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BY EMAIL ONLY

28 August 2026

Gareth Williams
General Secretary
Eurostar International Limited

Philip Whittingham
Project Lead
VTE OpCo Limited

Dear Gareth and Philip,

Section 17 Railways Act 1993: Proposed Depot Access Agreement between Eurostar International Limited and VTE OpCo Limited for Temple Mills International depot where Eurostar International Limited is the Depot Facility Owner

1. On 24 October 2024, VTE OpCo Limited (VTE) submitted an application to ORR under Section 17 of the Railways Act 1993 (the Act) to request that ORR direct entry into a Depot Access Agreement (DAA) for Temple Mills International depot (TMI) with Eurostar International Limited (EIL).
2. In our [decision letter of 30 October 2025](#), we explained that we decided to approve the application from VTE on the basis that capacity at TMI is sufficient to accommodate the maintenance services VTE has applied to access, and that VTE had the strongest prospects of making best use of the capacity at TMI.
3. Following ORR's decision, EIL and VTE have constructively engaged in negotiating terms of the DAA that are acceptable to both parties.
4. On 7 July 2026, VTE made a formal request that ORR determine the stabling charges contained within the DAA. This followed a period of negotiation between VTE and EIL where agreement could not be reached.
5. Section 17 of the Act empowers ORR to direct a facility owner to enter into an access contract where the parties have been unable to reach agreement on its terms. In practice, this requires ORR to determine any outstanding matters necessary to ensure that the contract is complete and capable of execution.
6. On 28 July 2026, ORR set a deadline by which the parties should submit a Depot Access Agreement (incorporating Depot Access Conditions and Depot Specific Annexes) on agreed terms.

7. Additionally, ORR set out its intention to determine any unagreed issues in scope of unregulated agreements that remain unagreed by the deadline of 21 August 2026, in order to give effect to our decision of October 2025. The points on which we have directed are detailed later in this letter.
8. I now enclose directions for the facility owner to enter into the attached Depot Access Agreement.
9. Please note that, until the access agreement is signed and dated by both parties, none of the provisions contained within it have effect. The directions state that the access agreement should be entered into **no later than 7 September 2026**.
10. The facility owner must send us a copy of the signed access agreement **no later than 14 days** after the date upon which it is entered into. It is an offence under section 72(6) of the Act to fail to comply with this duty.
11. When we receive a copy of the signed access agreement we will retain it on our public register. No exclusions will be made prior to it being placed on the public register, unless a request for redaction is made to us. If you wish to request an exclusion of all or part of the agreement, or have any other questions, please contact me as soon as possible.

Temple Mills International depot - Stabling charges determination

12. ORR has amended clause 7.2 to clarify that the Access Charge should comprise, (a) the costs incurred by the Depot Facility Owner in providing the relevant services; and (b) a reasonable profit. The profit rent is not a separate category of recoverable cost and is therefore already captured within the drafting, which ensures that the Access Charge includes the cost of providing services to a beneficiary. Accordingly, ORR has not considered it necessary to identify profit rent as a distinct charging component.
13. Appendix 2 of Schedule 8 of the DAA reflects the Stabling Charge as determined by ORR.
14. ORR's determination is that the stabling charges to be included in the directed depot access agreement should be:
 - a) **£104.32 per hour for each c.400m road used, prior to the proposed shed road extension works being undertaken by Virgin** (to allow for two c.200m trainsets to occupy the same indoor shed road). Where two c.200m trainsets are able to occupy the same c.400m road, the charge would be equivalent to £52.16 per trainset per hour.
 - b) **£116.85 per hour for each c.400m road used, once the proposed shed road extension works have been undertaken by VTE** (to allow

for two c.200m trainsets to occupy the same indoor shed road). Where two c.200m trainsets are able to occupy the same c.400m road, the charge would be equivalent to £58.43 per trainset per hour.

15. The determined charges above are in 2025 prices, and exclude insurance and VAT.

16. Our determination has the following component positions:

- a) Use of EIL's actual 2025 cost base is likely to be more reflective, relative to using an older cost base, of the future costs EIL will incur.
- b) Each of the cost categories included by EIL is relevant to the provision of stabling (following the removal of some cost items in response to our queries during this process). This is with the exception of insurance, where we expect any appropriate costs to be recovered separately.
- c) Some significant cost categories at TMI should have a lower allocation to the activity of stabling than was proposed by EIL.
- d) The uplifts EIL has applied to each cost category to reflect the expected incremental costs incurred due to VTE operating at TMI are reasonable.
- e) EIL is permitted to recover as a cost a so-called 'profit rent' it is obliged to pay London St Pancras Highspeed Limited (LSPH) as landlord of TMI.
- f) The appropriate reasonable profit to apply is an EBIT-based profit margin of 7.9%, lower than the 14% proposed by EIL.
- g) We have made some limited changes to the way costs are converted to charges to simplify the calculation.

17. Following ORR's changes to the methodology used to calculate the stabling charge, consequential amendments were required to the calculation of the other charges for TMI services. EIL has provided revised charges reflecting the updated methodology, and these charges have now been incorporated into the directed agreement. Consequential administrative amendments have also been made to ensure consistency, the principal one is to update Schedule 8 paragraph 7 so that it correctly refers to the charging provisions in Appendix 2, as paragraph 1 now contains definitions rather than charges.

18. EIL and VTE have agreed a provision in the DAA that allows for the stabling charge to be reviewed again in the 12 months before VTE's expected commencement of services. In setting future stabling charges, we consider that EIL should undertake more detailed analysis of the costs of TMI depot and revisit the calculation of reasonable profit on an evidenced basis. If charges

were to come to ORR to determine, we would expect to follow the principles set out in our determination, accommodating any improved evidence available.

Capacity contingent on Stabling at St Pancras International

19. We have fully reviewed the consultation, and representations from both parties in respect of the drafting around stabling capacity at TMI.
20. ORR's decision of October 2025 took into account the results of the [IPEX Capacity Assessment](#) which was undertaken in March 2025. The report concluded that there was some capacity immediately available for additional trains, and that further capacity could be unlocked through upgrades to the depot. The IPEX assessment noted that EIL's observed use of stabling capacity at TMI is lower than its planned use of capacity and attributed this to EIL's practice of stabling trains overnight at St Pancras International rather than at TMI.
21. ORR considers that the stabling capacity sought by VTE at TMI is achievable, assuming EIL continues to have overnight access at St Pancras International. We also consider that the terms of LSPH's Framework Track Access Agreements that require LSPH to "use all reasonable endeavours to provide stabling facilities that are necessary or expedient for an operator to provide their services" represent a high level of commitment that such access will continue to be available. We further note that the parties may in future avail themselves of the opportunity to undertake infrastructure upgrades at TMI (such as those suggested in the IPEX report) to make additional capacity available.
22. Importantly, we are directing the DAA with drafting that ensures that EIL's requirement to provide stabling to VTE may only be reduced to the extent necessary to accommodate EIL's trains that are unable to stable at St Pancras International, in the unlikely event that situation should arise.

Mobilisation Agreement and Unregulated commercial agreements

23. ORR has expressed reservations to both parties regarding the incorporation by reference of unregulated agreements into regulated agreements, because such arrangements fall outside the scope of ORR's direct regulatory oversight.
24. Having said this, we recognise the importance of ensuring that contractual provisions are in place to cover the detail on necessary infrastructure upgrades, funding agreements and working arrangements ahead of VTE's operations starting in 2030.
25. The responsibility for agreeing and implementing those arrangements remains with the parties.

26. ORR's focus will be on ensuring that the outcomes required to give practical effect to the directed access rights are delivered and that the competitive benefits underpinning our decision are not frustrated. We expect to supervise progress towards implementation of the directed access rights closely.

Future determination of operational diagrams and minimum service levels

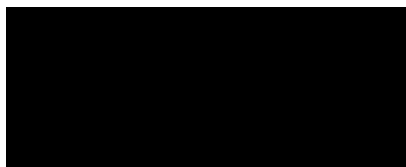
27. EIL and VTE jointly submitted drafting in respect of minimum service levels and diagrams which are marked 'indicative only' and will be reviewed before operations commence.
28. The proposed drafting provides for ORR to take a contractual determination role in the event that agreement on these elements cannot be reached.
29. We recognise the positive role that an independent regulator can play in assuring contract parties that disagreements over regulated matters will be resolved fairly. This is particularly the case, as here, where the facility owner and the beneficiary are in direct commercial competition with each other. We further consider that the proposed drafting also provides sufficient safeguards and preserves ORR's discretion to decline jurisdiction.
30. ORR therefore considers the proposed mechanism acceptable, but we reserve the right to require that the parties bear the cost of any procurement of experts ORR may require to advise us upon any determinations - consistent with the parties' obligations to provide all information required by ORR to support such a determination.

Depot Access Conditions – Asset renewals

31. The joint submission of 21 August 2026 introduced a new provision into the Depot Access Conditions which provides a mechanism for reviewing Access Charges following the renewal of depot assets.
32. VTE raised concerns regarding both the breadth of the provision and its introduction at a late stage of the drafting process.
33. ORR has considered the drafting, together with representations made by both parties, and considers that the drafting is fair, proportionate and suitable for inclusion through the directed agreement. In particular, the drafting seeks to ensure that any increase in access costs as a result of an asset renewal are apportioned having regard to the relative use made of that asset by the relevant parties.
34. ORR considers that a depot-wide mechanism is preferable to relying on unregulated arrangements for individual assets. The inclusion of this provision also ensures that any resulting amendments to Access Charges remain subject

to the contractual dispute resolution process and the relevant regulatory approval mechanisms.

Yours sincerely



Martin Jones