

MGN Gas Networks (UK) Limited

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18 March 2005

Sonia Brown
Director, Transportation
Ofgem
9 Millbank
London SW1P 3GE

Dear Sonia

GAS DISTRIBUTION NETWORK SALES

OFGEM CONSULTATION: NETWORK CODE ARRANGEMENTS

This document is the formal response to the above consultation by MGN Gas Networks (UK) Limited (MGN). MGN has signed an Option Deed with National Grid Transco (NGT) to acquire the Wales and the West (W&W) Distribution Network (DN) being sold by NGT.

Please feel free to contact either Ed Beckley (020 7065 2039) or Nick Wye (020 8540 7691) should you wish to discuss any of the contents of MGN's response to your consultation.

Yours sincerely
MGN Gas Networks (UK) Limited

Howard Higgins
Division Director

Edward Beckley
Senior Manager

GAS DISTRIBUTION NETWORK SALES

OFGEM CONSULTATION: NETWORK CODE ARRANGEMENTS MGN GAS NETWORKS (UK) LTD RESPONSE TO CONSULTATION

We have been fully involved in the development phases of the various agreements as outlined in Ofgem's open letter. During the development phases we have reviewed the various drafts provided to the industry and have offered comments and views on numerous issues as they have arisen. As a result, the agreements, particularly the UNC documents have been continually modified and, in the main, accommodate a number of points raised over recent months by MGN, and other industry participants.

As a consequence we can state that, subject to the limited number of points raised in this response that we are comfortable with the output contained in the draft documents. We wish to make it clear, however, whilst we believe that nearly all the issues over which we have concerns have been addressed, nothing in this response should be taken as limiting our ability to raise additional comments in the second phase of this consultation. It is also important to note that any views expressed during the period of this consultation in no way limits our ability to raise UNC modifications in the future.

In order to assist Transco in the compilation of the responses we have inserted our comments into the matrix provided by Transco. We have elected to differentiate between issues, on the basis of significance and for this reason have submitted two annotated versions of the matrix as follows:

Matrix 1 – contains issues which, in our view are more significant in nature.

Matrix 2 – contains less significant issues, including minor drafting points.

The matrices have been submitted as Appendices to this response.