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B Worley – Senior Regulatory Economist
Network Rail
Kings Place, 90 York Way
LONDON N1 9AG

1st February 2013

Ref: ORR/RH063/CP5-VUC

Dear Mr. Worley,

**West Coast Trains Ltd. response to Network Rail's 2013 Periodic Review
Consultation on the Variable Usage Charge for Control Period 5 (2014-2019)**

West Coast Trains Ltd ["WCTL"] welcomes this opportunity to respond to the consultation on the Variable Usage Charge ["VUC"] for Control Period 5. In preparing our response we have had sight of those offered by the Association of Train Operating Companies ("ATOC") which we fully support. **However, as we operate two fleets of tilting train-sets (Class 221 & Class 390) we have provided supplementary responses to those provided by ATOC specifically related to WCTL operations.** These are set out below as follows:

Vertical track variable usage costs

Question 1: *What is your view on the surface damage percentages estimated for each activity in Appendix 2 and our proposal that 78% and 22% of track variable usage costs should be attributed to vertical and horizontal rail forces respectively?*

Response 1: To fully support the proposed 78% and 22% split between vertical and horizontal rail forces, WCTL consider that it is necessary to see the background to how the 'estimates' presented in Appendix 2 were reached and then how these estimates were developed into the proposed 78%/22% split. WCTL would therefore welcome receipt of this information.

Question 2: *Do you have any comments on the analysis carried out by Serco in order to re-calibrate the existing equivalent track damage equation?*

Response 2: WCTL note and support the response provided by ATOC and have no additional specific comments on the Serco analysis.

Question 3: *Do you consider that for CP5 we should use the revised 'hybrid' track damage formula derived by Serco, incorporating the existing Ct factor in its current format, to apportion vertical track variable usage costs between vehicle classes? Or*

Do you consider that the existing equivalent track damage formula should be retained for CP5, alongside a commitment from the industry to, as part of the wider charges review in early CP5, to better understand the Serco analysis for potential implementation in CP6? Ultimately any decisions on charges for CP5 will, however, be a matter for ORR. If it were to be concluded that the existing equivalent track damage equation should be retained for CP5, we would also propose using this equation to apportion the relevant non-track variable usage costs, rather than the revised 'hybrid' track damage formula recommended by Serco.

Response 3: As a TOC we consider that the revised 'hybrid' track damage formula should be employed in CP5. However we note and support the ATOC comment that Network Rail must justify the use of the 'Ct' term in the track damage equation. We also note the implications of our response on our FOC colleagues and will therefore support whatever decision the ORR reaches.

Horizontal track variable usage costs

Question 4: *Do you have any comments on the analysis in Appendix 3? What is your view on our proposal to update the existing methodology such that it incorporates a new damage calculation methodology (comprised of separate components for grinding, RCF and wear), a coefficient of friction on the flange of 0.1 (to reflect better lubrication), sample track alignment variations and values of T_{\square} for the trailing wheelset of a bogie?*

Response 4: We note the proposals to update the existing methodology, to more accurately model the conditions as they actually exist on the UK rail network. WCTL note and support the two ATOC clarifications requested against this question, related to 'Why is it necessary to introduce grinding cost?' and that 'Crack growth rates are very definitely not linear to a crack depth of 5mm'.

However, prior to providing a complete response to this question, WCTL would wish to understand the implications of revision of the Surface Damage Formula for the fleets of tilting trainsets (Class 221 and 390) that we operate. To this end, WCTL request that Network Rail provide an assessment of the difference between the current CP4 horizontal track variable usage cost and that calculated using the new damage calculation methodology and ensuring that the increased Cant Deficiency operation permitted by the trainset tilting systems is included. We also request that the scope of the assessment is extended, to understand the effect of moving from the P8 to what WCTL consider to be the 'track friendly' P12 wheel profile.

Question 5: *Would you like to provide any tare and laden vehicle dynamics models in order to facilitate revising an existing, or creating a new, curving class for CP5?*

Response 5: We consider that NR already has access to a Class 390 vehicle model; if this not the case then we would progress the provision of one with Alstom Transportation.

Non-track (civils and signalling) variable usage costs

Question 6: *What is your view on our proposal to retain the existing equivalent structures damage equation for apportioning metallic underbridge variable usage costs but using a modified axle load exponent of 4 rather than 4.83?*

Response 6: The proposal is supported.

Question 7: *What is your view on our proposal to use the revised equivalent track damage equation for apportioning embankments, culverts and brick and masonry underbridge variable usage costs?*

Response 7: The proposal is supported.

Question 8: *What is your view on our proposal to apportion the 50% of signalling variable usage costs estimated to be load related using the equivalent track damage formula and the 50% of signalling variable usage costs estimated not be load related based on vehicle miles?*

Response 8: The proposal is supported.

Vehicle characteristics that inform VUC rates

Question 9: *What is your view on the draft list of vehicle characteristics contained in the spreadsheet attached to the covering email accompanying this consultation? Do you consider that any of these should be amended (if so, please provide supporting evidence where possible)?*

Response 9: With reference to the 'New Comment' raised against the 390/M & 390/T data, please be advised that steps are underway to align the relevant RSL data fields with that currently used for vehicle charging purposes. Therefore, we confirm that the stated 'Tare Weight including passengers' values are correct, if 100% passenger loading values continue to be used (see later comment).

Please note that Virgin Trains also operate a fleet of 21-off Class 221 Tilting trainsets (Painted numbers 221 101 to 221 118 & 221 142 to 221 144) up to a maximum speed of 125 mph. Therefore, we accept that the maximum speed should be increased to 125 mph and also that the 'Curving class' requires revision to cover the tilting train operation.

Finally, we note and support the separate ATOC comment that a 50% passenger loading value should be employed for the 'Tare Weight including passengers' values. On this basis the relevant mass values, with 50% passenger loading are Class 221/M = 58.78 tonnes; Class 390/M = 54.50 tonnes and 390/T = 52.21 tonnes.

Question 10: *What is your view on our proposal that for existing vehicles, not subject to vehicle modification, VUC rates should 'locked down' for CP5?*

Response 10: We support this proposal.

Question 11: *What is your view on our revised freight operating speed estimates and the methodology used to derive them? Would you like to provide any further information in relation to freight operating speeds?*

Response 11: Not applicable to a passenger TOC.

Question 12: *What is your view on our proposal that the default approach should be that passenger operating speeds are estimated using the existing CP4 formula unless evidence, based on the timetable, that an alternative operating speed is more appropriate is provided? Would you like to provide any evidence, based on the timetable, that an alternative operating speed is more appropriate?*

Response 12: We support this proposal.

Temporary default rates

Question 13: *What is your view on our proposal to retain a default rate for freight vehicles and introducing a default rate for passenger vehicles in CP5?*

Response 13: We support this proposal.

Question 14: *What is your view on our proposed default rate 'bands' and that the respective rate for each of these bands should be the highest relevant vehicle rate on the CP5 price list?*

Response 14: We support this proposal.

Rates for modified vehicles

Question 15: *What is your view on our proposal to adjust VUC rates during the control period in light of vehicle modifications?*

Response 15: We support this proposal.

ORR/RH063/CP5-VUC

Yours Sincerely

Robert Hodgkinson
Commercial Operations Manager,
West Coast Trains Ltd.

Cc: R Miller, A James, G Hambling, M Jacks
File: AJ