

09 August 2012

Joe Quill
Office of Rail Regulation
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Our ref:

Dear Sirs

RESPONSE TO PERIODIC REVIEW 2013: CONSULTATION ON THE Variable USAGE CHARGE AND ON A FREIGHT SPECIFIC CHARGE – MAY 2013

As a customer of Direct Rail Services Limited ("DRS") and a Site Licence Company operating as part of the Nuclear Decommissioning Authority ("NDA") Estate, the responses from DRS and the NDA to your Periodic Review 2013 Consultation Document ("the Responses") have been shared with Magnox Limited. I can confirm that Magnox Ltd concurs with the arguments presented in these responses (we do not, however, comment on the details provided in Appendix 1 to DRS' response; since they are responses specific to a rail freight operator).

I would however like to expand on some of the issues raised in the Responses.

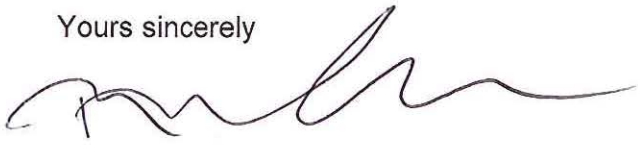
Any substantial increase in the irradiated fuel rail transport costs is unlikely to receive additional funding from the NDA and as such would take funding away from decommissioning activities that reduce hazard and on-going operating costs. This would increase the overall cost of decommissioning the Magnox reactors to the Government and taxpayer.

With regard to the elasticity of irradiated fuel rail transport, Magnox currently use both road and rail and therefore already have the infrastructure to support a shift away from rail transport. This in itself demonstrates a degree of elasticity that has been ignored by your analysis.

I do not believe your analysis of the income you would receive from the proposed Avoidable Freight Charge takes into account the planned decline of irradiated fuel transport. Magnox Limited recently completed the de-fuelling of Dungeness A site leaving just three sites to de-fuel their reactors. These three sites will progressively complete de-fuelling over the next 4 – 7 years depending on operational performance.

I shall be grateful if you could include these points in your considerations for the CP5 Network Rail access charges.

Yours sincerely



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