

**Gordon Herbert**

Executive, Access and Licensing

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5 September 2016

Nigel Fairclough  
Leasing Manager  
Network Rail  
The Quadrant MK  
Elder Gate  
Milton Keynes MK9 1EN

Eve Boyle  
Govia Thameslink Railway Limited  
Monument Place  
24 Monument Street  
London EC3R 8AJ

Dear Nigel and Eve

**CONNECTION CONTRACT BETWEEN NETWORK RAIL  
INFRASTRUCTURE LIMITED AND GOVIA THAMESLINK RAILWAY LTD  
AT CRICKLEWOOD LIGHT MAINTENANCE DEPOT (SOUTH SIDINGS)  
("CRICKLEWOOD")**

**Introduction**

1. On 5 September 2016 the Office of Rail and Road ("ORR") approved the terms of the connection contract submitted by Network Rail Infrastructure Limited ("Network Rail") and Govia Thameslink Railway Limited ("GTRL") under section 18 of the Railways Act 1993 ("the Act"), relating to the connections at Cricklewood. Please find enclosed a copy of our direction notice directing the parties to enter into the contract.
2. Network Rail submitted the proposed connection contract for the light maintenance depot at Cricklewood on 10 March 2016. The application consisted of:
  - Form C.
  - Connection plan.
  - Proposed connection contract.
  - Connection costs summary.
  - Consultation response by East Midland Trains (EMT).

**Consultation**

3. Network Rail conducted a pre-application consultation between 12 June and 6 July 2015. EMT raised concerns which Network Rail subsequently addressed in an email dated 5 October 2015.

**Departures from the model contract**

4. The starting point for the development of the connection contract was ORR's model connection contract. ORR identified some necessary modifications. These are set out in the directions notice. The changes reflect that the contract was being made under

ORR specific directions rather than our General Approval; and some other minor drafting points. You both agreed to these modifications.

### **Payment of amount**

5. Your application contained a summary of how Network Rail's costs had been calculated. Network Rail made provisions to ensure that there was no double counting such as not including overhead electricity charges covered by GTRL's track access contract. We reviewed the figures in detail. It was clarified that there will be a boundary plate indicating the extent of GTRL's maintenance boundary. Network Rail also stated that the annual charges needed to be reduced by £70.23 as the gas functional tests referenced are not needed for electric points heating installations. This reduction is reflected in the Schedule to the directions notice.

### **Redactions**

6. The connection costs were excluded from the consultation version of the proposed contract, which was acceptable to ORR. It was agreed that the sum in the directed contract should be disclosed in the interests of transparency.

### **ORR decision**

7. This is an application under section 18 of the Act and therefore an agreed agreement between the parties who are prepared to enter into it as submitted, with modifications. We therefore expect them to be fully aware of all the rights and obligations it contains and the consequences of them.
8. Our directions state that the contract should be modified as set out in the schedule to the notice. You should make these changes before signing the contract.
9. In making this decision, we are satisfied that this decision reflects our duties under section 4 of the Act, in particular:
  - (i) to protect the interests of users of railway assets;
  - (ii) to promote the use of railway network in Great Britain for the carriage of passengers and goods and the development of that railway network, to the greatest extent ..... economically practicable;
  - (iii) to promote efficiency and economy on the part of the persons providing railway services; and
  - (iv) to enable persons providing railway services to plan the future of their businesses with a reasonable degree of assurance.
10. Once the contract is signed, in accordance with section 72(5) of the Act you must send a copy to us within 14 days. In accordance with section 72(2)(b)(iii) this will be placed on ORR's public register.
11. In entering any provision on the register, we are required to have regard to the need to exclude, as far as is practicable, the matters specified in section 71(2)(a) and (b) of the Act. These sections refer to:

(a) any matter which relates to the affairs of an individual, where publication of that matter would or might, in our opinion, seriously and prejudicially affect the interests of that individual; and

(b) any matter which relates to the affairs of a particular body of persons, whether corporate or incorporate, where publication of that matter would or might, in our opinion, seriously and prejudicially affect the interests of that body.

12. When submitting a copy of the signed contracts would you therefore please identify any matters which you would like us to consider redacting from the Public Register and website copies. You will need to give reasons for each request explaining why you consider that publication would seriously and prejudicially affect your interests.

Yours sincerely



**Gordon Herbert**

