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18 July 2017

Kerry Taylor Customer Manager Network Rail George Stephenson House Toft Green York YO1 6JT Helen Bold Track Access Support 8<sup>th</sup> Floor Bridgewater House 60 Whitworth Street Manchester M1 6LT

Dear Kerry and Helen

## Approval of the seventh supplemental agreement to the track access contract between Network Rail Infrastructure Limited and First TransPennine Express Limited

- 1. We have today approved the above supplemental agreement submitted to us formally on 18 July 2017 under section 22 of the Railways Act 1993 (the Act). This follows an earlier informal submission of a draft agreement for our consideration. The purpose of this letter is to set out the reasons for our decision.
- 2. The purpose of this agreement is to amend Schedule 8 Appendix 1 following the remapping of some services in the North West to Arriva Rail North to First TransPenninne Express on 1 April 2016. A recalibration exercise was undertaken by the consultants, CH2MHill, and their report formed part of the parties' submission to us.
- 3. As these changes do not affect any other operator, no consultation was undertaken.
- 4. We reviewed this application. We queried the late submission of the application and the request for it to be approved retrospectively from 1 April 2016. We also queried if the values in the SA were in 2012/3 prices, if there were any SPP threshold change and a small number of other queries. All of these queries were answered satisfactorily and an updated SA was provided.
- 5. Our review of the application raised no operational, performance or economic concerns.

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- 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. Please send the conformed copy to me at ORR.
- 8. Electronic copies of this letter, the approval notice and the agreement will be sent to Keith Merritt at Department for Transport and Peter Craig at Network Rail. Copies of the approval notice and the agreement will be placed on ORR's public register and copies of this letter and the agreement will be placed on the ORR website.

Yours sincerely

**Jonathan Rodgers**