



Direct Rail Services Ltd.

Background

DRS are owned by the Nuclear Decommissioning Authority. The company was formed in 1995 to deliver spent nuclear fuel on behalf of EDF and Magnox and has since grown and expanded the portfolio of service delivering various non-nuclear commercial contracts such as domestic intermodal, SCO services and TOC support services. DRS are self-funded in that we do not get any support financially from the NDA and must deliver against financial targets as any commercial organisation is challenged to do which supports the growth plans for the business and pays for any assets which DRS purchase or lease.

Appendix C(ii)

As detailed in Appendix C (i), we have a requirement for ****redacted**** additional locomotives to support the growth of DRS' business which will also further support carbon reduction targets.

The procurement paper demonstrates the commercial need for DRS to procure the new traction to support our long-term contracts and development of new business opportunities, some of which are detailed below.

In addition to the procurement of new locomotives which is shown in Appendix C (i), DRS has contracts with customers which exceed the duration of the current track access agreement with Network Rail. Extending the agreement would provide confidence to DRS and our customers who are also investing in rail services.

****redacted****

Date	Route	No. of Days	Containers p.a
Redacted	**Redacted**	**Redacted**	**Redacted**
Redacted	**Redacted**	**Redacted**	**Redacted**
Redacted	**Redacted**	**Redacted**	**Redacted**
Redacted	**Redacted**	**Redacted**	**Redacted**
Redacted	**Redacted**	**Redacted**	**Redacted**

Wagons

DRS are investing in the ****redacted**** wagons to support the growth of the intermodal services while contracting ****redacted**** for intermodal wagons to support our growth plans. Due to demands on the market and increased supply costs ****redacted**** manage costs for the end customer. In doing so, we need to align the contracts to our customer and track access agreements. The new contracts will see growth in wagons ****redacted****