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Dear Ian

**Application for directions: proposed track access contract between Network Rail Infrastructure Limited and Grand Union Trains Limited**

This letter provides the representations of Network Rail as requested in ORR's letter of 25 November with regard to the above application.

**The Application**

Grand Union Trains Ltd has submitted a Section 17 track access application for services between London Paddington and Llanelli. The initial services would commence on the Subsidiary Change Date 2021 and would expire on Subsidiary Change Date 2036.

The application seeks to secure quantum rights (table 2.1 PART A and PART B of Schedule 5) as described in the draft track access contract (TAC) and which appears to be based on the Passenger (Non-Franchise) Track Access Model Contract.

**The Application Form P**

Section 3.2 of the application Form P regarding "Terms not agreed with the facility owner" states that:

*"Grand Union has engaged at the earliest opportunity with the Freight and National Operators (FNPO) team who manage the relationship with aspirant Open Access Operators on behalf of Network Rail. FNPO is fully supportive of the principle of this application and is working closely with us to develop our proposition and identify where specific analysis or modelling may be necessary. Due to the requirements of the Economic Equilibrium Test for a Track Access Contract (TAC) submission to be made when new rights are sought and no TAC is in place, this section 17 application reflects the fact that other than 'in principle', agreement on specific areas of this application have not been able to be sought due to the limited time timescales.."*

NR would always endeavour to negotiate an agreed Section 18 application as our preferred approach to working with customers, it is recognised that in this instance it has not been

possible to engage with NR early enough to undertake assessments of the impact of the application prior to submitting a Section 17 application, owing to the requirements of the Economic Equilibrium Test for the applicant to seek a TAC whilst submitting the Form OA.

### Flexing Rights

Section 4.3 of the application Form P regarding Flexing Rights states that:

*"Grand Union is looking for a 'clockface' timetable, as is operated by other train operators on the Great Western Main Line, so this will sit alongside the clockface timetable being developed for others. By operating non-stop to and from Bristol Parkway, Grand Union will provide Network Rail with new options in relation to 'flighting' of trains - a process which has been demonstrated to be an efficient and effective use of capacity and regulation for many years for High Speed Eurostar services on HS1.*

*It will also avoid platforming occupation at significant intermediate stations such as Swindon and Reading."*

Network Rail notes that the Form P sets out an aspiration for a 'clockface' timetable, which is not further referenced in the draft track access contract. Whilst Network Rail recognises the aspirations of the applicant to maintain 'clockface' departures as far as is possible in line with other traffic, Network Rail will follow the process set out in Part D of the Network Code in seeking to satisfy the aspirations of all parties to the timetabling process.

### Journey Time Protection

Section 4.4 of the application Form P Journey Time states that:

*"As Grand Union is seeking to provide a fast, high quality Intercity train service for South Wales, shorter journey times and a comfortable seat are a key part of our offer and are an important factor in persuading people out of their cars. Grand Union will look to discuss with Network Rail rights that may offer a degree of journey time protection. We are aware of Network Rail's view that additional characteristics beyond quantum may restrict the flexibility available to them in constructing the timetable and fully intend to work closely with them on this matter and provide the justification for these additional characteristics where necessary, and support the request by a demonstrable need."*

Network Rail notes that the Form P sets out an aspiration for a degree of journey time protection, which is not further referenced in the draft track access contract. Whilst Network Rail recognises the aspirations of the applicant to maintain journey times as far as is possible in line with other traffic, Network Rail would need to receive evidence from the applicant as to why such protection is required, in accordance with our access rights policy.

### Investment Conditions

Network Rail notes that the TAC does not include any investment conditions, which it might expect to accompany an Open Access application seeking rights for a longer duration than



five years. Network Rail notes, however, that the form P references investments. The extract below is from section 3.1 and 6.1 of the Form P:

*"Grand Union will be investing in significant infrastructure improvements at Severn Tunnel Junction Station to upgrade the station and improve passenger and staff facilities to a standard appropriate for use by Intercity trains. We are also in discussions with the Welsh Government and others regarding potential further investment and will be investing in a new build fleet of bi-mode trains for the extended service."*

*"Planned enhancement schemes are at an early stage of discussion with the Welsh Government and others, and details will be provided to the ORR as they become available."*

Network Rail would be keen to understand the investments being proposed by the applicant as there are no references to the investment conditions in the draft TAC.

## **The Proposed Contract**

### **Form of contract**

The draft contract appears to be based on the Passenger (Non-Franchise) Track Access Model Contract, with Open Access modifications.

### **Model Contract**

The application is based on the Passenger (Non-Franchise) Model Track Access Contract.

### **The Services**

NR's view of the deliverability of the quantum of passenger train slots sought by the applicant in Table 2.1 of Schedule 5 is included in the Timetable Capacity & Performance section below.

### **Calling Patterns**

NR cannot currently support the sale of the calling patterns specified by the applicant in Table 4.1 of Schedule 5 until the capacity assessment work has been concluded (see Timetable Capacity & Performance section below).

### **The Specified Equipment**

Route Clearance processes have not taken place for the Specified Equipment (Class 91 Electric Locomotive, Mark 4 Driving Van Trailer and up to 9 Mark 4 Passenger Vehicles and Class 802 with up to 9 vehicles). Therefore, rolling stock compatibility has not been demonstrated throughout the route specified for all the rolling stock specified in the application.

The Specified Equipment includes electric locomotives and vehicles. Therefore, it may be necessary to undertake further assessments of the infrastructure capability, to understand whether it is possible to operate a higher quantum of electric vehicles beyond those train slots which have already been accommodated.

Network Rail believes there is a risk that Class 91 harmonic emissions are outside the agreed profile of the power supply, with high low order harmonics against the standards for new connections as installed on the GWML. Network Rail believes that the HS-A type pantograph fitted to Class 91's to be compatible with the overhead conductor bar, however are unaware of an experience with running the HS-A pantograph on conductor bar at speeds over 40mph as all applications prior to Great Western electrification have been in slower speed tunnels or on Trowse swing bridge on Anglia. It should therefore be recognised that properly assessing the risk would be unlikely without carrying out some test runs, particularly through Chipping Sodbury, which has a line speed of 125mph.

### Timetable Capacity & Performance

The applicant has proposed to run up to 7 trains per day in each direction between London Paddington and Cardiff between May 2021 and May 2023. The applicant has proposed to run up to 14 trains per day in each direction between London Paddington and Llanelli from May 2023.

Network Rail has been provided with detailed proposals from the applicant regarding the aspirations for train slots for 6 of the 7 train slots it wishes to operate from May 2021. The applicant submitted indicative timetables to inform a capacity assessment for the initial service of 2 hourly services between London Paddington and Cardiff Central. This work was based on the latest timetable available at that time, the December 2019 timetable. Whilst the final report of this assessment is not yet available, the indicative findings are known.

Having analysed the proposals submitted by the applicant, Network Rail has found that the results so far suggest that:

- Of the 12 submitted proposed train slots, early indications are that up to 9 of the slots could be accommodated within the December 2019 timetable, subject to significant flex applied to the applicant's paths, and existing Working Timetable services and subject to further work being undertaken to confirm that capacity is available at both Paddington and Cardiff Central:
  - 3 train slots were in direct conflict with existing services for the majority of the schedule
  - 5 would require significant changes to multiple services operated by Great Western and Freight Operators. Changes are considered significant if the amendment results in an amendment to timings at destination
  - 4 would require changes to a number of services which were not considered significant

Whilst undertaking joint-planning sessions with the applicant, it became apparent that there is a possibility that the proposal will be amended to use Class 91 locomotives with seven coaches instead of nine. Whilst this has not been reflected in the application, it may lead to small changes to the indicative running times, which has not been factored into the assessment of Indicative Running Times which has been undertaken by Network Rail. The difference identified between the proposal by the applicant and Network Rail is a 2 minute betterment in the Up direction and 4 minutes in the Down direction.

In order to further explore if capacity is available that might be of practical use, a more detailed timetable capacity study would need to take place after the applicant has reviewed the outputs of the latest work and considered revising their proposal. The proposals that were considered as part of this analysis did not demonstrate that the initial quantum of trains can be accommodated. This does not provide Network Rail with confidence that the May 2023 proposals to run up to 14 train slots in each direction per day could be accommodated.

Given the size of the December 2019 timetable change, Network Rail believes that performance analysis based on emerging experience of the real-time operation should be undertaken. Modelling and an independent operational review previously carried out led to reductions in the propositions by GWR and MTR Crossrail due to concerns around robust turnarounds, platforming and the immediate Paddington Station area. Platform capacity at London Paddington or Cardiff Central has not been assessed as part of this proposal as platforming assessments would generally follow on from demonstrating whether the quantum of services could be accommodated on the network. Network Rail would need to be satisfied that these concerns had been thoroughly reviewed and satisfactorily addressed before we felt confident that an operable proposal was being suggested.

Network Rail is unable to comment on the potential performance implications of the proposed services in the absence of clear capacity, and proposed train slots against which to model performance risks. It is important for a more detailed performance assessments to be undertaken, to get a view of the impact of introducing new train services.

Network Rail will continue to work with the applicant to establish the detail required to assess the application further.

Yours sincerely,

A handwritten signature in blue ink, appearing to read "D. Fredriksson", with a long horizontal flourish extending to the right.

Daniel Fredriksson

**Customer Relationship Executive, Network Rail**