

Received by email

From: Steven Fisher (Centro)
Sent: Fri 27/09/2013 13:48
To: Alexandra Bobocica (ORR)
Cc: Peter Sargant (Centro), Toby Rackliff (Centro), Pedro Abrantes (Centro)
Subject: RE: ORR response to the RDG letter on the capacity charge

Alexandra

Thank you for inviting comment on the ORR's response to the RDG letter on the Capacity Charge.

The latest ORR proposals suggest that the proposal is to implement the CP5 rates for franchised operators, with the DfT picking up the cost impacts through the franchise provisions for the baseline SLC services. Centro is broadly comfortable with this proposal as it would reduce the cost of the incremental service enhancements Centro currently funds on top of London Midland's SLC.

Centro has been arguing for a number of years that the CP4 Capacity Charge rates were wrong in the West Midlands and we were, therefore, being overcharged for the enhanced services that we fund. From our perspective the CP5 rates represent a more realistic estimate of the additional Schedule 8 risk to which Network Rail is exposed as a result of these services operating. We would be completely opposed to the existing CP4 rates being rolled over into CP5 and we are pleased to see that this is not what the ORR is proposing.

Kind regards

Steve

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