

Date: 15 August 2013
Our Ref: 130815 Cobalt Consent Letter
Condition B2(2)
Your Ref:

J. S. MacLeod
Cobalt Water Limited
Gibbsyard
Auchincruive Country Estate
Ayr
KA6 5HN

Dear Scott

Standard Licence Condition B2 - Disapplication of SLC B2(2) for tenders

The purpose of this letter is to disapply the terms of paragraph (2) of Standard Licence Condition B2 for customers who go through a competitive tender process. Expressions used in this letter have the same meaning as in the Standard Licence Conditions.

Standard Licence Condition B2(2) requires, except where the Commission consents otherwise, all Licensed Providers to ensure that the relevant arrangements may be terminated by the customer on giving not more than twenty business days prior written notice.

The Commission has decided to disapply this licence condition in relation to any relevant arrangements made with a customer pursuant to a competitive tender process in the following circumstances:

1. the customer has entered a fixed term contract with the Licensed Provider;
2. the fixed term contract was agreed with the customer through a competitive tender process initiated by the customer and the Licensed Provider is able to demonstrate its participation and success in that process if requested to do so by the Commission; and
3. the Licensed Provider selected by the customer through the competitive tender process has notified the Commission that the customer's contract will incorporate this exception a minimum of 5 business days before any contract is signed.

The above consent shall remain in effect unless and until varied or revoked by the Commission.

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Chairman Professor Gordon Hughes

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I will also publish this letter on the Commission's website.

Yours sincerely,



David Walters
Analyst