

Henning Schmidt
Office of Rail Regulation
1 Kemble Street
London
WC2B 4AN

31 October 2013

Dear Henning,

Re: PR13 Consultation on EC4T Cost Reconciliation

Thank you for the opportunity to respond to the consultation on the EC4T Cost Reconciliation. This is the response of Southeastern. No part of this response is confidential and it may be published in full.

Firstly, we were disappointed that this consultation did not include any wording on an effective incentive for Network Rail to reduce transmission losses in CP5. We believe that the industry needs to reduce our carbon use and strongly believe – in support of ORR's view in principle - that NR should be incentivised to play their part in this.

We agree with the guiding principles that are proposed in the consultation, on the understanding that these apply to all parties including Network Rail.

We support ATOC's comments on the drafting of the clauses and the reflection that it would have been helpful for the extract to include the middle paragraph 18.2.

We agree with the ATOC response that it is currently difficult to understand whether the drafting meets the principles, particularly as the examples did not show the intended effect on third parties and Network Rail; and do not show how the formula copes with the situation where for one TOC the Delivery wash up could be the sum of wash ups in more than one ESTA.

Commenting on both this and the previous implementation consultation has been difficult whilst the points of principle have still been under discussion in the wider industry consultation on PR13. We would welcome further consultation on all aspects of the new Traction Energy Rules - including both cost and volume wash up - once the Final Determination is published and all principles agreed and before implementation.

If you wish to discuss any part of our response or the issues raised in it in further detail please do not hesitate to contact me.

Yours Sincerely



Clare Kingswood, Relationship Manager, Southeastern

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