



OFFICE OF RAIL AND ROAD

Michael Albon

Executive, Access and Licensing

Telephone: 0207 282 3660

E-mail: michael.albon@orr.gsi.gov.uk

26 June 2017

Carew Satchwell
Route Contract Manager (LNW)
Network Rail Infrastructure Limited
Baskerville House
Centenary Square
Broad Street
Birmingham
B1 2ND

Darren Horley
Commercial Operations Manager
West Coast Trains Limited
Victoria Square House
Victoria Square
Birmingham
B2 4DN

Dear Carew and Darren

Nineteenth supplemental agreement to the track access contract between Network Rail Infrastructure Limited (Network Rail) and West Coast Trains Limited (Virgin Trains) (jointly, “the parties”)

1. We have today approved the above supplemental agreement submitted to us formally on 26 June 2017 following an informal submission made on 17 February 2017.
2. The purpose of this agreement is to insert an end date to a Facility Charge in Section 8A Schedule 7 of the parties' track access contract (TAC) and to insert a list of the projects to be delivered by Network Rail. The Facility Charge was originally inserted in the TAC to cover a project dating back to 2010 to lengthen the platforms at key West Coast Stations so that services with 11 vehicles in length could be accommodated.
3. At the time of the project proposal, the final cost was undetermined so an anticipated final cost was inserted into the TAC but with no specified end date. As part of the submission of this agreement, the final cost has now been established and agreed by Virgin Trains and Network Rail which matches the charge that already existed in the contract.
4. No industry consultation was undertaken as the change being made does not have any material effect on any other Train Operating Company or Freight Operating Company.

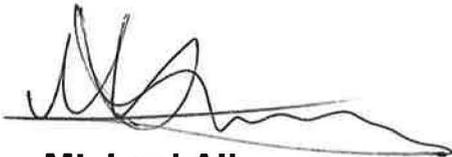
5. We reviewed the informal submission and queried the calculations submitted for the annual repayment against the proposed end date as they did not match with the projected total cost of the project. The parties reviewed this and revised the end date from 2029/30 to 2025/2026. We confirmed to the parties that we were satisfied that the calculations were correct under this revision. We noted some minor drafting issues and sent these to the parties. They accepted our suggestions and amended the agreement accordingly for the formal submission.

6. In considering the agreement and in reaching our decision, we have had to weigh and strike the appropriate balance in discharging our statutory duties under section 4 of the Act. We have concluded that approval of this supplemental agreement is consistent with our section 4 duties, in particular those relating to protecting the interests of users of railway services (section 4(1)(a)), promoting the use of the railway network for the carriage of passengers (section 4(1)(b)) and enabling persons providing railway services to plan their businesses with a reasonable degree of assurance (section 4(1)(g)).

7. Under clause 18.2.4 of the track access contract, Network Rail is required to produce a conformed copy, within 28 days of any amendment being made, and send copies to ORR and the Train Operator. ORR's copy should be sent for my attention.

8. In accordance with section 72 of the Act, we will place a copy of the approval notice and the agreement on our public register. Electronic copies of this letter and the approval notice will be sent to Keith Merritt at the Department for Transport and Peter Craig at Network Rail. Copies of this letter and the agreement will be placed on the ORR website.

Yours sincerely

A handwritten signature in black ink, appearing to be 'Michael Albon', written over a horizontal line.

Michael Albon