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Sent: 07 July 2011 15:47

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Subject: Employer's Requirements - CEC response

We refer to the document entitled "Comments on Ashurst Revisals to Employer's Requirements" dated 30 June 2011.

As previously discussed CEC position is that, in summary:

- the scope of the works covered under the Infraco Contract have altered materially; and
- Infraco will receive a substantial increase in payment.

As a result the Employer's Requirements will need to be amended to:

- reflect the change in scope; and
- provide CEC with certainty as to the capacity and performance of the reduced system.

CEC do not believe that the approach suggested by BBS in the above note achieves this result.

However CEC agree that the note dated 30 June 2011 raises some valid issues which merit discussion and suggest that CEC and BBS review BBS's comments and proposals alongside the CEC changes to the Employer's Requirements at the meetings in Edinburgh on Thursday next week.

Please note that as the BBS document was not circulated to CAF this response has not been circulated to CAF.

Kind regards

Terry

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