

Joel Strange  
Senior Regulatory Economist  
Network Rail  
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90 York Way  
London, N1 9AG

16 November 2012

Dear Joel,

### **Consultation on the station Long Term Charge in CP5**

Thank you for the opportunity to respond to the consultation on Network Rail's proposals for the station Long Term Charge in CP5. This letter constitutes the Go-Ahead Group's response and also represents the views of London Midland, Southeastern and Southern Train Operating Companies.

I confirm no part of this response is confidential and can be published on your web site and shared with ORR.

We note and support the underlying premise of the proposed changes – namely the methodology to calculate the Long Term Charge based on forecast efficient expenditure, and the aggregation of these charges into a portfolio charge by franchise, to reflect different expenditures levels at individual station in the Control Period.

We also support your proposal to include Station Information and Security Systems (SISS) in the station Long Term Charge, this would be accompanied by a corresponding reduction in fixed charges.

However our support for your proposals is qualified by the concerns that were raised at the industry workshops concerning the methodology to calculate the percentage allocations of the portfolio charge to individual stations and the process to revise these calculations in the event of stations transferring in or out of the portfolio. The need for clarity in this process and ensuring the administrative time and costs are minimised is essential, this is of particular importance where operators have significant numbers of stations with beneficiary users. The clarification provided at the workshops and your subsequent circulation of a worked example have allayed these concerns but we wish to see these reflected in the final agreed version.

Please do not hesitate to contact me if you want to discuss any of the issues raised in the consultation in further detail.

Yours sincerely

Richard Stuart  
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