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**From:** Susan Clark  
**Sent:** 06 August 2009 09:47  
**To:** Gregor Roberts  
**Subject:** RE: Scotland Gas Networks - Amount Due to tie - £792,407.50

Gregor,

John is meeting tomorrow with Alan Ross from SGN. An audit is being held on Tuesday.

Susan

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**From:** Gregor Roberts  
**Sent:** 04 August 2009 12:13  
**To:** Susan Clark  
**Cc:** John Casserly; Stewart McGarrity  
**Subject:** RE: Scotland Gas Networks - Amount Due to tie - £792,407.50

Susan,  
This has not been paid yet.

John hasn't yet escalated this but has discussed with Steven; we are due to audit a job that SGN have done for us at Turnhouse roundabout and as a result of this audit SGN are holding off paying betterment due to us (seems out of line to me).

The Turnhouse roundabout diversion was budget to cost £1.9m; it finished in July 2008 and we ended up being invoiced £2.9m and paid this to SGN. We then were invoiced a further £500k from SGN with a potential of £170-£300k to follow. Under the contract we can fully audit costs passed onto us, and as this is a significant cost overrun (including an SGN margin of 33% - which looks like they are benefitting by exceeding their target price), we are fully within our rights to interrogate their costs. Note that under the new Roads and Streetworks act we must cover the costs of works done by the contractor, but there is certainly nothing in there about making a 33% margin!

I provided a pack to Julie with the invoice background and detail of what is outstanding. I think that we must separate these two issues as they are completely unrelated from a contract point of view. It should also be noted that we still have further betterment to invoice SGN in any case.

Regards,

Gregor

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**From:** Susan Clark  
**Sent:** 04 August 2009 11:56  
**To:** Gregor Roberts  
**Subject:** RE: Scotland Gas Networks - Amount Due to tie - £792,407.50

Gregor,

Was this done?

Susan

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**From:** Gregor Roberts  
**Sent:** 31 July 2009 11:15  
**To:** John Casserly  
**Cc:** Steven Bell; Susan Clark  
**Subject:** FW: Scotland Gas Networks - Amount Due to tie - £792,407.50  
**Importance:** High

John,

Can you please escalate this, and push through for us to get paid. The invoice date is 5<sup>th</sup> March 2009, so we are now more than 3 months overdue.

Regards,  
Gregor

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**From:** Stuart Lockhart  
**Sent:** 10 July 2009 10:27  
**To:** Gregor Roberts  
**Subject:** Scotland Gas Networks - Amount Due to tie - £792,407.50

Gregor

I refer to the attached copy invoice dated 5<sup>th</sup> March which remains unpaid by SGN. John Casserly has been pursuing his SGN counterpart (Allan Ross) with a view to achieving a satisfactory conclusion from our perspective. Thus far he has been unsuccessful! John has copied me in on a number of emails and frankly it is my belief that SGN are "stalling" for whatever reason.

This is a legitimate charge from our perspective and ought to be paid.

On our Purchase Ledger side, there may/may not be future costs that we will book for payment to SGN, again John Casserly is involved in this. We could "contra" these against our due debt. Non payment of these costs, by us, may of course have contractual issues for us particularly if SGN dispute what we have billed them.

We need to escalate this matter with a view to achieving a speedy conclusion.

Stuart

Stuart J Lockhart  
Finance Manager

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