

David Reed
Senior Executive, Access & Licensing



27 November 2023

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Dear Arthur, Samantha and Steve,

High Speed 1: Approval to amendments to Passenger Access Terms through the side letters dated 27 November 2023 to the track access contract between HS1 Limited and Eurostar International Limited and dated 27 November 2023 to the track access contract between HS1 Limited and SE Trains Limited

1. The Office of Rail and Road (ORR) has today approved amendments to the HS1 Passenger Access Terms through the side letters dated 27 November 2023 to the track access contract between HS1 Limited and Eurostar International Limited (EIL), and dated 27 November 2023 to the track access contract between HS1 Limited and SE Trains Limited (SE Trains) (the parties), submitted to us formally on 27 November 2023 under the Railways (Access, Management and Licensing of Railway Undertakings) Regulations 2016 (the 2016 Regulations). The side letters also make amendments to the track access contracts between HS1 and EIL and between HS1 and SE Trains. This follows an earlier informal submission of a draft side letter for our consideration. The purpose of our letter is to explain the reasons for our decision.





Purpose of the side letters

2. HS1 has been working with UK Power Networks Services (UKPNS) to implement an Energy Saving scheme involving UKPNS assets that will provide cost savings for train operators on HS1. The N-1 Energy Saving Scheme (“N-1 Scheme”) involves taking one of the defined UKPNS electricity feeder stations that is required for Distribution System resilience that currently operates in “hot standby” mode (which requires the use of electricity) and switching this to “cold standby” mode (which does not use any electricity). This reduces electricity consumption and therefore reduces the overall traction electricity costs that train operators pay.

3. The N-1 Scheme has been offered to train operators on the basis that HS1 will sign a contractual waiver with UKPNS specifying that for the duration of the N-1 scheme UKPNS will not be liable to HS1 for any Performance Payments arising from the occurrence of an N-1 Event. This contractual waiver will work through the proposed changes to the Passenger Access Terms (PAT) Performance Regime with train operators.

Consultation

4. HS1 consulted the industry on the proposed amendments to the HS1 PATs in January 2023. The parties and DfT made several legal drafting suggestions. No other responses were received.

Our review

5. Implementing the N-1 Scheme could result in an additional risk of impact to the assets. The additional risk has been discussed with stakeholders and consulted on. A programme of maintenance will be carried out by UKPNS to mitigate against this potential risk. We reviewed the proposal and were content with the changes based on the mitigations and that key stakeholders were content with the proposals.

6. We have reviewed the proposed amendments to the HS1 PATs and the SE Trains contract and suggested some drafting changes. The parties reflected these suggestions in a revised version of the side letter which they submitted formally to us.

ORR’s conclusions

7. Pursuant to Regulation 31(1) of the Regulations, in considering the application and in reaching our decision, we are required to weigh and strike the appropriate balance in discharging our statutory duties under section 4 of the Railways Act 1993. Approval of this application is consistent with these duties; in particular our duties to:

- protect the interests of users of rail services;
- promote the use of the railway network in Great Britain for the carriage of passengers and goods, and the development of the railway network, to the greatest extent that ORR considers economically practicable;



- contribute to the development of an integrated system of transport of passengers and goods; and
- enable persons providing railway service to plan the future of their businesses with a reasonable degree of assurance.

8. We will place a copy of the side letters on our website and public register. Please ensure that a consolidated version of the HS1 PATs is published on the HS1 website, and a conformed copy of the access contracts are provided to us within 30 days for publication on our website.

Yours sincerely

A handwritten signature in black ink, appearing to read 'David Reed', is positioned below the 'Yours sincerely' text.

David Reed