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Dear Sonia

Gas Distribution Network Sales – Stage 2 of consultation on the network code arrangements

Further to your open letter dated 29 March 2005, I am writing to confirm that we believe that NGT has addressed the issues and comments we raised during stage one of the consultation on the network code arrangements.

Based on the above and our full participation in the process, we believe that the proposed network code arrangements are suitable to support the divested industry structure that will arise following the sale of one or more of NGT's distribution networks.

Yours sincerely

Rob McDonald
Director of Regulation