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Our Ref: ULE90130-SW-LET-00795

5th October 2007

tie Limited
CityPoint, 1st Floor
65 Haymarket Terrace
Edinburgh
EH12 5HD

Attention: Graeme Barclay

Dear Graeme

Utility Diversion Designs – Design Review Process

Please find enclosed the following documents.

1. Copy of page from the MUDFA Sub-Committee Report tabled at the MUDFA Sub-Committee Meeting on the 26th September 2007 showing the Client review process requirement.
2. Copy of the "SDS Design Flow to Achieve IFC Approval Process".
3. Copy of the "tie Design Flow to Achieve IFC Approval Process". (Pictorial view of the Client review process in item 1 above.)

Following the MUDFA Sub-Committee Meeting on 26th September 2007, tie confirmed that the process for tie review was to be amended and that the tie design review was to be carried out in parallel with the SUC's review period.

This revision to the tie review process, we understand, is to ensure a more speedy delivery of the utility IFC Drawings, in order to maintain a minimum four week window period prior to MUDFA construction start dates. The reason for this change being due to the failure of the SUCs' timely deliverables of C4 design information and the extended time of review and acceptance periods being taken in order to provide written statutory approvals to the SDS utility designs.

We would also record that commercial agreements with certain SUCs have resulted in SDS not being able to secure technical approval, which has exacerbated the SDS task of gaining written statutory approvals in accordance with the terms of the Agreement between tie and SDS. SDS would cite Scotland Gas Networks as an example and demonstration of the commercial issues between tie and an SUC frustrating our ability to carry out our contractual obligations to gain technical approvals to our utility designs. SDS are now of the understanding that the tie commercial issues with Scotland Gas Networks have recently been resolved and that from 26th September 2007, the technical approval embargo for SDS designs will be lifted. We would record that SDS issued the first SUC approval submission package in January 2007 and have at present seven packages out for acceptance, awaiting written approval from the Statutory Utility Companies. We should now be able to conclude technical closure to these submissions (in particular the technical approval of Scotland Gas Networks utility diversion) in a less restrictive manner.

SDS will deal with the delay issue to our contracted works and extension of time requirement in accordance with the Agreement between tie and SDS under separate cover as this correspondence is primarily to discuss the solidifying of the utility design review process.

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*In association with Halcrow
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SDS would again state that the new tie "Design Flow to Achieve IFC Approval Process" is flawed, as it leaves a design review loop open and attempts to close out a tie record of review from SUC comments, prior to SDS updating the SUC comments. SDS would advocate that it pre-empts closure. SDS would contend that we must follow the SDS "Design Flow to Achieve IFC Approval Process" and close out all SUC comments, seek unconditional SUC approval and have tie give design approval to this set of drawings prior to uplifting the utility package to IFC Status.

This would alleviate any additional work to IFC packages and restrict the distribution of IFC material to one single approval package.

SDS state that this is a safety consideration and one that SDS must adhere to within the project QA/QC and safety procedure. The recent incident involving Scottish Power in September identified that there were "two sets" of IFC drawings with the tie/MUDFA Team on different revision numbers. SDS state that we will only issue one set of IFC material upon written acceptance from each SUC and tie. This will alleviate any confusion of IFC utility drawings and protect the Client whilst conforming to CDM regulations.

SDS confirm discussion of the difference in the two "Design Flow to Achieve IFC Approval Process" at the UTL Design Progress Meeting on Wednesday, 3rd October 2007 and giving the view that it should be the SDS design flow version to be adopted and not the tie instructed version.

Yours sincerely



Alan Delan
Parsons Brinckerhoff

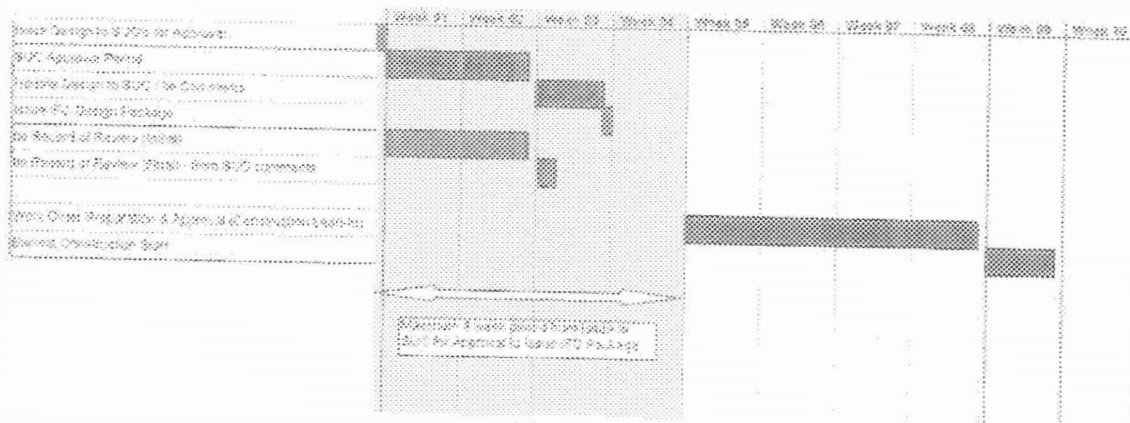
Encl.

cc. Jason Chandler
SDM's
Bruce Ennion
Chris Reid, Halcrow
Steven Bell, tie

IFC drawing plate packages forecast for issue during October 2007.
 (Based on latest SDS/tie forecast dates @ 15th September 2007)

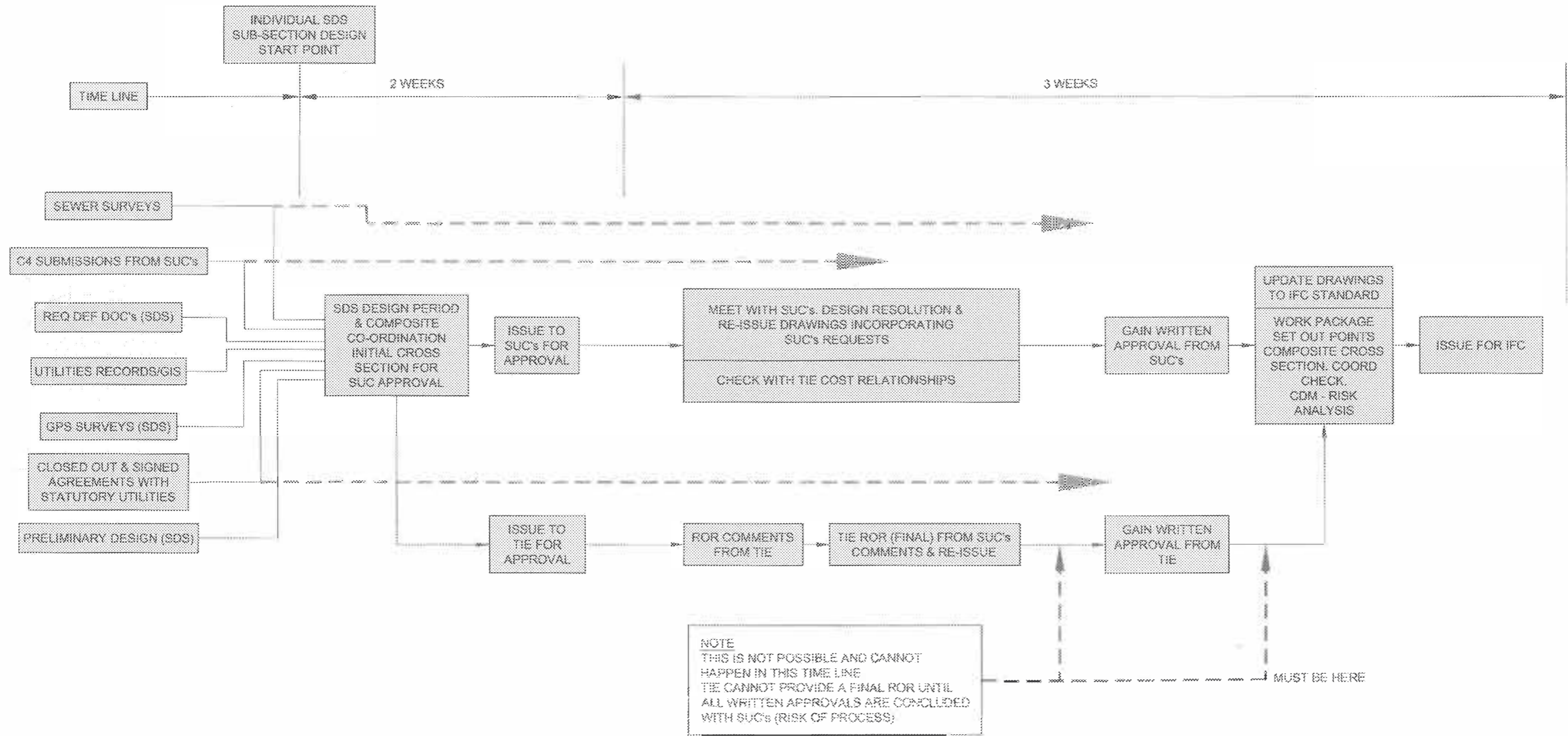
Section	Drawing Plate Nos.	SDS / AMIS Latest Forecast IFC Dates	Construction Start (Revision 05)
1A	None	16-Nov-07 (16-21) & 11-Jan-08 (01-12)	02-Jul-07
1B	22,23,24,25,26	15-Oct-07	29-Oct-07
1C	42,43,45,46	10-Oct-07 (42,43) & 01-Oct-07 (45-46)	29-Oct-07
1D	47,48	01-Oct-07	07-Jan-08
2A	None	11-Jan-08	26-Nov-07
3A	None <i>split</i>	11-Jan-08	18-Aug-08
3B	None <i>split</i>	11-Jan-08	17-Nov-08
3C	None <i>split</i>	11-Jan-08	01-Dec-08
5A	04,05	12-Oct-07	29-Oct-07
5B	06,07,08,09,10,11,12,13,14,15,16,19,20	12-Oct-07 (06-13) & 26-Oct-07 (14-16 & 19-20) & 09-Nov-07 (17-18)	15-Oct-07
5C	None	05-Nov-07	15-Oct-07
6A	None	23-Nov-07	26-Aug-07
7A	None	30-Nov-07	10-Mar-08
7B	None	28-Apr-07	01-Oct-07

Proposed Primary / Transcates for Turn-around of Utility Design



SDS DESIGN FLOW TO ACHIEVE IFC APPROVAL
INDIVIDUAL SUB-SECTION DELIVERABLE BASIS

TIE PROCESS

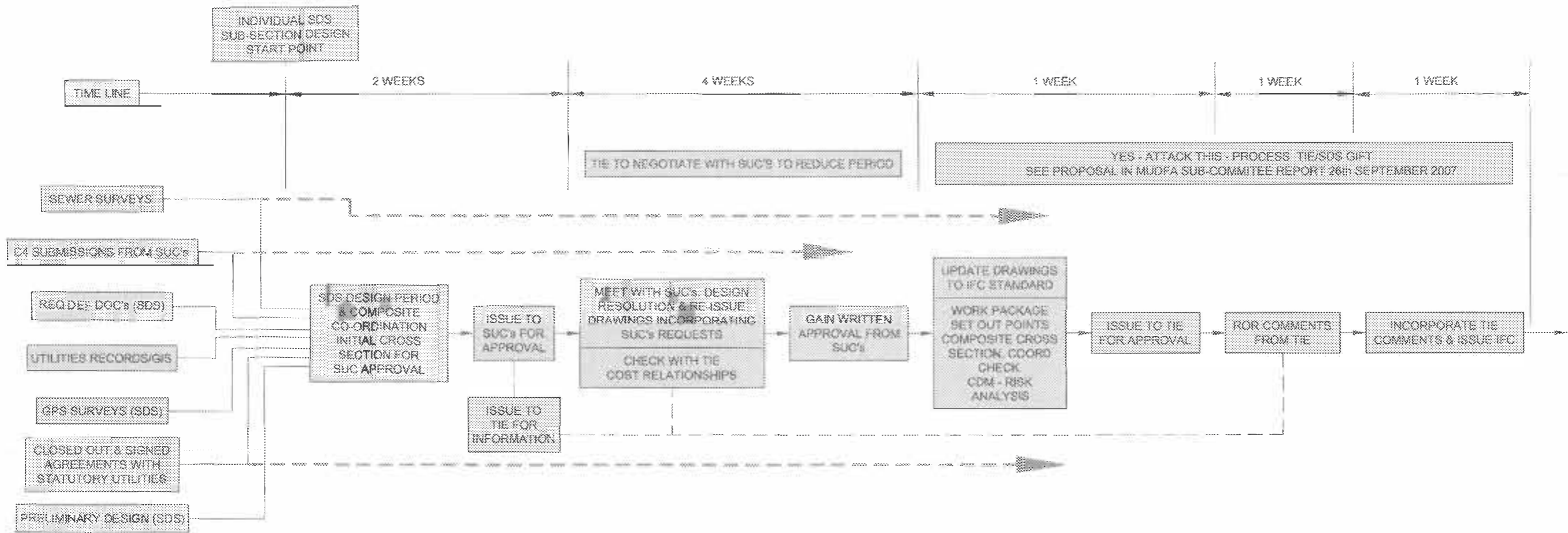


HOLD POINT 1 - SEWER SURVEYS
 HOLD POINT 2 - C4 SUBMISSIONS FROM SUC's (BTO AT PRESENT)
 HOLD POINT 3 - CLOSED OUT AGREEMENTS WITH SUC's (SGN COMMERCIAL HOLDING TECHNICAL APPROVALS)
 HOLD POINT 4 - DETAILED DESIGN ISSUES HOLDING UP SUC SIGN-OFF (KERB POSITION DETAILING)

SDS DESIGN FLOW TO ACHIEVE IFC APPROVAL

INDIVIDUAL SUB-SECTION DELIVERABLE BASIS

SDS PROCESS



- HOLD POINT 1 - SEWER SURVEYS
- HOLD POINT 2 - C4 SUBMISSIONS FROM SUC's (BTO AT PRESENT)
- HOLD POINT 3 - CLOSED OUT AGREEMENTS WITH SUC's (SON COMMERCIAL HOLDING TECHNICAL APPROVALS)
- HOLD POINT 4 - DETAILED DESIGN ISSUES HOLDING UP SUC SIGN-OFF (KERB POSITION DETAILING)