



**MANCHESTER
CITY COUNCIL**

Richard Sharland

Head of Environmental Strategy

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Town Hall Manchester M60 3NY

Simon Brooke
Low Carbon Projects Manager
Electricity North West Limited
304 Bridgewater Place
Birchwood Park
Warrington
WA3 6XG

23 August 2010

Dear Simon

Collaboration with the Smart Grid Trial in Corridor Area

This letter documents a Statement of Intent by Manchester City Council ("MCC") to collaborate with Electricity North West Limited ("Electricity North West") on and produce a comprehensive Corridor Manchester Smart City Project Submission (the Full Submission") as required by the Office of Gas and Electricity Markets ("Ofgem") for registration for funding from the Low Carbon Networks Fund.

MCC has agreed to cooperate in the Full Submission and Appendix 1 states the collaboration action of MCC as part of their cooperation in the Corridor Manchester Smart City Project.

Through the collaboration and cooperation of MCC and Electricity North West, it has been agreed that Electricity North West will produce the Full Submission which will be submitted to Ofgem as part of the registration and application process of the Low Carbon Networks Fund. In order to achieve the Full Submission, MCC and Electricity North West together agree to use reasonable endeavours to comply with the obligations and timescales stated in this letter as part of their cooperation in the Corridor Manchester Smart City Project.

MCC and Electricity North West each agree and acknowledge that following the production of the Full Submission and the application for funding from the Low Carbon Networks Fund ("the Application") a decision ("the Decision") as to eligibility for future funding will be made by Gas and Electricity Markets Authority ("GEMA"). In the event the Decision is successful separate contractual agreements will be put into place between MCC and Electricity North West who will enter into good faith negotiations to agree fair and reasonable terms and conditions to regulate any relationship between themselves and which shall be required as a result of a successful Application.

Neither MCC nor Electricity North West shall use the name of the other in any press release or product advertising, or for any other commercial purpose, without the prior written consent of the other.

MCC and Electricity North West each have the right to terminate this Statement of Intent subject to a period of 6 months' notice being given to the other. This Statement of Intent may also be terminated at any time by mutual consent of both parties.

The Parties agree that if they intend to disclose to each other any information of a proprietary nature, the Parties will put a confidentiality agreement in place in advance of any such disclosure.

For the avoidance of doubt any rights of ownership to or title in any intellectual property shall not transfer under this Statement of Intent.

MCC and Electricity North West each agree that each shall be responsible for its own costs in preparing the Full Submission.

For the purposes of this Statement of Intent, the principal contacts of each of MCC and Electricity North West are as set out below:

(a) Manchester City Council: Mary Livingstone, Green City Team, Environmental Strategy, Town Hall Extension, Lloyd Street, M60 3NY.

(b) Electricity North West Limited: Simon Brooke, 304 Bridgewater Place, Birchwood Park, Warrington, WA3 6XG.

All future correspondence between MCC and Electricity North West shall be directed to the above individual, or as otherwise specified by notice in writing.

The principal contacts of MCC and Electricity North West shall meet periodically, as agreed, to review the status of the Full Submission and to agree the activities and responsibilities of MCC and Electricity North West to ensure deadlines are met.

Nothing in this Letter of Intention shall be deemed to establish any partnership or joint venture between MCC and Electricity North West, constitute MCC and Electricity North West being the agent of the other, nor authorise MCC or Electricity North West to make or enter into any commitments for or on behalf of any other.

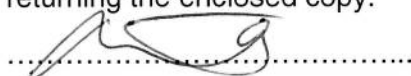
No Party shall be legally bound by this Statement of Intent or any part of it.

Yours sincerely,



Richard Sharland
Head of Environmental Strategy, MCC
duly authorised for and on behalf of MCC

Please confirm your agreement to the terms contained in this Statement of Intent by signing and returning the enclosed copy.



..... Director, Electricity North West Limited

duly authorised for and on behalf of Electricity North West Limited

Date: 2/9/10