

Carl Hetherington
Deputy director, Railway markets and economics

28 February 2019

Rt. Hon Chris Grayling MP
Secretary of State for Transport
Department for Transport
Great Minster House
33 Horseferry Road
London, SW1P 4DR

Jeremy Westlake
Chief financial officer
Network Rail Infrastructure Limited
1 Eversholt Street
London
NW1 2DN

Dear Secretary of State and Mr Westlake,

Approval of Grant Mechanism for the Purposes of Part 3A (English and Welsh Grant Dilution) of Schedule 7 of Track Access Agreements between Network Rail Infrastructure Limited and specified passenger train operators

We refer to the definition of "Grant Mechanism" set out in Part 1 of Schedule 7 of the track access agreements between Network Rail Infrastructure Limited (Network Rail) and each of the passenger train operators whose names are specified in Annex 1.

We note the Grant Agreement made on 31 January 2019 between the Secretary of State and Network Rail for the payment of network grant during Control Period 6, as defined in that agreement. Clause 9 of that agreement contains the provisions agreed between Network Rail and the Secretary of State setting out how the annual amounts of network grant contained in Schedule 1 of the agreement may vary, as referred to in the definition of Grant Mechanism.

This letter provides our approval of those provisions for the purposes of Part 3A of Schedule 7 of the track access agreements.

This letter has been copied to the passenger train operators listed in Annex 1, and to Rail for London Limited, Merseyside Passenger Transport Executive and the Welsh Government.

Yours sincerely



Carl Hetherington
For and on behalf of the Office of Rail and Road

Annex 1 – passenger train operators

Abellio East Anglia Limited

Arriva Rail London Limited

Arriva Rail North Limited

The Chiltern Railway Company Limited

East Midlands Trains Limited

First Greater Western Limited

First MTR South Western Trains Limited

First Transpennine Express Limited

Govia Thameslink Railway Limited

Keolis Amey Operations / Gweithrediadau Keolis Amey Limited

London North Eastern Railway Limited

London & South Eastern Railway Limited

Merseyrail Electrics 2002 Limited

MTR Corporation (Crossrail) Limited

Trenitalia c2c Limited

West Coast Trains Limited

West Midlands Trains Limited

XC Trains Limited