

PR13 Implementation – Charter Schedule 7 - Capacity Charge Amendments

SCHEDULE 7: TRACK CHARGES

PART 1: INTERPRETATION

1 Definitions

In Parts 1-8 inclusive, unless the context otherwise requires:

“AC System” means the alternating current system of electricity traction supply on the Network;

“Cancellation Charge” has the meaning given to that term in paragraph 5.1 of Part 2;

“Charter Capacity Charge” means a variable charge calculated in accordance with paragraph 8 of Part 2;

“Charter Capacity Charge Wash-up” means the charge calculated in accordance with paragraph 8.2.2 of Part 2;

“Charter Capacity Charge Wash-up Rate” means the rate in the column headed “Wash-up rate” that applies to Services for charter operators that operate on weekdays, as set out in the List of Capacity Charge Rates, and adjusted in accordance with paragraph 8.2.2 of Part 2;

“Charter Capacity Rate” means, in respect of each Service, the charter capacity rate corresponding to the day (or days) of the week on which that Service is operated, as set out in the List of Capacity Charge Rates and adjusted in accordance with paragraph 8 of Part 2;

“Core Operational Period” in relation to any part of the Network, means the period of the day when that part is generally open to train movements;

“DC System” means the direct current system of electricity traction supply on the Network;

“ECS” means empty coaching stock (trains used to bring carriages into or take them out of service);

“Electricity Type (AC/DC)” means either the alternating current (AC) or the direct current (DC) system of electricity supplied through the electrification system;

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“DC System” means the direct current system of electricity traction supply on the Network;

“ECS” means empty coaching stock (trains used to bring carriages into or take them out of service);

“Electricity Type (AC/DC)” means either the alternating current (AC) or the direct current (DC) system of electricity supplied through the electrification system;

“Electrification Asset Usage Charge”	means the electrification asset usage charge calculated in accordance with paragraph 7.1 of Part 2, as adjusted in accordance with paragraph 7.2 of Part 2;
“Geographic Area g”	means, for the purposes of performing the calculations set out in paragraph 6 of Part 2 and paragraph 18 of the Traction Electricity Rules, the relevant geographic section of the Network, as set out in Appendix 5 of the Traction Electricity Rules;
“Gross Tonne Mile”	in relation to a train, means a mile travelled on the Network, multiplied by each tonne of the aggregate weight of the train in question;
“kWh”	means kilowatt hours;
“light locomotive movement”	means the movement of a single locomotive, or two locomotives coupled together, before working, or after having worked, a Relevant Service;
“List of Capacity Charge Rates”	means the document entitled “List of Capacity Charge Rates” published by Network Rail on or about 20 December 2013;
“Network Rail Distribution System Loss Factor”	means the relevant factor that represents the electrical losses between the On-Train Meter and Network Rail’s meter through which it purchases traction electricity for the AC System or the DC System in Geographic Area g, as set out in appendix 3 of the Traction Electricity Rules;
“New Specified Equipment”	means a type of railway vehicle not included in the Track Usage Price List.
“Non-Core Operational Charge”	means the charge calculated in accordance with paragraph 1.1 of Part 5;
“On-Train Meter” and “On-Train Metering”	have the meanings ascribed to them in paragraph 1.2 of the Traction Electricity Rules;
“Period”	has the meaning ascribed to it in Schedule 8;
“Power Factor Correction”	means the relevant power factor correction as set out in appendix 2 of the Traction Electricity Rules;
“Public Holiday”	means any day other than a Saturday or Sunday on which the banks in the City of London are not open for business;

“Relevant Service”	means the Service (which, for these purposes, includes any Ancillary Movements) to which a particular charge is to be applied;
“Repeat Business Slot Charge”	means the charge payable in respect of a particular Service in accordance with paragraph 4.2 of Part 2;
“Relevant Year”	means a year commencing at 0000 hours on 1 April and ending at 2359 hours on the following 31 March; “Relevant Year t” means the Relevant Year for the purposes of which any calculation falls to be made; “Relevant Year t-1” means the Relevant Year preceding Relevant Year t; and similar expressions shall be construed accordingly;
“RPI”	<p>means the General Index of Retail Prices All Items measured by CHAW and published each month or:</p> <p>(a) if the index for any month in any year shall not have been published on or before the last day of the third month after such month, such index for such month or months as ORR may (after consultation with the parties and such other persons as it considers appropriate) determine to be appropriate in the circumstances; or</p> <p>(b) if there is a material change in the basis of the index, such other index as ORR may (after consultation with the parties and such other persons as it considers appropriate) determine to be appropriate in the circumstances;</p>
“Route Clearance Charge”	means, in respect of a particular Train Slot a charge payable in respect of works identified in paragraph 1.2 of Part 5 as calculated in accordance with that paragraph;
“route type k”	means route type k as identified by type of electrification (OLE or DC) in the Track Usage Price List;
“Slot Charge”	means the charge payable in respect of a particular Service as established in accordance with paragraph 4.1 of Part 2;
“tariff band”	means the tariff zone and time band in which the train in question is operated;

“Tolerance Factor”	means the relevant Tolerance Factor as set out in appendix 4 of the Traction Electricity Rules;
“Track Charge”	means the Variable Usage Charge, Slot Charge, Cancellation Charge and where the context admits, Capacity Charge, Traction Electricity Charge and Electrification Asset Usage Charge;
“Track Usage Price List”	means the document entitled “Track Usage Price List” published by Network Rail on or about 20 December 2013;
“Traction Electricity Charge”	means the charge calculated in accordance with paragraph 6 of Part 2;
“Traction Electricity Consumption Rates List”	means the document entitled “Traction Electricity Consumption Rates List” published by Network Rail on or about 20 December 2013 and specifying freight and passenger traction electricity consumption rates by category i;
“train category”	means train type i using the relevant Electricity Type (AC/DC);
“Train Consist Data”	means the information relating to the number(s) and type(s) of railway vehicle comprised in a train movement;
“Train Mile”	in relation to a train, means a mile travelled by that train on the Network and includes loaded Train Miles and ECS Train Miles; and
“Variable Usage Charge”	means a variable charge, calculated in accordance with paragraph 3.1 of Part 2.

PART 2: TRACK CHARGES

1 Principal formula

For each Relevant Service, Network Rail shall levy and the Train Operator shall pay Track Charges in accordance with the following formula:

$$T_s = V_s + S_s + E_t + EAV_s + C_s + K_s$$

where:

- T_s means Track Charges for the Relevant Service s ;
- V_s means an amount in respect of the Variable Usage Charge for the Relevant Service s which is derived from the formula in paragraph 3.1;
- S_s means an amount in respect of the Slot Charge for the Relevant Service s which is derived from the formula in paragraph 4.1;
- E_s means an amount in respect of the Traction Electricity Charge for the Relevant Service s which is derived from the formula in paragraph 6.1;
- EAV_s means an amount in respect of the Electrification Asset Usage Charge which is derived from the formula in paragraph 7.1;
- C_s means an amount in respect of the Cancellation Charge (whether of a positive or negative value) for the Relevant Service s calculated in accordance with the provisions in paragraph 5.1; and
- K_s means an amount in respect of the Capacity Charge for the Relevant Service s which is derived from the formula in paragraph 8.

2 Not used

3 Variable Usage Charge

3.1 Variable Usage Charge

For the purposes of paragraph 1, the term V_s means an amount in respect of the Variable Usage Charge for the Relevant Service s (including any light locomotive movements) which is derived from the following formula:

$$V_s = \sum V_{rit} \cdot UV_{ris}$$

where:

V_{rit} means an amount for a category of vehicle i for Relevant Year t which is derived from the following formula:

$$V_{rit} = V_{rit-1} \cdot \left[\left(1 + \frac{(RPI_{t-1} - RPI_{t-2})}{RPI_{t-2}} \right) \cdot (1 + TRUEUP_{t-1}) \right]$$

where:

RPI_{t-1} means the average value of the monthly figures of RPI for the 12 months up to and including the month of December immediately preceding the relevant 1 April;

RPI_{t-2} means the average value of the monthly figures of RPI for the 12 months up to and including the month of December which is 16 months before the relevant 1 April; and

$TRUEUP_{t-1}$ is derived from the following formula:

$$\text{TRUEUP}_{t-1} = \frac{(RPI_{t-1} - RPI_{t-2})}{RPI_{t-2}} - \frac{(RPI_{t-2} - RPI_{t-3})}{RPI_{t-3}}$$

where:

RPI_{t-1} has the meaning set out above;

RPI_{t-2} has the meaning set out above; and

RPI_{t-3} means the average value of the monthly figures of RPI for the 12 months up to and including the month of December which is 28 months before the relevant 1 April,

but so that in relation to the Relevant Year commencing on 1 April 2014, V_{rit} shall have, in respect of each Train Mile, the value set out in the Track Usage Price List; and in relation to the next following Relevant Year V_{rit-1} shall have the same value;

UV_{ris} means the actual volume of usage (in Train Miles) for the Relevant Service s of vehicle type i (referred to in the Track Usage Price List) operated by or on behalf of the Train Operator; and

Σ means the summation across all relevant categories of vehicle types i .

4 Slot Charge

4.1 For the purposes of paragraph 1, the term S_s means an amount in respect of the Slot Charge for the Relevant Service s which is derived from the following formula:

$$S_s = S_{ijt}$$

where:

S_{ijt} means an amount in respect of the Slot Charge for a category of vehicle type i for journey type j for Relevant Year t which is derived from the following formula:

$$S_{ijt} = S_{ijt-1} \cdot \left[\left(1 + \frac{RPI_{t-1} - RPI_{t-2}}{RPI_{t-2}} \right) \cdot (1 + \text{TRUEUP}_{t-1}) \right]$$

where:

RPI_{t-1} has the meaning set out in paragraph 3.1 above;

RPI_{t-2} has the meaning set out in paragraph 3.1 above; and

TRUEUP_{t-1} has the meaning set out in paragraph 3.1 above,

but so that in relation to the Relevant Year commencing on 1 April 2014, S_{ijt} shall have, in respect of each Train Mile, the value set out in the Track Usage Price List; and in relation to the next following Relevant Year S_{ijt-1} shall have the same value.

- 4.2 When a Train Operator Variation Request indicates a requirement for the Service to operate on more than one date, then, provided that all dates of operation fall within the same Timetable Period, Network Rail may levy and the Train Operator shall pay:
- (a) the Slot Charge as defined in paragraph 4.1 in respect of the first such Service; and
 - (b) for each subsequent Service the Slot Charge shall equal the Repeat Business Slot Charge set out in the Track Usage Price List.
- 4.3 When a Train Operator Variation Request is received by Network Rail on or before the Priority Date for the timetable in question, the Slot Charge S_s shall equal zero.

5 Cancellation Charge

- 5.1 In the event of a Network Rail Cancellation or a Train Operator Cancellation the party cancelling the Service (the "Cancelled Service") shall pay a cancellation charge, C_s , which shall be equivalent to:
- 10% of the Slot Charge for the Cancelled Service where notice of such cancellation is given more than 25 Working Days in advance of the Planned date of operation of the Cancelled Service;
 - 50% of the Slot Charge for the Cancelled Service where notice of such cancellation is given at least 20 but less than 26 Working Days in advance of the Planned date of the Cancelled Service;
 - 75% of the Slot Charge for the Cancelled Service where notice of such cancellation is given at least 15 but less than 20 Working Days in advance of the Planned date of the Cancelled Service;
 - 85% of the Slot Charge for the Cancelled Service where notice of such cancellation is given at least 5 but less than 15 Working Days in advance of the Planned date of the Cancelled Service; and
- in all other cases the Slot Charge for the Cancelled Service.

6 Traction Electricity Charge

6.1 If the Train Operator procures the supply of electricity from or through Network Rail (whether as its agent or otherwise) for the purpose of running trains under this contract, the Traction Electricity Charge, E_s shall be calculated in accordance with the following formula:

$$E_s = E_{tmo} + E_{tme} + E_{tmuAC} + E_{tmuDC}$$

where:

E_{tmo} means an amount calculated in accordance with paragraph 6.1.2 below;

E_{tme} means an amount calculated in accordance with paragraph 6.1.3 below;

E_{tmuAC} means an amount calculated in accordance with paragraph 6.1.4(a) below; and

E_{tmuDC} means an amount calculated in accordance with paragraph 6.1.4(b) below.

Circumstances in which calculation to be based on modelled data and circumstances in which calculation to be based on metered data

6.1.1 E_{tmo} shall be calculated in respect of all trains other than those identified in the table at Appendix 7D, and E_{tme} , E_{tmuAC} and E_{tmuDC} shall be calculated in respect of the trains identified in the table at Appendix 7D.

Calculation of modelled consumption

6.1.2 E_{tmo} is derived from the following formula:

$$E_{tmo} = \sum E_{tmog}$$

where:

\sum means the summation across all Geographic Areas g , as appropriate;

E_{tmog} is derived from the following formula:

$$E_{tmog} = \sum C_i \bullet EF_{gjt} \bullet UE_{igt}$$

where:

\sum means the summation across all relevant train categories i (determined in accordance with paragraph 6.1.1 above) and tariff bands j , as appropriate;

C_i means the calibrated modelled consumption rate (in kWh per Train Mile in relation to passenger electric multiple units and kWh per Gross Tonne Mile in relation to locomotive-hauled units and all freight traffic) for train category i shown in the Traction Electricity Consumption Rates List, taking into account any Regenerative Braking Discount applied in accordance with the Traction Electricity Rules;

- EF_{gjt} means an amount for traction current (in pence per kWh) consumed by railway vehicles operated by or on behalf of the Train Operator in Geographic Area g , in tariff band j and in Relevant Year t as agreed or determined pursuant to paragraph 6.2; and
- UE_{igt} means the actual volume of usage (in electrified Train Miles in relation to passenger electric multiple units or Gross Tonne Miles in relation to locomotive hauled units and all freight traffic), if any, of trains operated by or on behalf of the Train Operator in train category i , in Geographic Area g , in tariff band j and in Relevant Year t , pursuant to this contract.

Calculation of consumption using metered consumption data

6.1.3 E_{tme} is derived from the following formula:

$$E_{tme} = \sum E_{tmeg}$$

where:

\sum means the summation across all Geographic Areas g , as appropriate;

E_{tmeg} is derived from the following formula:

$$E_{tmeg} = \sum [((CME_{igt} \bullet PF_i \bullet EF_{gjt}) - (RGB_{igt} \bullet PF_i \bullet EF_{gjt})) \bullet (1 + \delta_i)]$$

where:

\sum means the summation across all relevant train categories i (determined in accordance with paragraph 6.1.1 above) and tariff bands j , as appropriate;

CME_{igt} means the consumption of electricity (in kWh) by trains operated by or on behalf of the Train Operator in train category i , as measured by the On-Train Meters or as otherwise determined in accordance with the Traction Electricity Rules, in Geographic Area g and in Relevant Year t ;

PF_i means the Power Factor Correction for train category i ;

EF_{gjt} means an amount for traction current (in pence per kWh) consumed by railway vehicles operated by or on behalf of the Train Operator in Geographic Area g , in tariff band j and in Relevant Year t as agreed or determined pursuant to paragraph 6.2;

RGB_{igt} means the electricity (in kWh) generated by braking by railway vehicles operated by or on behalf of the Train Operator in train category i , as measured by the On-Train Meters or as otherwise determined in accordance with the Traction Electricity Rules, in Geographic Area g and in Relevant Year t ; and

δ_i means the Tolerance Factor for train category i .

6.1.4

(a) E_{tmuAC} is derived from the following formula:

$$E_{tmuAC} = \Sigma E_{tmugAC}$$

where:

Σ means the summation across all Geographic Areas g , as appropriate;

E_{tmugAC} is derived from the following formula:

$$E_{tmugAC} = \Sigma[(CME_{igtAC} \bullet PF_i \bullet EF_{gjt}) \bullet (1 + \delta_i)] \bullet \lambda_{ACg}$$

where:

Σ means the summation across all relevant train categories i (determined in accordance with paragraph 6.1.1 above) and tariff bands j , as appropriate;

CME_{igtAC} means the consumption of electricity (in kWh) from the AC System by trains operated by or on behalf of the Train Operator in train category i , as measured by the On-Train Meters or as otherwise determined in accordance with the Traction Electricity Rules, in Geographic Area g and in Relevant Year t ;

PF_i means the Power Factor Correction for train category i ;

EF_{gjt} means an amount for traction current (in pence per kWh) consumed by railway vehicles operated by or on behalf of the Train Operator in Geographic Area g , in tariff band j and in Relevant Year t as agreed or determined pursuant to paragraph 6.2;

δ_i means the Tolerance Factor for train category i ; and

λ_{ACg} means the Network Rail Distribution System Loss Factor for the AC System in Geographic Area g .

(b) E_{tmuDC} is derived from the following formula:

$$E_{tmuDC} = \Sigma E_{tmugDC}$$

where:

Σ means the summation across all Geographic Areas g , as appropriate;

E_{tmugDC} is derived from the following formula:

$$E_{tmugDC} = \Sigma[(CME_{igtDC} \bullet EF_{gjt}) \bullet (1 + \delta_i)] \bullet \lambda_{DCg}$$

where:

Σ means the summation across all relevant train categories i (determined in accordance with paragraph 6.1.1 above) and tariff bands j , as appropriate;

- CME_{igtDC} means the consumption of electricity (in kWh) from the DC System by trains operated by or on behalf of the Train Operator in train category i , as measured by the On-Train Meters or as otherwise determined in accordance with the Traction Electricity Rules, in Geographic Area g and in Relevant Year t ;
- EF_{gjt} means an amount for traction current (in pence per kWh) consumed by railway vehicles operated by or on behalf of the Train Operator in Geographic Area g , in tariff band j and in Relevant Year t as agreed or determined pursuant to paragraph 6.2;
- δ_i means the Tolerance Factor for train category i ; and
- λ_{DCg} means the Network Rail Distribution System Loss Factor for the DC System in Geographic Area g .

Strategy for the procurement of traction electricity

- 6.2 At least three months prior to the start of each Relevant Year commencing on or after 1 April 2014, Network Rail shall consult with the Train Operator regarding a strategy for the procurement of traction electricity for the Train Operator in respect of that Relevant Year, and:
- (a) if Network Rail and the Train Operator agree on a strategy for the procurement of traction electricity, Network Rail will procure traction electricity for the Train Operator in accordance with that agreed strategy; or
 - (b) if Network Rail and the Train Operator do not agree on a strategy for the procurement of traction electricity and the Train Operator has, during its consultation with Network Rail under this paragraph 6.2, notified Network Rail of the Train Operator's preferred strategy for the procurement of traction electricity and it is possible for Network Rail, acting reasonably, to implement that strategy, Network Rail will procure traction electricity for the Train Operator in accordance with the traction electricity procurement strategy so notified to Network Rail by the Train Operator; or
 - (c) if Network Rail and the Train Operator do not agree on a strategy for the procurement of traction electricity and either (A) the Train Operator has not notified Network Rail of the Train Operator's preferred strategy for the procurement of traction electricity during its consultation with Network Rail in accordance with this paragraph 6.2, or (B) it is not possible for Network Rail, acting reasonably, to implement the Train Operator's preferred strategy for the procurement of traction electricity as notified to Network Rail during its consultation in accordance with this paragraph 6.2, Network Rail will:
 - (i) acting reasonably, determine the procurement strategy for traction electricity for the Train Operator, having regard to whatever

information, if any, the Train Operator has supplied to Network Rail during its consultation under this paragraph 6.2; and

- (ii) procure traction electricity for the Train Operator in accordance with that traction electricity procurement strategy.

Actual cost of traction electricity

6.3 Network Rail shall provide to the Train Operator within 30 days of the end of each Period in each Relevant Year, the actual cost of traction electricity consumed by railway vehicles operated by or on behalf of the Train Operator in the relevant Period against the budgeted amounts. Network Rail shall also provide to the Train Operator a provisional six month Volume Reconciliation by Geographic Area g before 30 October of each Relevant Year and a provisional nine month Volume Reconciliation by Geographic Area g before 30 January of each Relevant Year.

Election to introduce On-Train Metering for a vehicle or vehicle type

- 6.4 (a) If the Train Operator wishes to propose the introduction of On-Train Metering to measure traction electricity consumption for a vehicle or vehicles of a vehicle type that the Train Operator operates for the purposes of being invoiced by Network Rail for traction electricity, it shall notify Network Rail of any required changes to the contract in connection with that proposal.
- (b) Any notice under sub-paragraph 6.4(a) shall be accompanied by information and evidence in reasonable detail supporting the changes proposed and setting out the reasons for those changes, and Network Rail shall respond in writing within 56 days of service of any such notice.
- (c) Promptly following any response served by Network Rail under sub-paragraph 6.4(b), the parties shall endeavour to agree whether the contract should be amended in connection with that proposal and, if so, the amendments.
- (d) If the parties agree an amendment to the contract in connection with the proposal referred to in sub-paragraph 6.4(a), that amendment shall take effect only when it has been approved by ORR under section 22 of the Act. Accordingly, as soon as reasonably practicable after any such amendment is agreed, the parties shall ensure that ORR is furnished with such amendment and such information and evidence as it shall require to determine whether or not to approve the amendment.
- (e) Any agreed amendment to the contract in connection with the proposal referred to in sub-paragraph 6.4(a) which is approved by ORR under section 22 of the Act shall apply with effect from the date agreed by the parties.
- (f) If the parties fail to reach agreement within 90 days after service of a notice under sub-paragraph 6.4(a), or if prior to that date both parties

agree that agreement is unlikely to be reached prior to that date, either party may notify ORR and request that ORR determines the matter. The parties shall, within such timescales as ORR may specify, furnish ORR with such information and evidence as ORR shall require to determine the matter. If a party fails to furnish such information and evidence within the specified timescale, ORR shall be entitled to determine the matter without that information and evidence and the party in default shall have no grounds for complaint in that respect.

- (g) Where ORR determines the matter pursuant to sub-paragraph (f), it may issue a notice to the parties setting out the amendments to be made to the contract and the date, which may be retrospective, from which they shall take effect.

7 Electrification Asset Usage Charge

- 7.1 For the purposes of paragraph 1, the term EAV_s means an amount in respect of the Electrification Asset Usage Charge for electrification asset usage which is derived from the following formula:

$$EAV_s = \sum EV_{tk} \cdot UK_{tk}$$

where:

\sum means the summation across all route types;

EV_{tk} means an amount in respect of the Electrification Asset Usage Charge per electrified Train Mile on route type k for the Relevant Service s in Relevant Year t , where, in relation to the Relevant Year commencing on 1 April 2014, EV_{tk} shall have, in respect of each electrified Train Mile on route type k , the value per electrified Train Mile on route type k for the Electrification Asset Usage Charge set out in the Track Usage Price List; and

UV_{tk} means the actual number of electrified Train Miles on route type k for the Relevant Service in Relevant Year t operated by or on behalf of the Train Operator.

Price Variation

7.2 EV_{tk} is derived from the following formula:

$$EV_{tK} = EV_{tK-1} \cdot \left[\left(1 + \frac{(RPI_{t-1} - RPI_{t-2})}{RPI_{t-2}} \right) \cdot (1 + TRUEUP_{t-1}) \right]$$

where:

RPI_{t-1} has the meaning set out in paragraph 3.1 above;

RPI_{t-2} has the meaning set out in paragraph 3.1 above; and

$TRUEUP_{t-1}$ has the meaning set out in paragraph 3.1 above,

but so that, in relation to the Relevant Year commencing on 1 April 2014, EV_{tk} shall have, in respect of each electrified Train Mile on route type k, the value per electrified Train Mile on route type k for the Electrification Asset Usage Charge set out in the Track Usage Price List, and in relation to the next following Relevant Year EV_{tk-1} shall have the same value.

8 Charter Capacity Charge and Charter Capacity Charge Wash-up Capacity Charge

8.1 For the purposes of paragraph 1, the term K_s means an amount in respect of the Capacity Charge for the Relevant Service s which shall be derived from the following formula:

$$K_s = \sum (K_{mft} \cdot TM_{mft}) + (K_{wt} \cdot TM_{wt})$$

where:

\sum means the summation across all Services;

K_{mft} means the Charter Capacity Rate in Relevant Year t in respect of Services operated during the period from Monday to Friday (both inclusive) and indexed in accordance with the following formula:

$$K_{mft} = K_{mft-1} \cdot \left[\left(1 + \frac{RPI_{t-1} - RPI_{t-2}}{RPI_{t-2}} \right) \cdot (1 + TRUEUP_{t-1}) \right]$$

where:

RPI_{t-1} has the meaning set out in paragraph 3.1 above;

RPI_{t-2} has the meaning set out in paragraph 3.1 above; and

$TRUEUP_{t-1}$ has the meaning set out in paragraph 3.1 above,

but so that in relation to the Relevant Year commencing on 1 April 2014, K_{mft} shall have, in respect of each Train Mile, the value set out in the List of Capacity Charge Rates; and in relation to the next following Relevant Year K_{mft-1} shall have the same value;

TM_{mft} means Train Miles in Relevant Year t in respect of Services operated during the period from Monday to Friday (both inclusive);

K_{wt} means the Charter Capacity Rate in Relevant Year t in respect of Services operated on Saturday and/or Sunday, and indexed in accordance with the following formula:

$$K_{wt} = K_{wt-1} \cdot \left[\left(1 + \frac{RPI_{t-1} - RPI_{t-2}}{RPI_{t-2}} \right) \bullet (1 + TRUEUP_{t-1}) \right]$$

where:

RPI_{t-1} has the meaning set out in paragraph 3.1 above;

RPI_{t-2} has the meaning set out in paragraph 3.1 above; and

$TRUEUP_{t-1}$ has the meaning set out in paragraph 3.1 above,

but so that in relation to the Relevant Year commencing on 1 April 2014, K_{wt} shall have, in respect of each Train Mile, the value set out in the List of Capacity Charge Rates; and in relation to the next following Relevant Year K_{wt-1} shall have the same value; and

TM_{wt} means Train Miles in Relevant Year t in respect of Services operated on Saturday and/or Sunday.

8.2

8.2.1 Within 90 days after the end of Relevant Year t, Network Rail shall calculate any Charter Capacity Charge Wash-up for the Train Operator (K_{wt}) in accordance with paragraph 8.2.2 of Part 2, which, if a positive sum, shall be payable by the Train Operator. If K_{wt} is a negative sum or equal to zero then no sum shall be payable by the Train Operator or by Network Rail.

8.2.2 K_{wt} is derived from the following formula:

$$K_{wt} = (Am_t - Bm_t) \bullet [(CCCW_t - K_{mft}) \bullet WE_t \bullet (Tm_t / Am_t)]$$

Where:

Am_t means the aggregate Train Miles in respect of all Services operated during Relevant Year t under all charter track access agreements with Network Rail;

B_{m_t} means the baseline total train miles for Relevant Year t for all Train Operators with a charter track access agreement with Network Rail, as set out in ORR's Determination of Capacity Charge Baselines published on or around [];

K_{mft} means the Charter Capacity Rate for Relevant Year t in respect of Services operated during the period from Monday to Friday (both inclusive);

CCCW_t means the Charter Capacity Charge Wash-up Rate for Relevant Year t, which shall be indexed in accordance with the following formula

$$CCCW_t = CCCW_{t-1} \cdot \left[\left(1 + \frac{RPI_{t-1} - RPI_{t-2}}{RPI_{t-2}} \right) \cdot (1 + TRUEUP_{t-1}) \right]$$

where:

RPI_{t-1} has the meaning set out in paragraph 3.1 above;

RPI_{t-2} has the meaning set out in paragraph 3.1 above; and

TRUEUP_{t-1} has the meaning set out in paragraph 3.1 above,

but so that in relation to the Relevant Year t commencing on 1 April 2014, CCCW_t shall have, in respect of each Train Mile, the value set out in the List of Capacity Charge Rates; and in relation to the next following Relevant Year CCCW_{t-1} shall have the same value;

T_{m_t} means the aggregate Train Miles in respect of all Services operated during Relevant Year t by the Train Operator who is party to this contract; and

WE_t is an adjustment to take account of the weekend discount of 25% and means

$$\{1 - [0.25] \cdot [Aw_t / Am_t]\}$$

where

Aw_t means the aggregate Train Miles in respect of all weekend Services operated during Relevant Year t under all charter track access agreements with Network Rail.

*****The rest of Schedule 7 is not included in this document as we are only proposing changes relating to the capacity charge.*****