

Alan Price
Director, Railway Planning and Performance
Telephone 020 7282 3825
alan.price@orr.gsi.gov.uk

Mr Robin Gisby
Managing Director, Network Operations
Network Rail Infrastructure Limited
Kings Place
90 York Way
London, N1 9AG

25 March 2014

Dear Robin

Investigation into Network Rail's delivery of its regulated performance targets 2013-14 (Long Distance, London and the South East and Regional sectors and Scotland)

As you are aware performance in all sectors continues below the levels Network Rail has been funded to achieve for passengers in 2013-14.

We will carry out a full assessment of Network Rail's performance against its regulatory targets at the end of the control period (31 March 2014), focussing in particular on whether Network Rail has done everything reasonably practicable having regard to all the relevant circumstances to deliver its regulated performance targets in these sectors and Scotland.

This letter provides information about the scope of our performance investigations and next steps.

Long Distance

A final order is already in place in relation to Long Distance PPM performance for 2013-2014. This includes provision for a reasonable sum payable at the end of the period if Network Rail fails to meet the regulated target, depending on the level of PPM Network Rail actually achieves and the extent to which it was reasonably practicable to do so having regard to all the relevant circumstances. The amount of any sum may be reduced to the extent that ORR reasonably considers it was not reasonably practicable to achieve the PPM output having regard to all relevant circumstances.

Network Rail should provide a quarter 4 report covering Long Distance performance, and any other data or representations it wishes to make. Our order specifies that any representations should be submitted by 30 April 2014.

However, I am aware that the quarter 4/year end assessment for all the other sectors and Scotland is due to be provided by 25th April. If it would be simpler (or avoid duplication) for the company to produce a single report, we would have no objection if you chose to provide NR's quarter 4 and its representations in relation to long distance as part of the 25th April document you are otherwise producing, provided it is clear what you are asking us to take into account for the purposes of the long distance order.

London and South East, Regional sectors and Scotland

This investigation will focus on performance in 2013-14 and an assessment of whether Network Rail did everything reasonably practicable to achieve the regulated outputs for these sectors and Scotland.

We will engage with Network Rail to understand the reports and plans you have provided. We will also seek views from relevant operators.

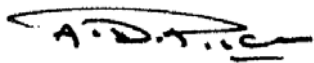
We will take account of Network Rail's quarterly reports provided to us to date and in the quarter 4/year end assessment due to us by **25 April**. This assessment should include any other relevant information for our consideration.

We may also commission the independent reporter to provide us with an assessment of the delivery and impact of the actions in your recovery plans. As usual we will agree a remit with you in advance.

We consider it to be in the interests of the industry and public to conclude these matters in a timely way and hope that Network Rail will cooperate to ensure we can conclude these matters promptly following the end of the control period.

A copy of this letter will be put on our website.

Yours sincerely,



Alan Price
Director, Railway Planning and Performance