From: <u>Johnson, Melissa</u>

To: <u>HornseaProjectThree@pins.gsi.gov.uk</u>

Cc: Elsenaar, Marnix

Subject: Orsted Hornsea Project Three (UK) Ltd application for a DCO: Network Rail"s Deadline 10 submission

[ADDGDD-Live.FID2857045]

Date: 01 April 2019 16:17:52

Attachments: D10 NR.pdf

Dear Madam or Sir

We act for Network Rail.

Please find attached our letter to the Examining Authority, which we send on Network Rail's behalf.

Yours faithfully

Addleshaw Goddard LLP

Melissa Johnson

Consultant

for Addleshaw Goddard LLP DDI: +44 (0)161 934 6272 Fax: +44 (0)20 7606 4390

Office Locations: http://www.addleshawgoddard.com/contactus

This e-mail (including any attachments) is confidential to the intended addressee, may be subject to copyright, and may also be privileged. If you are not the intended addressee, please do not read, print, re-transmit, copy, store, alter or otherwise disclose it or any of its attachments to anyone; nor should you act in reliance on it or any of its attachments. Instead, please notify the error to the sender by e-mail and immediately permanently delete this email and any of its attachments from your system.

Please see the <u>Privacy Notice</u> published on our website for information about what we do with your personal data, and your rights in relation to the same.

E-mails sent to and from Addleshaw Goddard LLP may be monitored and read for legitimate business purposes, notably to ensure compliance with the law and our regulatory obligations. Emails cannot be guaranteed to be secure or error-free, and you should protect your systems. Addleshaw Goddard LLP does not accept any liability arising from interception, corruption, loss or destruction of this e-mail, or if it arrives late or incomplete or with viruses.

Addleshaw Goddard LLP is a limited liability partnership registered in England and Wales (with registered number OC318149) and is authorised and regulated by the Solicitors Regulation Authority and the Law Society of Scotland.

A list of members is open to inspection at our registered office, Milton Gate, 60 Chiswell Street, London EC1Y 4AG.

The term partner refers to any individual who is a member of any Addleshaw Goddard entity or association or an employee or consultant with equivalent standing and qualifications.

For further information please consult our website, <u>www.addleshawgoddard.com</u>.

This email has been scanned by the Symantec Email Security.cloud service. For more information please visit http://www.symanteccloud.com



Your reference EN010080/H 3WF-SP054

Our reference

ELSEM/43283-2563

1 April 2019

BY EMAIL HornseaProjectThree@pins.gsi.gov.uk

The Planning Inspectorate National Infrastructure Planning Temple Quay House 2 The Square Bristol BS16PN

Dear Sir or Madam

Application by Orsted Project Three (UK) Limited for an Order Granting Development Consent for the Hornsea Project Three Offshore Wind Farm (Order) Deadline 10 Submission on behalf of Network Rail (PINS Reference No. H 3WF-SP054) Protective provisions for the benefit of Network Rail, Part 5 of Schedule 9 to the Order

Introduction

- 1 This letter sets out the submission of Network Rail Infrastructure Limited (Network Rail) to the Examining Authority (ExA) at Deadline 10.
- 2 We write to update the ExA further to Network Rail's Deadline 9 submission [REP9-084].
- The protective provisions for its benefit that Network Rail requests to be included in the Order are attached to this email (Network Rail Protective Provisions). The Network Rail Protective Provisions show, in tracked changes, Network Rail's proposed amendments to the protective provisions for Network Rail's benefit included in the Order, which were submitted by the applicant at Deadline 9 [REP9-003].
- 4 Network Rail is disappointed that the applicant has been unable to agree to the amendments to the protective provisions for its benefit that have been requested by Network Rail.
- 5 Negotiations between the parties are ongoing with regards to the protective provisions and the voluntary property agreements that Network Rail requires to be in place in order for Network Rail to enable the authorised development in so far as it affects Network Rail property. Network

10-28934511-1\43283-2563

Addleshaw Goddard LLP, Milton Gate, 60 Chiswell Street, London EC1Y 4AG Tel +44 (0) 20 7160 3246 www.addleshawgoddard.com

Addleshaw Goddard LLP is a limited liability partnership registered in England and Wales (with registered number OC318149) and is authorised and regulated by the Solicitors Regulation Authority and the Law Society of Scotland. A list of members is open to inspection at our registered office, Milton Gate, 60 Chiswell Street, London EC1Y 4AG. The term partner refers to any individual who is a member of any Addleshaw Goddard entity or association or an employee or consultant with equivalent standing and qualifications.

Rail hopes that the protective provisions and the property agreements will be agreed with the applicant during the coming weeks.

- Subject to the agreement of these documents, Network Rail and the applicant propose to update the ExA and, if appropriate, the Secretary of State after the close of the Examination, so that the amendments that may be agreed between the parties shall be incorporated by the Secretary of State if they make the Order.
- 7 The amendments that Network Rail requests are made to the protective provisions relate to the following paragraphs:
 - (a) paragraph 4 ("the no compulsory powers" paragraph);
 - (b) paragraph 15 (indemnity);
 - (c) paragraph 20 (transfer of benefit of the Order); and
 - (d) paragraph 21 (arbitration).
- 8 We refer to each of these protective provisions in turn below.

Paragraph 4 (the grant of consent by Network Rail to the applicant's exercise of powers in the Order that affect Network Rail property) and Section 127 of the Planning Act 2008

- Paragraph 4 of the Network Rail Protective Provisions ensures that before exercising various powers in the Order in relation to Network Rail property, including the acquisition or use of new rights over any railway property, Network Rail's express consent is obtained. It also provides (at paragraph 4(5)) that where Network Rail is asked to give such consent, it must not be unreasonably withheld but may be given subject to reasonable conditions.
- As Network Rail has explained in previous submissions to the ExA, including Network Rail's Deadline 9 submissions [REP9-084], Paragraph 4 is a crucial protective provision for Network Rail because of Network Rail's statutory duties to operate, maintain and renew a safe national rail network and to enable it to comply with its Network Licence.
- 11 From both a point of principle and a practical point of view, it is inconceivable that the compulsory acquisition of, and use of, Network Rail's interests could occur without Network Rail's express consent. Having been obtained, paragraph 4 provides the framework for an exchange of information necessary between the parties to ensure that rights can be granted, if necessary with reasonable conditions, by Network Rail to enable the powers granted by the Order to be exercised by the applicant.
- Further, as a consequence of Network Rail being unable to withdraw its representation to the ExA regarding the application for the Order, the Secretary of State must consider the matters set out in section 127(6) of the Planning Act 2008; namely whether the rights sought by the applicant can be compulsorily purchased without serious detriment to the carrying on of Network

10-28934511-1\43283-2563

Rail's statutory undertaking or whether any detriment to the carrying on of its undertaking can be made good by Network Rail by the use of other land belonging to or available for acquisition by Network Rail.

Network Rail can confirm, as it previously stated in its Written Representations [REP1-251], that the Secretary of State cannot conclude that new rights and restrictions over railway land can be created without serious detriment to Network Rail's undertaking and that no land is available to Network Rail which means that it can make good any detriment caused by the creation of those new rights and restrictions.

Protective Provisions, paragraph 15 – indemnity provision

- Paragraph 15 provides an indemnity by the applicant in favour of Network Rail.
- Network Rail's Deadline 9 submission [REP9-084] confirms, at paragraphs 11 18, why Network Rail requests the amendments it seeks to paragraph 15 of the protective provisions. Network Rail hopes that the parties will reach agreement on this issue.

Protective Provisions, paragraph 20 – written notice to Network Rail of proposed transfer of benefit of the Order

Network Rail's Deadline 9 submission [REP9-084] explains, at paragraphs 19-21, why Network Rail requests 28 days' notice to consider any proposed transfer. Network Rail hopes that the parties will reach agreement on this issue.

Protective Provisions, paragraph 21 – arbitration provision

Network Rail's Deadline 9 submission [REP9-084] explains, at paragraphs 22-23, the amendments it seeks to paragraph 21. Network Rail hopes that the parties will reach agreement on this issue.

Summary

In summary, Network Rail confirms that it cannot withdraw its representation regarding the application for the Order.

Network Rail requests that the Network Rail Protective Provisions attached to this letter are included in the Order.

Network Rail will continue to work with the applicant to try and agree the outstanding matters, will respond to any written questions that the ExA or the Secretary of State has about this letter and will update the ExA and the Secretary of State in the event that agreement is reached between the parties.

Yours faithfully



Addleshaw Goddard LLP

Direct line

+44 (0)20 7160 3246

Email

marnix.elsenaar@addleshawgoddard.com

PART 5

PROTECTION OF NETWORK RAIL INFRASTRUCTURE LIMITED 1.

- <u>1.</u> The following provisions of this Part of this Schedule have effect unless otherwise agreed in writing between the undertaker and Network Rail and, in the case of paragraph 15 any other person on whom rights or obligations are conferred by that paragraph. 2.
 - 2. In this part of this Schedule—

"construction" includes execution, placing, alteration and reconstruction and "construct" and "constructed" have corresponding meanings;

"the engineer" means an engineer appointed by Network Rail for the purposes of this Order;

"network licence" means the network licence, as amended from time to time, granted to Network Rail by the Secretary of State in exercise of powers under section 8 of the Railways Act 1993(a);

"Network Rail" means Network Rail Infrastructure Limited (Company registration number 02904587) whose registered office is at 1 Eversholt Street, London, NW1 2DN and any associated company of Network Rail Infrastructure Limited which holds property for railway purposes, and for the purpose of this definition "associated company" means any company which is (within the meaning of section 1159 of the Companies Act 2006(b)the holding company of Network Rail Infrastructure Limited, a subsidiary of Network Rail Infrastructure Limited; (a) 1993 c.43 (b) 2006 c.46. 104 "plans" includes sections, designs, design data, software, drawings, specifications, soil reports, calculations, descriptions (including descriptions of methods of construction), staging proposals, programmes and details of the extent, timing and duration of any proposed occupation of railway property;

"railway operational procedures" means procedures specified under any access agreement (as defined in the Railways Act 1993) or station lease;

"railway property" means any railway belonging to Network Rail and (a)

- (a) any station, land, works, apparatus and equipment belonging to Network Rail or connected with any such railway; and (b)
- (b) any easement or other property interest held or used by Network Rail for the purposes of such railway or works, apparatus or equipment; and

"specified work" means so much of any of the authorised project as is situated upon, across, under, over or within 15 metres of, or may in any way adversely affect, railway property and for the avoidance of doubt includes the exercise of the powers conferred by article 4 (powers to maintain authorised project), article 12 (access to works), article 15 (discharge of water), article 17 (authority to survey and investigate the land onshore); article 34 (felling or lopping of trees and removal of hedgerows) and article 35 (trees subject to tree preservation orders) in respect of any railway property.

- 3.—(1) Where under this Part Network Rail is required to give its consent or approval in respect of any matter, that consent or approval is subject to the condition that Network Rail complies with any relevant railway operational procedures and any obligations under its network licence or under statute.
- (2) In so far as any specified work or the acquisition or use of railway property is or may be subject to railway operational procedures, Network Rail must—(a)
 - (a) co-operate with the undertaker with a view to avoiding undue delay and securing conformity as between any plans approved by the engineer and requirements emanating from those procedures; and (b)

- (b) use their reasonable endeavours to avoid any conflict arising between the application of those procedures and the proper implementation of the authorised project pursuant to this Order.
- **4.**—(1) The undertaker must <u>not exercise the powers conferred by article 18 (compulsory acquisition of land), article 20 (compulsory acquisition of rights), article 21 (private rights), article 23 (acquisition of subsoil only), article 26 (temporary use of land for carrying out the authorised project), article 27 (temporary use for land for maintaining the authorised project) or the powers conferred by section 11(3) of the 1965 Act (powers of entry) in respect of any railway property unless the exercise of such powers is with the consent of Network Rail.</u>
- (2) The undertaker must not in the exercise of the powers conferred by this Order prevent pedestrian or vehicular access to any railway property, unless preventing such access is with the consent of Network Rail
- (3) The undertaker must not exercise the powers conferred by sections 271 or 272 of the 1990 Act or article 28 (statutory undertakers), in relation to any right of access of Network Rail to railway property, but such right of access may be diverted with the consent of Network Rail.
- (4) The undertaker must not under the powers of this Order acquire or use or acquire new rights over any railway property except with the consent of Network Rail.
- (5) Where Network Rail is asked to give its consent pursuant to this paragraph, such consent must not be unreasonably withheld but may be given subject to reasonable conditions.
- 5.—(1) The undertaker must before commencing construction of any specified work supply to Network Rail proper and sufficient plans of that work for the reasonable approval of the engineer and the specified work must not be commenced except in accordance with such plans as have been approved in writing by the engineer or settled by arbitration under article 37 (arbitration).
- (2) The approval of the engineer under sub-paragraph (1) must not be unreasonably withheld, and if by the end of the period of 28 days beginning with the date on which such plans have been supplied to Network Rail the engineer has not intimated disapproval of those plans and the grounds of disapproval the undertaker may serve upon the engineer written notice requiring the engineer to intimate approval or disapproval within a further period of 28 days beginning with the date upon which the engineer receives written notice from the undertaker. If by the expiry of the

further 28 days the engineer has not intimated approval or disapproval, the engineer is deemed to have approved the plans as submitted. (3)

- (3) If by the end of the period of 28 days beginning with the date on which written notice was served upon the engineer under sub-paragraph (2), Network Rail gives notice to the undertaker that Network Rail desires itself to construct any part of a specified work which in the opinion of the engineer will or may affect the stability of railway property or the safe operation of traffic on the railways of Network Rail then, if the undertaker desires such part of the specified work to be constructed, Network Rail must construct it without unnecessary delay on behalf of and to the reasonable satisfaction of the undertaker in accordance with the plans approved or deemed to be approved or settled under this paragraph, and under the supervision (where appropriate and if given) of the undertaker. 105 (4)
- (4) When signifying approval of the plans the engineer may specify any protective works (whether temporary or permanent) which in the opinion of the engineer should be carried out before the commencement of the construction of a specified work to ensure the safety or stability of railway property or the continuation of safe and efficient operation of the railways of Network Rail or the services of operators using them (including any relocation de-commissioning and removal of works, apparatus and equipment necessitated by a specified work and the comfort and safety of passengers who may be affected by the specified work), and such protective works as may be reasonably necessary for those purposes are to be constructed by Network Rail or by the undertaker, if Network Rail so desires, and such protective works must be carried out at the expense of the undertaker in either case without unnecessary delay and the undertaker must not commence the construction of the specified work until the engineer has notified the undertaker that the protective works have been completed to the engineer's reasonable satisfaction.—5.
- <u>6.</u>—(1) Any specified work and any protective works to be constructed by virtue of paragraph 45(4) must, when commenced, be constructed—(a)
 - (a) without unnecessary delay in accordance with the plans approved or deemed to have been approved or settled under paragraph 45; (b)
 - (b) under the supervision (where appropriate and if given) and to the reasonable satisfaction of the engineer; (c)
 - (c) in such manner as to cause as little damage as is possible to railway property; and (d)
 - (d) so far as is reasonably practicable, so as not to interfere with or obstruct the free, uninterrupted and safe use of any railway of Network Rail or the traffic thereon and the use by passengers of railway property. (2)
- (2) If any damage to railway property or any such interference or obstruction is caused by the carrying out of, or in consequence of the construction of, a specified work, the undertaker must, regardless of any approval described in paragraph $5\underline{6}(1)(a)$, make good such damage and pay to Network Rail all reasonable expenses to which Network Rail may be put and compensation for any loss which it may sustain by reason of any such damage, interference or obstruction. (3)
- (3) Nothing in this Part imposes any liability on the undertaker with respect to any damage, costs, expenses or loss attributable to the negligence of Network Rail or its servants, contractors or agents or any liability on Network Rail with respect of any damage, costs, expenses or loss attributable to the negligence of the undertaker or its servants, contractors or agents. 6.
 - 7. The undertaker must—(a)
 - (a) at all times afford reasonable facilities to the engineer for access to a specified work during its construction; and (b)
 - (b) supply the engineer with all such information as the engineer may reasonably require with regard to a specified work or the method of constructing it.—7.
- 8. Network Rail must at all times afford reasonable facilities to the undertaker and its agents for access to any works carried out by Network Rail under this Part of this Schedule during their construction and must supply the undertaker with such information as it may reasonably require with regard to such works or the method of constructing them. 8.

- **9.**—(1) If any permanent or temporary alterations or additions to railway property, are reasonably necessary in consequence of the construction of a specified work, or during a period of 24 months after the completion of that work in order to ensure the safety of railway property or the continued safe operation of the railway of Network Rail, such alterations and additions may be carried out by Network Rail and if Network Rail gives to the undertaker reasonable notice of its intention to carry out such alterations or additions (which must be specified in the notice), the undertaker must pay to Network Rail the reasonable cost of those alterations or additions including, in respect of any such alterations and additions as are to be permanent, a capitalised sum representing the increase of the costs which may be expected to be reasonably incurred by Network Rail in maintaining, working and, when necessary, renewing any such alterations or additions. 106 (2)
- (2) If during the construction of a specified work by the undertaker, Network Rail gives notice to the undertaker that Network Rail desires itself to construct that part of the specified work which in the opinion of the engineer is endangering the stability of railway property or the safe operation of traffic on the railways of Network Rail then, if the undertaker decides that part of the specified work is to be constructed, Network Rail must assume construction of that part of the specified work and the undertaker must, notwithstanding any such approval of a specified work under paragraph 45(3), pay to Network Rail all reasonable expenses to which Network Rail may be put and compensation for any loss which it may suffer by reason of the execution by Network Rail of that specified work. (3)
- (3) The engineer must, in respect of the capitalised sums referred to in this paragraph and paragraph $9\underline{10}(a)$ provide such details of the formula by which those sums have been calculated as the undertaker may reasonably require. (4)
- (4) If the cost of maintaining, working or renewing railway property is reduced in consequence of any such alterations or additions a capitalised sum representing such saving must be set off against any sum payable by the undertaker to Network Rail under this paragraph. 9.
- 10. The undertaker must pay to Network Rail all reasonable fees, costs, charges and expenses reasonably incurred by Network Rail—(a)
 - (a) in constructing any part of a specified work on behalf of the undertaker as provided by paragraph 45(3) or in constructing any protective works under paragraph 45(4) including, in respect of any permanent protective works, a capitalised sum representing the cost of maintaining and renewing those works; (b)
 - (h) in respect of the approval by the engineer of plans submitted by the undertaker and the supervision by the engineer of the construction of a specified work; (c)
 - (c) in respect of the employment or procurement of the services of any inspectors, signallers, watch-persons and other persons whom it is reasonably necessary to appoint for inspecting, signalling, watching and lighting railway property and for preventing, so far as may be reasonably practicable, interference, obstruction, danger or accident arising from the construction or failure of a specified work;—(d)
 - (d) in respect of any special traffic working resulting from any speed restrictions which may in the opinion of the engineer, need to be imposed by reason or in consequence of the construction or failure of a specified work or from the substitution or diversion of services which may be reasonably necessary for the same reason; and-(e)-
 - (e) in respect of any additional temporary lighting of railway property in the vicinity of the specified work, being lighting made reasonably necessary by reason or in consequence of the construction or failure of a specified work.-10.

11.—(1) In this paragraph—

"EMI" means, subject to sub-paragraph (2), electromagnetic interference with Network Rail's apparatus generated by the operation of the authorised project where such interference is of a level which adversely affects the safe operation of Network Rail's apparatus; and

"Network Rail's apparatus" means any lines, circuits, wires, apparatus or equipment (whether or not modified or installed as part of the authorised project) which are owned or used by Network Rail for the purpose of transmitting or receiving electrical energy or of radio,

telegraphic, telephonic, electric, electronic or other like means of signalling or other communications.

- (2) This paragraph applies to EMI only to the extent that the EMI is not attributable to any change to Network Rail's apparatus carried out after approval of plans under paragraph 45(1) for the relevant part of the authorised project giving rise to EMI (unless the undertaker has been given notice in writing before the approval of those plans of the intention to make such change).
- (3) Subject to sub-paragraph (5), the undertaker must in the design and construction of the authorised project take all measures necessary to prevent EMI and must establish with Network Rail (both parties acting reasonably) appropriate arrangements to verify their effectiveness.
 - (4) In order to facilitate the undertaker's compliance with sub-paragraph (3) 107 (a)
 - (a) the undertaker must consult with Network Rail as early as reasonably practicable to identify all Network Rail's apparatus which may be at risk of EMI, and thereafter must continue to consult with Network Rail (both before and after formal submission of plans under paragraph 45(1)) in order to identify all potential causes of EMI and the measures required to eliminate them; (b)
 - (b) Network Rail must make available to the undertaker all information in the possession of Network Rail reasonably requested by the undertaker in respect of Network Rail's apparatus identified pursuant to sub-paragraph (a); and (c)
 - (c) Network Rail must allow the undertaker reasonable facilities for the inspection of Network Rail's apparatus identified pursuant to sub-paragraph (a).
- (5) In any case where it is established that EMI can reasonably be prevented only by modifications to Network Rail's apparatus, Network Rail must not withhold its consent unreasonably to modifications of Network Rail's apparatus, but Network Rail may, in its reasonable discretion select the means of prevention and the method of their execution, and in relation to such modifications paragraph 45(1) has effect subject to this sub-paragraph.
- (6) If at any time prior to the commencement of the commercial operation of the authorised project and regardless of any measures adopted under sub-paragraph (3), the testing or commissioning of the authorised project causes EMI then the undertaker must immediately upon receipt of notification by Network Rail of the EMI either in writing or communicated orally (such oral communication to be confirmed in writing as soon as reasonably practicable after it has been issued) cease to use (or procure the cessation of use of) the undertaker's apparatus causing the EMI until all measures necessary have been taken to remedy the EMI by way of modification to the source of the EMI or (in the circumstances, and subject to the consent, specified in subparagraph (5)) to Network Rail's apparatus.
 - (7) In the event of EMI having occurred (a)
 - (a) the undertaker must afford reasonable facilities to Network Rail for access to the undertaker's apparatus in the investigation of the EMI; (b)
 - (b) Network Rail must afford reasonable facilities to the undertaker for access to Network Rail's apparatus in the investigation of the EMI; and (c)
 - (c) Network Rail must make available to the undertaker any additional material information in its possession reasonably requested by the undertaker in respect of Network Rail's apparatus or the EMI.
- (8) Where Network Rail approves modifications to Network Rail's apparatus pursuant to subparagraphs (5) or (6)— $\frac{a}{a}$
 - (a) Network Rail must allow the undertaker reasonable facilities for the inspection of the relevant part of Network Rail's apparatus; (b)
 - (h) any modifications to Network Rail's apparatus approved pursuant to those subparagraphs must be carried out and completed by the undertaker in accordance with paragraph 5.6.
- (9) To the extent that it would not otherwise do so, the indemnity in paragraph $44\underline{15}(1)$ applies, subject to paragraphs $44\underline{15}(2)$ to $44(8\underline{15}(7))$, to the costs and expenses reasonably incurred or losses reasonably suffered by Network Rail through the implementation of the provisions of this

paragraph (including costs reasonably incurred in connection with the consideration of proposals, approval of plans, supervision and inspection of works and facilitating access to Network Rail's apparatus) or in consequence of any EMI to which sub-paragraph (6) applies. (10)

- (10) For the purpose of paragraph 910(a) any modifications to Network Rail's apparatus under this paragraph is deemed to be protective works referred to in that paragraph. (11)
- (11) In relation to any dispute arising under this paragraph the reference in article 37 (arbitration) to the Secretary of State shall be read as a reference to the Institution of Engineering and Technology for appointment of an arbitrator.—11.
- 12. If at any time after the completion of a specified work, not being a work vested in Network Rail, Network Rail gives notice to the undertaker informing it that the state of maintenance of any-108 part of the specified work appears to be such as adversely affects the operation of railway property, the undertaker must, on receipt of such notice, take such steps as may be reasonably necessary to put that specified work in such state of maintenance as not adversely to affect railway property. 12.
- 13. The undertaker must not provide any illumination or illuminated sign or signal on or in connection with a specified work in the vicinity of any railway belonging to Network Rail unless it has first consulted Network Rail and it must comply with Network Rail's reasonable requirements for preventing confusion between such illumination or illuminated sign or signal and any railway signal or other light used for controlling, directing or securing the safety of traffic on the railway. 13.
- 14. Any additional expenses which Network Rail may reasonably incur in altering, reconstructing or maintaining railway property under any powers existing at the making of this Order by reason of the existence of a specified work, provided that at least 56 days' prior notice of the commencement of such alteration, reconstruction or maintenance has been given to the undertaker, are to be paid by the undertaker to Network Rail.-14.

15.—(1) The undertaker must—

- (a) pay to Network Rail all reasonable costs, charges, damages and expenses not otherwise provided for in this Part (but subject to the provisions of this paragraph) which may be occasioned to or reasonably incurred by Network Rail by reason of—(i)
 - (i) the construction or maintenance of a specified work or the failure of such a work; or-
 - (ii) any act or omission of the undertaker or of any person in its employ or of its contractors or others whilst engaged upon a specified work,
 - (b) indemnify and keep indemnified Network Rail from and against all claims and demands arising out of or in connection with a specified work or any such failure, act or omission. (2)
- (2) the fact that any act or thing may have been done by Network Rail on behalf of the undertaker or in accordance with plans approved by the engineer or in accordance with any requirement of the engineer or under the supervision of the engineer shall not (if it was done without negligence on the part of Network Rail or of any person in its employ or of its contractors or agents) excuse the undertaker from any liability under the provisions of this sub-paragraph. (3)
- (3) Network Rail must give the undertaker reasonable written notice of any such claim or demand and no settlement or compromise of such a claim or demand shall be made without the prior consent of the undertaker. (4) In no circumstances is
- (4) The sums payable by the undertaker liable to Network Rail under sub-paragraph (1) for any indirect or consequential loss or loss of profits, save that the sums payable by the undertaker under that sub-paragraphshall if relevant include a sum equivalent to the relevant costs in circumstances where— (a) Network Rail is liable to make payment of the relevant costs pursuant to the terms of an agreement between Network Rail and a train operator; and (b) the existence of that agreement and the extent of Network Rail's liability to make payment of the relevant costs pursuant to its terms has previously been disclosed in writing to the undertaker, but not otherwise. (5).

- (5) Subject to the terms of any agreement between Network Rail and a train operator regarding the timing or method of payment of the relevant costs in respect of that train operator, Network Rail must promptly pay to each train operator the amount of any sums which Network Rail receives under sub-paragraph (34) which relates to the relevant costs of that train operator. (6)
- (6) The obligation under sub-paragraph (34) to pay Network Rail the relevant costs is, in the event of default, enforceable directly by any train operator concerned to the extent that such sums would be payable to that operator pursuant to sub-paragraph (5). (7) Network Rail must use its reasonable endeavours to mitigate in whole or in part and to minimise any costs, expenses, loss, demands, and penalties to which the indemnity under this paragraph 14 applies. If requested to do so by the undertaker, Network Rail shall provide an 109 explanation of how the claim has been minimised. The undertaker shall only be liable under this paragraph 14 for claims reasonably incurred by Network Rail. (8) In this paragraph—

(7) In this paragraph—

"the relevant costs" means the costs, direct losses and expenses (including loss of revenue) reasonably incurred by a train operator as a consequence of any restriction of the use of Network Rail's railway network as a result of the construction, maintenance or failure of a specified work or any such act or omission as mentioned in sub-paragraph (1); and

"train operator" means any person who is authorised to act as the operator of a train by a licence under section 8 of the Railways Act 1993.—15.

- 16. Network Rail must, on receipt of a request from the undertaker, from time to time provide the undertaker free of charge with written estimates of the costs, charges, expenses and other liabilities for which the undertaker is or will become liable under this Part (including the amount of the relevant costs mentioned in paragraph 1415) and with such information as may reasonably enable the undertaker to assess the reasonableness of any such estimate or claim made or to be made pursuant to this Part (including any claim relating to those relevant costs). 16.
- <u>17.</u> In the assessment of any sums payable to Network Rail under this Part no account must be taken of any increase in the sums claimed that is attributable to any action taken by or any agreement entered into by Network Rail if that action or agreement was not reasonably necessary and was taken or entered into with a view to obtaining the payment of those sums by the undertaker under this Part or increasing the sums so payable. <u>17.</u>
- 18. The undertaker and Network Rail may, subject in the case of Network Rail to compliance with the terms of its network licence, enter into, and carry into effect, agreements for the transfer to the undertaker of—(a)
 - (a) any railway property shown on the works plans and land plans and described in the book of reference; (b)
 - (b) any lands, works or other property held in connection with any such railway property; and (c)
 - (c) any rights and obligations (whether or not statutory) of Network Rail relating to any railway property or any lands, works or other property referred to in this paragraph.—18.
- 19. Nothing in this Order, or in any enactment incorporated with or applied by this Order, prejudices or affects the operation of Part I of the Railways Act 1993. 19.
- 20. The undertaker must give written notice to Network Rail if any application is proposed to be made by the undertaker for the Secretary of State's consent under article 5 (benefit of the Order) of this Order in relation to land within 15m of Network Rail's operational railway and any such notice must be given no later than 1428 days before any such application is made and must describe or give (as appropriate)—(a)
 - (a) whether the application is for consent pursuant to article 5(a) or 5(b); (b)
 - (b) the extent of the geographical area to which the application relates; and (c)
 - (c) the name and address of the person acting for the Secretary of State to whom the application is to be made-20.

- 21. In relation to any dispute arising under this Part that is referred to arbitration in accordance with article 37 (arbitration) of the Order, the undertaker and the arbitrator will agree to any reasonable-extension of time requested by Network Rail pursuant to paragraph 5(3) of Schedule 13 where Network Rail can demonstrate that it is unable (acting reasonably) to comply with the time limit due to timing constraints that may arise for Network Rail in obtaining clearance conditions and/or any engineering regulatory or stakeholder (internal or external) consents and/or assessing any matters of concern with regards to the safe operation of the railway.-21.
- 22. The undertaker must no later than 28 days from the date that the plans submitted to and certified by the Secretary of State in accordance with article 36 (certification of plans and documents etc) are certified by the Secretary of State, provide a set of those plans to Network Rail in a format reasonably specified by Network Rail.