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24 March 2017

Carew Satchwell
Route Contracts Manager, LNW Route
Network Rail Infrastructure Limited
Mailbox, 100 Warfside Street
Birmingham, B1 1RT

David Print
Head of Strategic Development and
Concession Management
Merseyrail Electrics 2002 Limited
Rail House, Lord Nelson Street
Liverpool L1 1JF

Dear Carew and David

Twenty-Eighth supplemental agreement to the track access contract between Network Rail Infrastructure Limited (Network Rail) and Merseyrail Electrics 2002 Limited (Merseyrail) (jointly, “the parties”)

1. We have today approved the above supplemental agreement submitted to us formally on 22 March 2017.
2. The purpose of this agreement is to amend Schedule 8 of the parties' track access contract to reflect the significant engineering works being undertaken on the Wirral Lines of the Merseyrail network between 3 January 2017 and 18 June 2017. This includes altering the Contractual Monitoring Points (CMPs) as no trains will be scheduled to call at Liverpool Central during the blockade. The CMPs will instead be moved from Liverpool Central to Birkenhead North and Birkenhead Central with the weightings moved accordingly. As a result of moving the CMPs, the parties' performance points will also be adjusted to reflect the difference between lateness at Liverpool Central and lateness at the replacement CMPs. The payment rate in Schedule 8 for the Wirral services will also be reduced to a rate of 40% as there will be significantly fewer passengers on the Wirral services.
3. No industry consultation was undertaken as the payment rates and performance points in Schedule 8 are specific to each train operating company and therefore have no material effect on any other train/freight operating company.

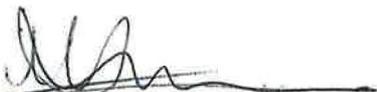
4. We reviewed the application and requested for further information. The parties provided this and we confirmed that on the information provided, we were content with the methodology proposed for updating the CMPs, Network Rail payment rates and TOC and Network Rail benchmarks. The parties also advised that they would review the Schedule 8 payments at the end of the blockage if the difference between the Average Minute Lateness and Network Rail performance points were greater than 10%. This was suggested to ensure that neither of the parties benefitted unduly during the blockade. We advised that in the event either Network Rail or Merseyrail wishes to make amendments to the Schedule 8 arrangements agreed under this supplemental agreement, that they discuss this with us beforehand.

5. In addition to our review of the application, we highlighted a number of drafting issues to the parties. The parties accepted our suggestions and have made the necessary changes. There were no further issues.

6. Under clause 18.2.4 of the track access contract, Network Rail is required to produce a conformed copy, within 28 days of any amendment being made, and send copies to ORR and the Train Operator. ORR's copy should be sent for my attention.

7. In accordance with section 72 of the Act, we will place a copy of the approval notice and the agreement on our public register. Copies of this letter, the approval notice and the agreement will be sent to Keith Merritt at the Department for Transport and Peter Craig at Network Rail. Copies of this letter and the agreement will be placed on the ORR website.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Michael Albon', is written over a horizontal line.

Michael Albon