



Errata: Periodic review of HS1 Ltd 2024 - final determination

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Following publication of our Final Determination on 6 January, HS1 Ltd has updated its Five Year Asset Management Statement (5YAMS) and Life Cycle Reports (LCRs) for CP4, including associated changes to its underlying models. In the process of updating its models, HS1 identified that we had made a small error in the use of our forecast international train volumes in the modelling used for the Final Determination. This does not materially impact the headline charges, but does have a small impact on the tables below in our Final Determination, notably a small change to the split of charges between international and domestic paths, and a small reduction in some elements of the charge per train.

Table 1.3 Components of HS1 Ltd's income from regulated charges in CP4 per year

£m / year (February 2023 prices)	CP3	HS1 Ltd November 5YAMS/Life Cycle Reports (LCRs)	Final Determination	Change from November 5YAMS/LCRs
Route Operations & Maintenance	95.8	92.4	90.1	(2.5%)
Route renewals annuity	34.0	29.9	28.1	(5.9%)
Stations renewals annuity	11.6	9.3	8.5	(9.2%)
Total regulated income	141.4	131.6	126.7	(3.8%)
By operator:				
Eurostar International Ltd (EIL)		49.5	47.9 48.0	(3.1) 2.9%
Southeastern		81.0	77. 67	(4.1%)
East Midlands Railway (EMR)		1.2	1.1	(9.7%)

£m / year (February 2023 prices)	CP3	HS1 Ltd November 5YAMS/Life Cycle Reports (LCRs)	Final Determination	Change from November 5YAMS/LCRs
Freight		0.0	0.0	-
Total	141.4	131.6	126.7	(3.8%)

Para 4.104 has been amended to: “HS1 Ltd’s ~~revised~~ 5YAMS ~~has added a commitment to a full~~ expects transition to ERTMS to be complete by CP6, ~~subject to the findings of early planning and design works to be undertaken during 2024.~~”

Table 6.3 Final Determination of HS1’s CP4 charges income (Route OMRC, Station LTC and QX charges)

£m (February 2023 prices)	CP3	Draft Determination	Final Determination	Change from Draft Determination to Final Determination
EIL	338.5	312.3	312.52	(0.10%)
Southeastern	517.0	461.2	471.03	2.12%
EMR	48.5	50.0	50.2	0.3%
Freight	2.0	0.7	0.0	(100.0%)
Total	905.5	824.3	833.7	1.1%

Table 6.4 Final Determination charges for international passenger services

February 2023 prices	CP3	Draft Determination	Final Determination	Change from Draft Determination to Final Determination
OMRCA1 (£ per train km)	5.16	5.64	5.867	4.0-3.8%
OMRCA2 (£ per train minute)	15.56	11.55	12.114	5.1-4.8%
OMRCB (£ per train minute)	36.76	34.03	35.103	3.2%
OMRCC (£ per train minute)	13.15	13.73	13.856	4.0-0.9%

Table 6.5 Final Determination charges for domestic passenger services

February 2023 prices	CP3	Draft Determination	Final Determination	Change from Draft Determination to Final Determination
OMRCA1 (£ per train km)	2.07	2.27	2.36	4.04%
OMRCA2 (£ per train minute)	3.17	2.59	2.63	1.5%
OMRCB (£ per train minute)	40.00	36.60	37.735*	3.1%
OMRCC (£ per train minute)	13.15	13.73	13.856	+0.9%

**Our Final Determination recognised that HS1 Ltd may decide to profile our determined efficiencies differently, with more efficiencies later or earlier in the control period, and that a non-flat profile of efficiencies may incur additional cost of capital for HS1 Ltd in years where costs exceed charges. HS1 Ltd's profiling of these O&M efficiencies in its response to our Final Determination results in an increase of £74k in financing, equivalent to a 0.01% increase in the total OMRC to be recovered from operators, and an increase of £0.08 (0.02%) to operators' OMRCB £/min charge. We have reviewed HS1 Ltd's revised profile and we are satisfied that it is consistent with our Final Determination and does not materially impact charges.*

Table 6.6 Final Determination charges for freight

February 2023 prices	CP3	Draft Determination	Final Determination	Change from Draft Determination to Final Determination
OMRCA1 (£ per train km)	6.15	6.74	6.957	3.104%
OMRCA2 (£ per train km)	4.97	1.00	0.80	(20.0%)
Total	11.2	7.74	7.757	0.104%

Table 6.9 Conversion of CP4 costs to charges has been corrected for rounding errors

£m (February 2023 prices)	Route	Stations	Total Final Determination
Total costs (as per Table 6.8)	680.9	52.2	733.1
ORR O&M efficiency adjustment	(11.5)	-	(11.5)

ORR O&M minor adjustments (reductions in wash-up costs; Escrow Investment Project)	(0.1)	-	(0.1)
Remove: renewals costs	(218.7)	(52.2)	(270.9)
Add: renewals annuities	140.6	42.4	182.93.0
Total	591.24	42.4	633.65
Stations QX charge	-	200.2	200.2
Total including QX charge	591.24	242.56	833.7
Traction electricity charge	148.3	-	148.3
Total including QX and traction electricity charges	739.54	242.56	982.0