

16 October 2017

Kerry Taylor Customer Manager Network Rail Infrastructure Limited George Stephenson House Toft Green York YO1 6JT David Walker Fleet Commercial Manager First TransPennine Express Limited Floor 7, Bridgewater House 60 Whitworth Street Manchester M1 6LT

Dear Kerry and David

Consent to a Supplement to the Track Usage Price List: Class 185

1. The Office of Rail and Road (ORR) has today issued a Notice of Consent to a Supplement to the Track Usage Price List, submitted to us jointly by Network Rail Infrastructure Limited (Network Rail) and First TranPennine Express Limited (TPE) (jointly, "the parties") on 9 October 2017 under Paragraph 9 of Part 2 of Schedule 7 to the Track Access Contract between Network Rail and TPE. The purpose of this letter is to set out the reasons for our decision.

Purpose of the change

2. The purpose of this supplement is to supplement the Passenger Variable Use Charge Rates section of the Track Usage Price List to include a rate for modified Class 185 vehicles where the radial arm bushes have been replaced with a variable stiffness bush, colloquially known as a Hall Bush. This improves the curving class of the vehicle which results in a lower VUC.

Consultation

3. There is no requirement for industry consultation in this matter as it does not affect any other train or freight operating companies.

ORR review

4. This proposal was submitted for our review and consent in October 2015. The application was reviewed from a technical perspective and we were content that approval was in accordance with Network Rail's guidance on supplementing the List of Capacity Charge Rates. In May 2016, we advised the parties that we were content for the application to be approved on condition that the parties amended and re-submitted the application to reflect the change of franchisee that had occurred in the period that we were reviewing the proposal. Despite chasing the parties on numerous occasions, the application was not re-submitted until 9 October 2017. We do not understand why it has taken so long to make a relatively minor administrative correction and are concerned that Network Rail will now have to pay a large rebate back to TPE reflecting the fact that TPE has been paying the higher default rate during this period.

Yours sincerely Michael Albon