

John Larkinson
Director, economic regulation
Telephone 020 7282 2193
E-mail john.larkinson@orr.gsi.gov.uk



11 February 2014

To the recipients set out in the Annex

Dear sir/madam

Implementation of the 2013 periodic review: Issue of notices of agreement

1. This letter explains the notice(s) of agreement that is/are today being served on you and other train operators in connection with the implementation of the 2013 periodic review (PR13).

Notices of agreement

2. On 20 December 2013, we issued review notices under Schedule 4A to the Railways Act 1993 (the Act) setting out the changes that we proposed to make to track and station access agreements and Network Rail's network licence to implement PR13¹. These notices gave Network Rail until 7 February 2014 to object to the proposed changes.

3. In accordance with paragraph 5 of Schedule 4A to the Act, we have today issued notices of agreement to Network Rail's beneficiaries confirming that we have not received an objection from Network Rail².

4. Under paragraph 6 of Schedule 4A, each beneficiary listed in the annex to the relevant notice of agreement now has the right to give notice to terminate any relevant access agreement. This notice must be served within 28 days of today, and be consistent with the requirements of paragraph 6 of Schedule 4A³.

5. Following this period of 28 days, we will then issue review implementation notices. These will confirm that the changes in the review notices issued on 20 December 2013 will take effect on 1 April 2014. They will also direct the parties to the relevant access agreements to make the relevant changes specified in the review notices by entering into a short supplemental agreement, a draft of which will be provided at the time.

¹ See <http://www.rail-reg.gov.uk/pr13/publications/legal-notices.php>.

² See <http://www.rail-reg.gov.uk/pr13/publications/legal-notices.php>.

³ See <http://www.legislation.gov.uk/ukpga/1993/43/schedule/4A/crossheading/termination-notice>.



Further matters relating to track access agreements

Capacity charge baselines

6. In my letter to you of 20 December 2013⁴, I explained that we were asking Network Rail to calculate capacity charge baselines for freight, open access passenger and charter operators. Our intention was that these values should be consulted on with the train operators concerned, with Network Rail ultimately submitting the final baselines to us for approval. Following the completion of this process, yesterday Network Rail published the baselines and we have approved these. The contractual provisions that will take effect in the relevant access agreements on 1 April 2014 refer to these approved baselines.

Schedule 4 access charges supplements for passenger operators

7. Similarly, in my earlier letter I explained that we had asked Network Rail to recalculate the Schedule 4 access charges supplements for control period 5 to take account of an error in the train mileage costs (TMC) payment rate that had recently been found. Network Rail has now done this and submitted these revised values to us. We have reviewed these and yesterday we published a letter setting out the final ACS values that will apply to each relevant access agreement.

Next steps

8. If you have any questions about the enclosed notice of agreement or the procedure which is being followed please contact Richard Gusanie (richard.gusanie@orr.gsi.gov.uk / 020 7282 2065).

9. This letter and electronic versions of the notices of agreement have been sent to the copyees listed in the Annex. They have also been published on our website.

Yours faithfully

A handwritten signature in blue ink, appearing to read 'John Larkinson', is written over a light blue horizontal line.

John Larkinson

⁴ <http://www.rail-reg.gov.uk/pr13/PDF/pr13-review-notices-letter-2013-12-20.pdf>.

Annex – List of recipients

Addressees

Charter passenger train operators

Crossrail Limited (holder of a freight customer track access contract)

Franchised passenger train operators

Freight train operators

Open access passenger train operators (who hold track access agreements that include an access charges reopener)

Copyees

Department for Transport

HM Treasury

London TravelWatch

Passenger Focus

Passenger Transport Executives

Rail Delivery Group

Rail for London Limited

Transport Scotland

Welsh Government