

Dora Guzeleva  
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1 February 2012

Dear Dora,

**Update and further consultation on design features of the Network Innovation Competition**

Thank you for the opportunity to comment on the above consultation NGN's views on the two specific areas being consulted on are as follows.

*Participation of non RIIO networks in the NIC*

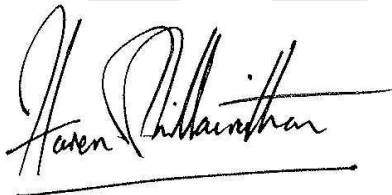
NGN has no objection to participation by these networks this can only increase the level of innovation, learning and development generated through the NIC. Of most relevance to NGN are the independent gas transporters (IGTs) we support their direct participation in the NIC. Ofgem should be careful when setting up the mechanism to allow IGTs direct participation in the NIC that it doesn't prohibit collaboration of IGTs in GDN NIC submissions. The latter may be a more feasible option for IGTs for certain projects.

*Funding of RIIO network NIC submissions through the NIA*

We agree with Ofgem's proposed sliding cap on funding of NIC submissions from the NIA.

Please let me know if you would like any clarification of any aspect of this letter.

Yours sincerely



**Haren Thillainathan**  
Regulation Manager