

Louise Beilby
Senior Access Executive



7 November 2023

Gary Davies-Knight
Track Access Manager
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Chris Dellard
Head of Access Planning
Transport for Wales Rail Limited
1st Floor, St Patrick's House
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Cardiff
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Dear Gary and Chris

Approval of the 7th supplemental agreement to the track access contract (TAC) between Amey Infrastructure Wales Limited (AIW) and Transport for Wales Rail Limited (TfWRL) dated 24 December 2019

We have today approved the above supplemental agreement submitted to us formally on 7 November 2023 under section 22 of the Railways Act 1993 (the Act). This follows an earlier informal submission of a draft agreement for our consideration. This letter explains the reasons for our decision.

Purpose

The purpose of this agreement is to make amendments to Schedules 7 and 8 of the TAC between AIW and TfWRL to allow for the contractual arrangements of TfWRL and the regulatory and access requirements of potential future operators using traction current. It introduces the necessary contractual elements under Schedule 7 relating to electric current for traction (EC4T) and an Electrification Asset Usage Charge (EAUC), which the TAC is currently lacking. In the revised Schedule 7 there are two parts, Model A and Model B. Model A applies only when TfW is the sole train operator using electric current for traction on the Core Valley Lines (CVL) Network. Under this model TfWRL purchases its power directly from its own supplier. AIW has no role in the supply of electric current for traction power under Model A.



Model B provides for AIW to supply traction current to any train operator, and will become active in the event that another operator (other than TfWRL) starts operating on the CVL infrastructure. Model B is in effect the same contractual provisions that apply to operators under the ORR Model Contract.

In addition to Schedule 7, AIW has also developed a set of CVL Traction Electricity Rules (TERs). The CVL TERs have been developed from the current Network Rail Traction Electricity Rules.

An additional paragraph 21 to Schedule 8 has also been added. This paragraph has been developed as, under the Delay Attribution Rules, a failure in the supply of Electric Current for Traction by the supplier under Model A would normally be attributed to the CVL infrastructure manager. AIW as the infrastructure manager under Model A will have no role to play in the supply of power, and so the new Paragraph 21 seeks to rectify the financial penalty incurred by AIW.

The amendments contained in the 7th supplemental agreement will come into effect upon the date ORR issues its approval and will expire on the Expiry Date or earlier termination of the TAC between AIW and TfWRL.

Industry consultation

The parties to the contract undertook the usual industry consultation. No queries or issues were raised.

ORR review

ORR has held extensive pre- and post-submission discussions about this application with AIW, involving members of our economics and legal teams as well as those from track access. We have advised and assisted in development of the terms of this supplemental agreement, and we are content with the amendments it will effect.

Our duties under section 4 of the Act and our decision

We have concluded that approval of this supplemental agreement strikes the appropriate balance in discharging our statutory duties under section 4 of the Act; 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)).



Conformed copy of the track access agreement

Under clause 18.2.4 of the track access contract, Amey Infrastructure Wales 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.

Public register and administration

Electronic copies of this letter, the approval notice and the agreement will be sent to the Department for Transport. Copies of the approval notice and the agreement will be placed on ORR's public register (website) and copies of this letter and the agreement will be placed on the ORR website.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Louise Beilby', is positioned below the text 'Yours sincerely'. The signature is written in a cursive style.

Louise Beilby