
From: allan.ross@sgn.co.uk
Sent: 18 December 2009 16:59
To: John Casserly
Cc: Graeme Barclay; Frank McFadden; alan_day40@[REDACTED] mike.lynch@sgn.co.uk
Subject: Fw: Financial Contribution from SGN to TIE - Shandwick Place / Queensferry Road

John

Please find below a series of e-mails re: a new gas pipe that SGN requested Tie to construct between Shandwick Place and Queensferry Street. Tie provided a quote for £71611 to do these works on our behalf.

Tie has now advised that they cannot lay the main due to ongoing traffic management restrictions.

SGN has accepted this position.

The purpose of this note is to advise you that SGN will, understandably, not be paying for the works that have been undertaken.

Frank McFadden and Graeme Barclay have been advised at the SGN - Tie meeting earlier this week and accepted the general principle.

Allan Ross
Contracts Manager
Scotia Gas Networks

[REDACTED]

Inchcolm House, 11 West Shore Rd, Edinburgh, EH5 1RH

----- Forwarded by Allan Ross/EDI/SGN on 18/12/2009 16:51 -----

From: Allan Ross/EDI/SGN
To: Michael Blake <Michael.Blake@tie.ltd.uk>
Cc: alan_day40@[REDACTED] Colin Thomson/EDI/SGN@SGN, Mike Lynch/EDI/SGN@SGN
Date: 01/12/2009 16:06
Subject: Fw: Financial Contribution from SGN to TIE - Shandwick Place / Queensferry Road

Michael,

Subsequent to my e-mail earlier today about the above 400mm PE reinforcement main, I have come across the attached e-mail between John Casserley and myself dated the 23rd September 2009.

This e-mail confirms that the Shandwick Place / Queensferry Road 400mm PE main is included as part of the approx £1.25 m settlement value.

Therefore, if this link is not being fully installed by Tie, then SGN would expect to see a reduction in the amount paid to Tie.

Regards,

Allan Ross
Contracts Manager
Scotia Gas Networks

[REDACTED]

CEC00594320_0001

[REDACTED]
Incholm House, 11 West Shore Rd, Edinburgh, EH5 1RH

----- Forwarded by Allan Ross/EDI/SGN on 01/12/2009 16:02 -----

From: John Casserly <John.Casserly@tie.ltd.uk>

To: "Allan.Ross@scotiagasnetworks.co.uk" <Allan.Ross@scotiagasnetworks.co.uk>

Cc: Michael Blake <Michael.Blake@tie.ltd.uk>, "Mike.Lynch@scotiagasnetworks.co.uk" <Mike.Lynch@scotiagasnetworks.co.uk>, "roger@gasutil.net" <roger@gasutil.net>

Date: 23/09/2008 13:29

Subject: RE: Financial Contribution from SGN to TIE

Allan

Further to your e-mail attached and checking the details I agree the financial contribution from SGN as £1,254, 303 based on the scope of works agreed as at 8th September 2008. For the avoidance of doubt the agreed scope excludes the following:

1. The 30" gas main diversion at the Mound
2. The works carried out by SGN to accommodate Gogar – the cost of which are dealt with separately by other departments within SGN
3. The anticipated gas main diversions at Ingleston Park & Ride and the proposed Gogar underpass location – the cost of which will be dealt with separately by other departments within SGN
4. The increase from 17.8% to 25% in respect of risk - although 25% appeared reasonable to both parties SGN confirmed senior management would not agree to increase the level set within the previous agreement which allowed for remeasurement and valuation of the actual works undertaken etc.

In order to close the above formally have you had any thoughts on a payment plan and a form of words/agreement as discussed previously which we can adopt?

John

John Casserly
Commercial Manager - MUDFA

tie Limited
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From: Allan.Ross@scotiagasnetworks.co.uk [<mailto:Allan.Ross@scotiagasnetworks.co.uk>]

Sent: 08 September 2008 10:12

To: John Casserly

Cc: Allan.Ross@scotiagasnetworks.co.uk; Michael Blake; Mike.Lynch@scotiagasnetworks.co.uk; roger@gasutil.net

Subject: RE: Financial Contribution from SGN to TIE

John

I discussed this at length with Roger Ferguson and Mike Lynch on Friday and we reviewed in detail the negotiated

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contribution from SGN to Tie (as at November 2007).

It is our clear understanding that the agreed contribution of £1.447m (£1.200m + £0.247m) includes an allowance of £267,696 for Tie to undertake service pipe replacements of policy services in the Constitution and Leith Walk areas. As SGN are now going to undertake these works themselves, this cost will not be paid to TIE but will be borne by SGN.

In summary, SGN proposes to pay to TIE a total sum of **£1,254,303**, as detailed below, subject to final approval by the SGN Investment Committee.

Contributions for works outside of this scope (eg The Mound) to be dealt with separately.

Edinburgh Tram Project Review of SGN Contribution as at 18th August 2008

	Reductions £
Extract from SGN - tie agreement on costs November 2007:	
Total SGN Contribution - tie @ 25% Prime Cost O/H @ 9% & Design 2%	
tie's estimate of SGN Regulatory Income	
Changes since agreement:	
Contribution for MP diversion at Jane Street as diversion now considered to be required	
SGN request to change pipe diameter in York Place	10,454
Additional requested works at London Rd junction with Leith Walk CMIS 16833	
SGN reinforcement works at Shandwick Place - Queensferry St SCT21602	
Section 3b deferred by tie	8,458
Section 3c deferred by tie	30,778
Policy related service renewals in Constitution Street and Leith Walk to be undertaken now by SGN	267,696
sub totals	317,386

Revised SGN contribution

Notes:

Changes to replacement lengths in Leith Walk had already been taken into account by November 2007

SGN contribution as at November 2007 did not include the road crossing at Morrison Street.

SGN contribution as at November 2007 included a sum of £267,696 for policy service renewals in Constitution Street : now assumed to be undertaken by SGN, at SGN's cost.

Allan Ross
Contracts Manager
Scotia Gas Networks

Incholm House, 11 West Shore Rd, Edinburgh, EH5 1RH

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