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Dear Peter and Richard

Proposed connection contract between Network Rail Infrastructure Limited (Network Rail) and First MTR South Western Trains Limited (First SWT) at Bournemouth Light Maintenance Depot (Bournemouth Depot)

1. On 20 July 2017 the Office of Rail and Road (**ORR**) approved the terms of the connection contract submitted on 3 July 2017 by Network Rail and First SWT (**the parties**) under section 18 of the Railways Act 1993 (**the Act**), relating to the connection at Bournemouth Depot. Please find enclosed a copy of our direction notice, directing the parties to enter into the contract. This letter sets out the reasons for our decision.

Background

2. From 20 August 2017 First SWT will be operating the South Western franchise. Therefore, the parties are entering into new connection contracts for depots that will transfer to First SWT under the new franchise.
3. Most of these connection contracts will be entered into under our General Approval¹. However the connection contract for Bournemouth Depot, as well as Clapham Light Maintenance Depot² are not suitable for the General Approval due to the annual connection charge being over £50,000. We therefore received an application from Network Rail and First SWT for a new connection contract on 3 July 2017.

Consultation

4. An industry consultation for the new connection contract was carried out by Network Rail, which ran from 16 June to 30 June 2017. None of the responding parties

¹ <http://www.orr.gov.uk/rail/access-to-the-network/track-access/forms-model-contracts-and-general-approvals>

² Clapham Light Maintenance Depot decision is available at: <http://www.orr.gov.uk/rail/access-to-the-network/track-access/track-access-decisions#s18>

objected to the shortened consultation period. No outstanding objections to the proposed connection contract were declared.

ORR Review

5. We reviewed the submitted connection contract and associated documents. We asked Network Rail for copies of the consultation correspondence on 19 July 2017, which Network Rail sent us.
6. The definition of Commencement Date was changed to 20 August 2017 to reflect the franchise hand-over date. Clause 15.1 was adjusted to reflect that First SWT would be paying for the connection costs per period instead of per year. We are content with these changes.
7. We have not identified any issues with the connection contract or the cost matrix provided to us for calculating the connection charge. We are therefore content to approve this application.

ORR Decision

8. This application is under section 18 of the Act and therefore is agreed between the parties, who are prepared to enter into the agreement, subject to the modifications discussed above.
9. In making this decision, we are satisfied that this decision reflects our duties under section 4 of the Act, in particular:
 - (i) to protect the interests of users of railway assets;
 - (ii) to promote the use of railway network in Great Britain for the carriage of passengers and goods and the development of that railway network, to the greatest extent ...economically practicable;
 - (iii) to promote efficiency and economy on the part of the persons providing railway services; and
 - (iv) to enable persons providing railway services to plan the future of their businesses with a reasonable degree of assurance.
10. Under clause 18.2.3 of the connection contract, Network Rail is required to produce a confirmed copy, within 28 days of any amendment being made, and send copies to ORR and First SWT. We look forward to receiving the conformed copy.
11. In entering any provision on the register, we are required to have regard to the need to exclude, as far as is practicable, the matters specified in section 71(2)(a) and (b) of the Act. These sections refer to:
 - a. any matter which relates to the affairs of an individual, where publication of that matter would or might, in the opinion of the ORR, seriously and prejudicially affect the interests of that individual; and

- b. any matter which relates to the affairs of a particular body of persons, whether corporate or incorporate, where publication of that matter would or might, in the opinion of the ORR, seriously and prejudicially affect the interests of that body.

12. When submitting the copy of the signed agreement would you therefore please identify any matters which you would like us to consider redacting before publication. You will need to give reasons for each request explaining why you consider that publication would seriously and prejudicially affect your interests.

Yours sincerely

Katherine Goulding