



The Directors
MGN Gas Networks (UK) Limited
Wales and West House
Spooner Close
Celtic Springs
Coedkernew
Newport
Gwent NP10 8FZ

21 November 2012

Dear Sirs,

Statement of Circumstances connected with our ceasing to hold office as Auditors

In accordance with Section 519 of the Companies Act 2006, we confirm that there are no circumstances connected with our ceasing to hold office as auditors of MGN Gas Networks (UK) Limited registered number 03046316 and its subsidiaries listed below effective from 21 November 2012, which we consider should be brought to the notice of the Company's shareholders or creditors.

Yours faithfully,

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP

Schedule of UK subsidiaries to which the letter also applies:-

| | |
|---------------------------------------|----------|
| MGN Gas Networks (Junior Finance) Ltd | 05149491 |
| MGN Gas Networks (Senior Finance) Ltd | 05149493 |
| Wales & West Utilities Finance plc | 06766848 |
| Wales & West Utilities Holdings | 07092596 |
| Wales & West Utilities Ltd | 05046791 |

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14/12/2012

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