

Margret Child

Executive, Access and Licensing

Tel: 020 7282 2056

Email: margret.child@orr.gsi.gov.uk

7 July 2017

Jules Graham
Customer Relationship Executive
Network Rail Infrastructure Limited
One Eversholt Street
London
NW1 2DN

Chris Connelly
Director of Commercial & Business Development GB
Direct Rail Services Limited
Regents Court
Baron Way
Carlisle
CA6 4SJ

Dear Jules and Chris,

Direct Rail Services Limited: Proposed Sixth Supplemental Agreement

1. On 7 July 2017 the Office of Rail and Road (**ORR**) approved the 6th Supplemental Agreement (**SA**) to the track access contract (**TAC**) between Network Rail Infrastructure Limited (**Network Rail**) and Direct Rail Services Limited (**DRS**) under section 22 of the Railways Act 1993 (**the Act**). The SA was formally submitted to us on 6 July 2017. This letter sets out the reasons for our decision.

Background

2. The purpose of the SA is to make changes to Appendix 3 of Schedule 7 of DRS current track access contract to provide for on train metering for Class 88 locomotives.
3. The application also contained a request that we approve amendments to Appendices 2 & 4 of the Traction Electricity Rules (**TER**) to include the parameters (tolerance factors and power correction) necessary to enable OTM provision in respect of Class 88 locomotives.

Consultation

4. Network Rail ran an industry consultation shorter than normal on the changes to this TAC, from 3 May 2017 to 10 May 2017. Network Rail and DRS agreed that this was appropriate due to the non-contentious nature of the changes and comparing similar applications from other operators with consultations of less than 28 days. There were no objections.

ORR Review

5. We received an informal submission from Network Rail on 15 June 2017. We recommended drafting changes to the SA to remove reference to the requested changes to the TER as these are not a part of the SA and should only be included in Form F.

ORR Decision

6. This application is under section 22 of the Act and therefore is agreed between the parties, who are prepared to enter into the agreement as submitted.

7. In making this decision, we are satisfied that this decision reflects our duties under section 4 of the Act, in particular:
 - (i) to protect the interests of users of railway assets;
 - (ii) to promote improvements in railway service performance;
 - (iii) to promote the use of railway network in Great Britain for the carriage of passengers and goods and the development of that railway network, to the greatest extent ...economically practicable;
 - (iv) to promote efficiency and economy on the part of the persons providing railway services; and
 - (v) to enable persons providing railway services to plan the future of their businesses with a reasonable degree of assurance.
8. Under clause 18.2.4 of the TAC, Network Rail is required to produce a conformed copy, within 28 days of any amendment being made, and send copies to ORR and DRS. I look forward to receiving the conformed copy.
9. In accordance with section 72 of the Act, we will place a copy of the 6th SA on our public register.

Yours sincerely

A handwritten signature in black ink, appearing to read 'M Child'.

Margret Child