Western Trains Limited