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Dear Mark and Phil

Consent to a Supplement to the Traction Electricity Modelled Consumption Rates List: London North Eastern Railway Limited (LNER)

1. The Office of Rail and Road (ORR) has today issued a notice of consent to a supplement to the Traction Electricity Consumption Rates List submitted to us by Network Rail Infrastructure Limited (Network Rail) on 13 June 2019 under Paragraph 9 of Part 2 of Schedule 7 to the Track Access Contract (TAC) between Network Rail and LNER. The purpose of this letter is to set out the reasons for our decision.

Purpose of the change

- 2. The purpose is to supplement the Traction Electricity Consumption Rates List to include a new Electric Current for Traction (EC4T) consumption rate for class 800 and 801 vehicles operated by LNER. A 15th supplemental agreement amending the parties' Track Access Contract has also been made in parallel to enable the consent of this application.
- 3. During the 2018/2019 financial year, LNER began operating Class 800 and Class 801 vehicles. It was initially expected that these units would be billed based on meter readings. Consequently, a modelled consumption rate was not estimated for these vehicles. Instead, these vehicles were billed on the basis of a temporary consumption rate. Unfortunately, technical issues have prevented these vehicles from being opted-in to on-train metering. In addition, it has not been possible to estimate modelled consumption rates for these vehicles using the standard methodology due to complex technical issues.

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Consultation

4. There is no requirement for industry consultation in this matter as no other operator is affected by the proposal.

ORR review

- 5. We reviewed the new modelled consumption rates from an economic and technical perspective and were content with the proposal.
- 6. Sub-paragraph 9.9 states that consent by ORR shall have effect from such date as ORR shall determine. The service code became operational on 1 April 2018 and we have agreed to the parties request to apply the supplemental retrospectively to that date.

Yours sincerely

Michael Albon