

Dear John,

Please find below Greater Anglia's responses in italics to your recent consultation "Periodic review 2013: consultation on electricity for traction charges for control period 5", reference ORR/005/2013.

1. We would like to know your views on all of the issues raised in this section of our letter. In particular, should we amend the traction electricity rules so that we take the decision on the DSLF as part of an access charges review (i.e. a periodic review or interim review), and remove the industry's ability to propose and vote on the same?

We agree with your proposal that distribution systems losses factors are set as part of access charges reviews - as a result they would fall within the scope of Schedule 9 of the National Rail Franchise Terms. Under Schedule 9 TOCs would be held harmless for any change in the factors through a re-run of the franchise financial model incorporating the new factors. It is therefore important that the factors are set in a transparent way and can be easily interpreted so that they can be included in the financial model. We further agree that the metered part of the rail industry should not be able to propose and vote on the DSLF charges.

2. We would like to know your views on all of the issues raised in this section of our letter, in particular the questions below:

(a) we are minded to set a DSLF by ESTA and establish new ESTAs for new electrified infrastructure, at least for CP5. Do you agree with this policy? Please give reasons for your view. It would be useful if you could cite specific examples why you think this would or would not be appropriate;

We agree that new electrified infrastructure should be contained within new ESTAs. We have concerns over whether any new ESTA created would impact on existing ESTAs, for example if a new ESTA is created specifically for Crossrail, would it cover the whole of the Crossrail supply, and what impact would that have on the losses in ESTA P. A greater level of ESTA granularity would enable better visibility of actual energy usage by individual TOCS.

(b) we propose to change the basis on which transmission losses for metered consumption are charged so that the DSLF is applied to the gross metered consumption, rather than metered consumption net of metered regenerative braking, as it is currently. Do you agree that this will deliver a more cost-reflective basis of charging for transmission losses? Please give reasons for your view; and

We agree that the DSLF should be charged on the gross metered consumption. If it is charged on net consumption then there is a risk that the losses could discourage the usage of regenerative braking.

(c) we propose to accept Network Rail's median estimate of the DSLF, subject to it being levied on gross consumption, but we do not accept Network Rail's assertion that losses would necessarily increase over CP5. Do you agree with our assessment? Please give reasons for your

Greater Anglia agrees that the median estimate should be used. We also do not see why the proportion of energy lost should increase, even if actual energy use and the related losses increase. We are concerned about how the CP5 maintenance plan will impact on losses in our ESTAs. We have previously experienced alternate feeder stations being used which resulted in significant voltage drop and therefore increased losses which were outside our control.

3. We would like to know your views on all of the issues raised in this section of our letter, in particular we propose that metered services be exempt from the volume wash-up, even in cases where more than 90% of consumption is metered, this reform would be coupled with Network Rail being exposed to the volume wash-up. We seek your views on this proposal.

We agree with this proposal. It would remove uncertainty from the potential changes to energy use within ESTAs from the introduction of Crossrail and the impact that may have on hotel loadings due

to unknown stabling policies. It will also remove the concerns over whether the loss factors calculated are accurate.

4. We would like to know your views on the issues raised in this section of our letter, in particular our proposed formulation for Network Rail to share the volume wash-up. We welcome your suggestions for specific alternative formulations.

We agree with the proposal for Network Rail to share in the volume washup.

5. We also seek your comments on our assessment of risks and the incentive properties of the different options.

Greater Anglia feels that there should be greater incentive placed on Network Rail to better manage and reduce losses on the network. We are concerned about the uncertainty that could be created by the introduction of a new ESTA for Crossrail, and how changes to the existing franchise coverage within ESTA's could impact and change incentives.

6. We would like to know your views on the issues raised in this section of our letter, in particular:

(a) do you agree with our views on PFM and the basis on which it should be charged?

(b) what is your view of our suggested method for allocating the volume wash-up?

(c) do you have an alternative formulation that you wish to propose?

In all cases, please give reasons for your views and/or proposals.

Greater Anglia has concerns about the sample size and potential manipulation of data with partial fleet metering. The definition of 'service' needs clarifying to ensure that hotel energy usage while units are stabled is included. As such a service needs to cover a 24 hour service period to ensure that all usage is captured. We also suggest that for PFM to be applied there should be a minimum percentage of the fleet that must be metered, perhaps 10%, and covering a minimum time of operation on each service.

We further suggest that the data from the metered trains should be used to inform and update the models for each unit type.

7. We would like to know your views on the issues raised in this section of our letter, in particular whether you agree that Network Rail's metered consumption should be treated on an equivalent basis to other metered consumption? What conditions do you think should apply to this? Please give reasons for your views.

Greater Anglia believes that Network Rail should work towards 100% metered coverage of its operations that are fed from lineside meters. This should include the sub-metering of points heating and other lineside equipment.

Please let me know if you have any queries.

Kind regards

Tom Abraham
Environmental Systems Manager
+44 (0)7825 022 655
tom.abraham@greateranglia.co.uk