

Northern Gas Networks Limited

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12th January 2007

Dear Julian

Modification 0127: Introduction of a DN Pensions Deficit charge on DNO Users

Northern Gas Networks support the implementation of the above Modification proposal. The proposal is a facilitating proposal allowing for any DN Pensions Deficit Charge to be levied using section S of the UNC.

Its implementation is conditional on the acceptance of the Pricing Consultation Paper (NTS GCM02) This UNC proposal anticipates an implementation date ahead of 1 April 2007 when such charges would be first incurred by DNs.

Yours sincerely

Robert Cameron-Higgs Network Code Manager