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10 February 2014

To franchised passenger operators

Dear colleague,



Our determination of the CP5 Schedule 4 ACS

1. In our letter to train operating companies (TOCs) of 20 December 2013¹, which accompanied the review notices, we explained that due to an error in the calculation of the Schedule 4 access charge supplement (ACS) for control period 5 (CP5), the ACS schedule notified to each TOC by ORR on 2 December 2013 was incorrect.
2. We explained that the error had come about because Network Rail used incorrect train mileage cost (TMC) payment rates for a number of TOCs in the financial year 2011-12. This resulted in the incorrect amount of Schedule 4 cost compensation being paid to the TOCs affected. 2011-12 was the base year used by Network Rail in its CP5 ACS calculation, which takes into account historic Schedule 4 payments for given levels of maintenance and renewals activity. As a result the error was carried forward into Network Rail's CP5 ACS calculations.
3. We asked Network Rail to recalculate its CP5 ACS calculation based on the correct TMC payment rates but because it was not possible for Network Rail to complete this in time for the review notices, we said that we would notify TOCs of the revised Schedule 4 ACS provisions separately by letter on or around 10 February 2014.
4. Network Rail has now re-calculated its CP5 ACS. We have reviewed and agreed with its calculations, and based on this, we have concluded our final determination of the CP5 ACS for each TOC. This is set out in Annex A attached to this letter.

Yours faithfully,

A handwritten signature in blue ink that reads 'Carl Hetherington'.

Carl Hetherington

¹ Implementation of the 2013 Periodic Review: <http://www.rail-reg.gov.uk/pr13/PDF/pr13-review-notices-letter-2013-12-20.pdf>

Annex A

Table 1: Our final determination of Schedule 4 ACS for passenger operators.

(£) 2012-13 prices	CP5					CP5 Total
	2014-15	2015-16	2016-17	2017-18	2018-19	
Abellio Greater Anglia Limited	11,936,307	14,563,044	16,921,127	13,142,006	11,369,972	67,932,454
Arriva Trains Wales/ Trenau Arriva Cymru Limited	10,573,248	6,358,858	9,868,410	5,396,399	4,623,909	36,820,824
c2c Rail Limited	2,257,593	2,754,405	3,200,405	2,485,635	2,150,478	12,848,517
The Chiltern Railway Company Limited	807,837	852,583	864,172	881,653	739,730	4,145,976
East Coast Main Line Company Limited	25,475,380	32,133,160	32,520,039	29,557,783	36,267,715	155,954,077
East Midland Trains Limited	9,762,036	8,716,893	7,826,719	6,802,966	5,945,942	39,054,556
First Capital Connect Limited	7,000,201	7,896,188	7,096,683	6,727,950	7,693,072	36,414,095
First Greater Western Limited	26,167,349	24,034,582	24,196,525	21,702,931	23,020,291	119,121,678
First/Keolis Transpennine Limited	4,985,862	5,638,975	5,695,724	5,570,293	5,511,694	27,402,547
First ScotRail Limited	7,071,631	8,606,911	10,446,888	7,803,957	7,542,549	41,471,936
Heathrow Express Operating Company Limited	17,330	17,844	15,847	15,928	17,843	84,792
London & Birmingham Railway Limited	5,082,085	5,362,689	5,435,151	5,544,312	4,653,710	26,077,947
London Overground Rail Operations Limited	3,556,204	4,069,388	4,267,599	3,798,688	3,570,449	19,262,327
Merseyrail Electrics 2002 Limited	1,478,423	1,538,903	1,575,204	1,586,223	1,331,112	7,509,865
Northern Rail Limited	6,367,341	7,088,280	7,030,913	7,054,219	6,910,095	34,450,849
London & South Eastern Railway Limited	12,752,595	15,181,851	11,828,557	12,117,878	11,912,168	63,793,049
Southern Railway Limited	10,341,173	11,147,017	9,175,074	9,121,056	11,602,230	51,386,549
Stagecoach South Western Trains Limited	12,517,893	11,876,950	13,636,387	15,443,676	11,474,968	64,949,875
West Coast Trains Limited	18,043,368	19,275,737	20,578,676	19,334,905	16,700,614	93,933,300
XC Trains Limited	14,328,012	14,630,296	14,531,677	13,429,490	13,237,125	70,156,600
Total	190,521,869	201,744,556	206,711,778	187,517,946	186,275,666	972,771,814