Access charging framework for use of Network Rail infrastructure: user guide

The purpose of this document is to provide an overview of the main regulated charges paid by train operators in control period 7 (CP7) for accessing the part of the GB rail network that is owned and operated by Network Rail.

In the 2023 periodic review (PR23), we set the regulatory framework for Network Rail for CP7, which runs from 1 April 2024 to 31 March 2029. Through PR23, we established the charging framework and specific charging rules for Network Rail. Our PR23 conclusions on access charges are set out in our PR23 final determination: policy position on access charges, October 2023. Within that framework, Network Rail has responsibility for determining the specific charges payable by train operators for accessing its track and stations.

The decisions we made in PR23, and the resulting changes to Network Rail's charges, are implemented through changes to Schedule 7 of train operators' track access contracts. The most recent changes took effect from 1 April 2024 for the start of CP7.

In our PR23 final determination, we committed to undertaking an early review of how access charges are set in advance of the launch of PR28. This guidance document is intended to provide an accessible reference for industry to assist in engaging with this review. It summarises key information on the existing set of regulated charges that are levied by Network Rail on train operators under current legislation, including the purpose and structure of each charge. It also signposts other documents and resources that are relevant to Network Rail's charging framework. The review will take account of developments on rail reform.

The rest of this document provides information for the following charges:

- Infrastructure cost charges (ICC):
    - the Fixed Track Access Charge (FTAC)

    - the ICC for freight services (for billing purposes, this is known as the freight-specific charge, or FSC)
    - the ICC for open access passenger services
- **Variable charges:**
    - the Variable Usage Charge (VUC)
    - the Electrification Asset Usage Charge (EAUC)
    - the Traction Electricity Charge (EC4T)
- **Station charges:**
    - the Station Long Term Charge (LTC)
    - the Qualifying Expenditure Charge (QX)
- the **charter slot charge**

For each charge, this document covers:

- the purpose of the charge
- the costs recovered through the charge
- which train operators are subject to the charge
- how the charge is structured
- how the level of the charge is calculated

We welcome any comments or feedback on this user guide. Please contact our mailbox (prm@orr.gov.uk) if you have any feedback or queries about the information contained in this guidance.

Table 1 below provides a breakdown of Network Rail's CP7 forecast gross revenue by access charge type, Network Grant and all other sources.

Table 1: Summary of Network Rail's CP7 revenue by source

Revenue source	Paid by	Recovers	CP7 Total 2023 to 2024 prices (£ million)	Proportion of gross revenue
FTAC	Passenger operators on concession-style agreements	Income required to meet Network Rail's revenue requirement after taking account of the Network Grant and all other income streams	6,657	**14%**
VUC	All operators	Maintenance and renewal costs that vary with traffic	2,069	**4%**
EAUC	All operators of electrified services	Maintenance and renewal costs of electrification assets that vary with traffic	140	**0%**
EC4T	All operators	Cost of supplying electricity for	4,964	**10%**

Revenue source	Paid by	Recovers	CP7 Total 2023 to 2024 prices (£ million)	Proportion of gross revenue
	of electrified services	traction		
Managed Station QX	All passenger operators at managed stations	Day-to-day running costs of providing services and amenities at managed stations	568	1%
Station LTC	All passenger operators	Maintenance, renewal and repair costs for stations owned by Network Rail	1,726	4%
Network Grant	Government funding		28,559	59%
Other*	Various		3,347	7%

Revenue source	Paid by	Recovers	CP7 Total 2023 to 2024 prices (£ million)	Proportion of gross revenue
(including, but not limited to the Charter Slot Charge)				
	Gross Revenue		48,031	100%

Note: *Other includes: Schedules 4 and 8 income; Schedule 4 access charge supplement income; Other freight income; Stations lease income and station facility charges; Depots lease income and facility charges; Other facility / supplemental charges (Evergreen; West Coast and Crossrail Supplementary Access Charge); Other open access income; Other non-regulated income (insurance premiums); Property rental; Property sales and Other income (Network Rail High Speed net income).

Source: PR23 final determination: policy position – access charges, Table 1.1.

- → Next Fixed Track Access Charge (FTAC)