

Dear Ofgem

We are very concerned about the significant variations between the two TCR scenarios that you have presented.

This is particularly apparent for our supplies for the traction (train propulsion) network.

We have 5 connections in the Northern area and in 18-19 our transmission costs were £426k. Under the original proposal, the cost would have risen to £775k, an 80% increase in transmission costs.

However, under the new proposal, the cost would rise to £2.2 Million, a more than **5 fold** increase (420%). Surely that is unacceptable?

For our traction network we sometimes reserve an increased capacity to cover for outages of adjacent single circuit connections.

Using capacity as a means of determining charging bands puts us at a disadvantage as some of our capacity will be double counted.

If the same effect is applied to the whole traction network, it would take the current transmission cost of £36.5m to £190m.

The total traction electricity cost in 2018-19 was £390m so this would give a **40%** increase in our **total** electricity costs.

As we have to run trains through the winter weekday peak periods, we cannot reduce demands at triad times.

We agree with the aim of sharing the network costs with those who benefit from the grid but do not contribute, but the latest methodology would cause a major increase to rail travel costs.

We request that you look again at the proposal and seek ways to avoid such massive price increases for some customers.

Do you have the proposed rates for the other DNO areas?

Regards,