

Network Innovation Competition Full Submission

Supplementary Answer Form

Tick if this answer is Confidential:

Tick if this answer has been provided verbally:

Project code:	SGN_GN_01	Question Number	14
Question date	05 th September 2013	Answer date	09 th September 2013
Submission section question relates to	Section 4		
Topic	Evaluation Criteria		
Question	As discussed at the Project meeting on 4 September, please clarify the arrangements with ULCR regarding the options to facilitate access to the technology and the associated commercial implications.		
Notes on question			
Answer	<p>Below are three examples of ways the technology can be rolled out following the completion of development and commercialisation. A full commercial appraisal and recommendations will be made as part of the project.</p> <p>Example Option 1 -</p> <p>ULC performs the work as a service to all distribution network operators in the UK. ULC is in the process of opening an office in the UK. A target price per metre has been determined which yields a positive cost benefit for gas customers. This target unit pricing will be used during the development process to guide critical design and operational decisions. Royalties will be paid by ULC to SGN. ULC will provide non-exclusive licenses to perform the service along with training, maintenance and spares to any qualified company or network operator in the UK under a separate licensing agreement.</p> <p>The benefit of ULC performing this work as a service is that a means for a rapid deployment of the technology following commercialisation. This would allow for customers the most efficient means of acquiring return on the investment in this project. As ULC licenses companies and network operators to perform the services, competition and increased efficiency will</p>		

	<p>bring prices down over time; further benefiting UK gas customers.</p> <p>Example Option 2 -</p> <p>Distribution Networks Perform the service directly within their own networks utilising their own resources. No licensing fee is due to ULC. ULC will provide an optional maintenance, spares and repair service to each distribution network under a separate service agreement. ULC will provide training and operational support as necessary under this service agreement. ULC will provide non-exclusive licenses to perform the service along with training, maintenance and spares to any qualified company or network operator in the UK under a separate licensing agreement.</p> <p>Example Option 3 -</p> <p>ULC will provide non-exclusive licenses to perform the service along with training, maintenance and spares to any qualified company or network operator in the UK under a separate licensing agreement.</p>
Attachments	
Verbal Clarifications (Consultants)	