From: Fitchie, Andrew Sent: 23 August 2009 16:40

To: Susan Clark

Cc: 'Steven Bell'; Dennis Murray; 'Stewart McGarrity'; Alastair Richards - TEL; Jordan,

Stuart; Horsley, Chris; Kilburn, Keith

Subject: SDS

Follow Up Flag: Follow up Flag Status: Flagged

FOISA Exempt and Legally Privileged

Susan

Following the audit, has any traceable evidence emerged on SDS's design delivery performance causing Infraco problems?

I am refocused on the fact that **tie** has independent rights against SDS in relation to both the utilities scope of work on which SDS continued with **tie** as client post novation and rights under the collateral warranty.

To the extent **tie** uncovers obvious breaches by SDS of the SDS Agreement, the effects of which have been passed on to **tie** by Infraco, there needs to be careful analysis of **tie** action to put SDS on notice that there has been damage caused to **tie** by SDS default. This is because, as previously mentioned, the DRP provisions in the SDS Agreement contain time bar provisions which are intended to prevent the parties storing up claims until the end of the commission.

Can I suggest we have a word about this on Monday.

kind regards

Andrew Fitchie
Partner, Finance & Projects
DLA Piper Scotland LLP
T:
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