



OFFICE OF RAIL AND ROAD

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4 July 2017

Carew Satchwell  
Route Contracts Manager LNW Route  
Network Rail Infrastructure Limited  
Mailbox, 100 Wharfside Street  
Birmingham  
B1 1RT

David Print  
Head of Strategic Development and  
Concession Management  
Merseyrail Electrics 2002 Limited  
Rail House, Lord Nelson Street  
Liverpool  
L1 1JF

Dear Carew and David

**Twenty-ninth supplemental agreement to the track access contract between Network Rail Infrastructure Limited (Network Rail) and Merseyrail Electrics 2002 Limited (Merseyrail) (jointly, “the parties”)**

1. We have today approved the above supplemental agreement submitted to us formally on 4 July 2017.
2. The purpose of this agreement is to reverse the amendments made to Merseyrail’s contract under the 28th supplemental agreement. This includes restoring the Contractual Monitoring Points as trains will resume calling at Liverpool Central and reversing the changes to the Performance Point and Payment Rates for Service Group HE02 in Schedule 8 to pre-28<sup>th</sup> supplement agreement levels. The changes under the 28th supplemental agreement were made in light of the significant engineering work being undertaken on the Wirral Lines of the Merseyrail network between 3 January 2017 and 18 June 2017.
3. No industry consultation was undertaken as the Payments Rates and Performance Points in Schedule 8 are specific to each train operating company and therefore have no material effect on any other train/freight operating company.

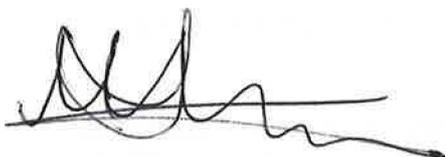
4. We reviewed the agreement and noted that the 28th agreement that amended Service Group HE02 in Appendix 1 of Schedule 8 had included the incorrect Payment Rate from the Periodic Review that the 27th SA corrected. The Monitoring Point Weightings were also left blank in the 28<sup>th</sup> SA meaning there had been no Monitoring Point Weightings since 8 January 2017. We advised the parties of this and they have amended the agreement so that the correct Payment Rates have been included for Service Group HE01 and HE02. We also highlighted a number of drafting issues including the unnecessary use of a retrospective clause. The parties have made the necessary changes for the formal submission.

5. 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)).

6. 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.

7. 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 in a cursive style with a long horizontal stroke at the end.

**Michael Albon**