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**From:** CUNNINGHAM David [David.Cunningham@pinsentmasons.com]  
**Sent:** 29 January 2014 14:51  
**To:** Colin Smith  
**Cc:** NOLAN Brandon  
**Subject:** CEC/SW - Agreement Tracker  
**Attachments:** Scottish Water Status Papers Update-20Jan14 - V 2.XLS

Colin

I attach an updated version of the Agreement Tracker.

On both sheets of of the Excel document, we have included a note at the top of the page to the effect that this document is not intended to represent any form of binding agreement between the parties.

We have re-ordered the "Points Agreed Generally" section, to reflect the order they may appear in any settlement agreement, and also developed these to make clear what it is intended that parties will agree (and where appropriate, to note limitations on future agreements).

In respect of the "Tracker" section of the document, we have included some comments which seek to make clear that the extent and duration of CEC's liabilities requires to be finally agreed. As currently framed, these obligations are presented as being open ended, so we considered it important to assert that it will be necessary to agree the scope of CEC's obligations in this respect. These comments have been included in bold for ease of reference - you may wish to remove the "bold" before passing this to SW.

Included in the "Tracker" document, is one comment in red, which is for internal CEC/PM purposes only. The Tracker states that in respect of item 19A "*CEC to confirm that designs are compliant or request derogation.*" We highlight this for the purposes of querying whether CEC is comfortable with taking on this element of design risk.

If you consider that issuing this updated version of the Tracker to SW would risk derailing the current process, it may be better not to issue the document and instead use it as a discussion point (in conjunction with the original heads of terms we prepared) at tomorrow's meeting.

Finally, if you would like to discuss any of this, please do not hesitate to contact either myself or Brandon.

Kind regards

David

**David Cunningham**

Solicitor  
for Pinsent Masons LLP

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