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Date 23rd March 2015

Dear Andrew

Version two of the Network Innovation Allowance (NIA) and Network Innovation Competition (NIC) Governance Documents

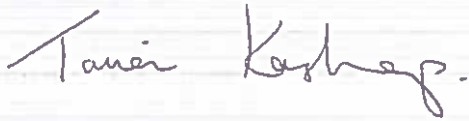
National Grid Gas Transmission (NGGT) has no objection to the changes proposed for version 2 of the Gas NIC and NIA governance documents.

We understand from the Innovation Working Group meeting on 3rd February that Ofgem's intention is to add clarification around ownership of jointly created IPR in both the NIA and NIC governance documents (paragraphs 7.9 and 9.7 respectively) and note that the clarification appears to have been omitted from the NIC documents (9.7).

We believe that it will be beneficial for all stakeholders involved in NIA and NIC funded projects for the terms around IPR to be consistent across both funding mechanisms.

We welcome the introduction of the innovation funding mechanism under RIIO, and look forward to working with our stakeholders and customers to deliver significant innovation benefits. Please contact me to discuss any elements of this response.

Yours Sincerely

A handwritten signature in black ink that reads "Tamsin Kashap". The signature is written in a cursive style with a long horizontal stroke at the end.

Tamsin Kashap
Gas Transmission Innovation Manager