

Gas Network Code Collaboration

6 March 2026

**Joint Office of Gas
Transporters**
Operated by **Encodar** Limited

XOSERVE

TALAN
Positive innovation

Supported by Licensed Gas Transporters



Purpose

1

To share how we propose to collaborate on **Code Management** and how our model aligns with **industry's requirements**

2

Outline the **next steps** and **indicative timelines** for the Code Manager application process

3

Answer your **questions** and use your **feedback** to inform our EOI submission and **future planning**

Introducing our Presenters



Paul McKie

Chief Executive
Officer

Encodar



Tony Nixon

Regulation
Director

**National Gas
Transmission**



Clive Nicholas

Strategy &
Development Director

Xoserve



Naomi Anderson

Head of Industry
Projects

Xoserve



Graeme Forbes

Director of
Development (Energy)

Talan

Agenda

Topic	Speaker
Our Collaborative Journey	Paul McKie & Tony Nixon
Code Reform – Opportunity for industry	Clive Nicholas
Proposed Model	Naomi Anderson & Graeme Forbes
Timings & Next Steps	Naomi Anderson
Q&A	Paul McKie

Our Collaborative Journey

Paul McKie & Tony Nixon

Our Collaborative Journey

Summer 2025

Initiated joint working on code collaboration and impacts of code reform

Winter 2025

Joint industry letter to Ofgem recommending a unified approach to code reform

January 2026

Encodar, Xoserve and Talan all individually invited to submit an Expression of Interest

Stronger together

Not-for-profit

Significant gas expertise

Over 40 years of experience

Code Manager transitional experience

Code Reform – An Overview

Clive Nicholas

Code Reform – Background

The licensed code regime

- The CMA market investigation in 2016 triggered reforms to code governance for simplification, streamlining and independent decision-making on changes
- Energy Act 2023, established a new framework for energy code governance
- Code manager licences can be awarded on either a competitive or non-competitive basis via a phased approach
- Ofgem has powers to direct both Code Managers and Central Systems Delivery Bodies (CSDBs)

Ofgem's Mission Statement:

Reform energy code governance to enable faster, more strategically aligned rule changes across the sector”

Code Reform – Opportunity for industry

Gas Network Codes

- Once-in-a-generation opportunity to deliver change strategically, simplify current arrangements, increase digital integration and prepare for decarbonisation
- Code Reform Phase 2 replaces the current existing code administration for the Uniform Network Code (UNC) and IGT UNC with one licensed Code Manager
- Gas industry codes UNC and IGT UNC will be consolidated into a single code
- Consolidate central bodies benefiting industry and consumers


Making a positive difference
for energy consumers

Email: industrycodes@ofgem.gov.uk
Date: 26 January 2026

NOTICE SEEKING EXPRESSIONS OF INTEREST FROM ANY PERSON INTERESTED IN BECOMING A CODE MANAGER CANDIDATE FOR THE ELECTRICITY COMMERCIAL CODE OR THE GAS NETWORK CODE.

The Gas and Electricity Markets Authority (the Authority)¹ is seeking expressions of interest pursuant to Regulation 3(5) of the Code Manager Selection Regulations 2024² from any persons interested in becoming a code manager candidate for the electricity commercial code or the gas network code.

Background

Under new powers created by the Energy Act 2023 ('the Act'), the Authority will be responsible for selecting code managers, leading to the potential grant of a code manager licence (as defined in section 7AC of the Gas Act 1986 and/or section 6(1)(g) of the Electricity Act 1989).³ Each code manager will be responsible for the governance of its respective designated code, which they will be obligated to do in an independent and impartial manner. They will also be responsible for facilitating the development of the codes in line with the policy priorities set out in our annual Strategic Direction Statement.⁴

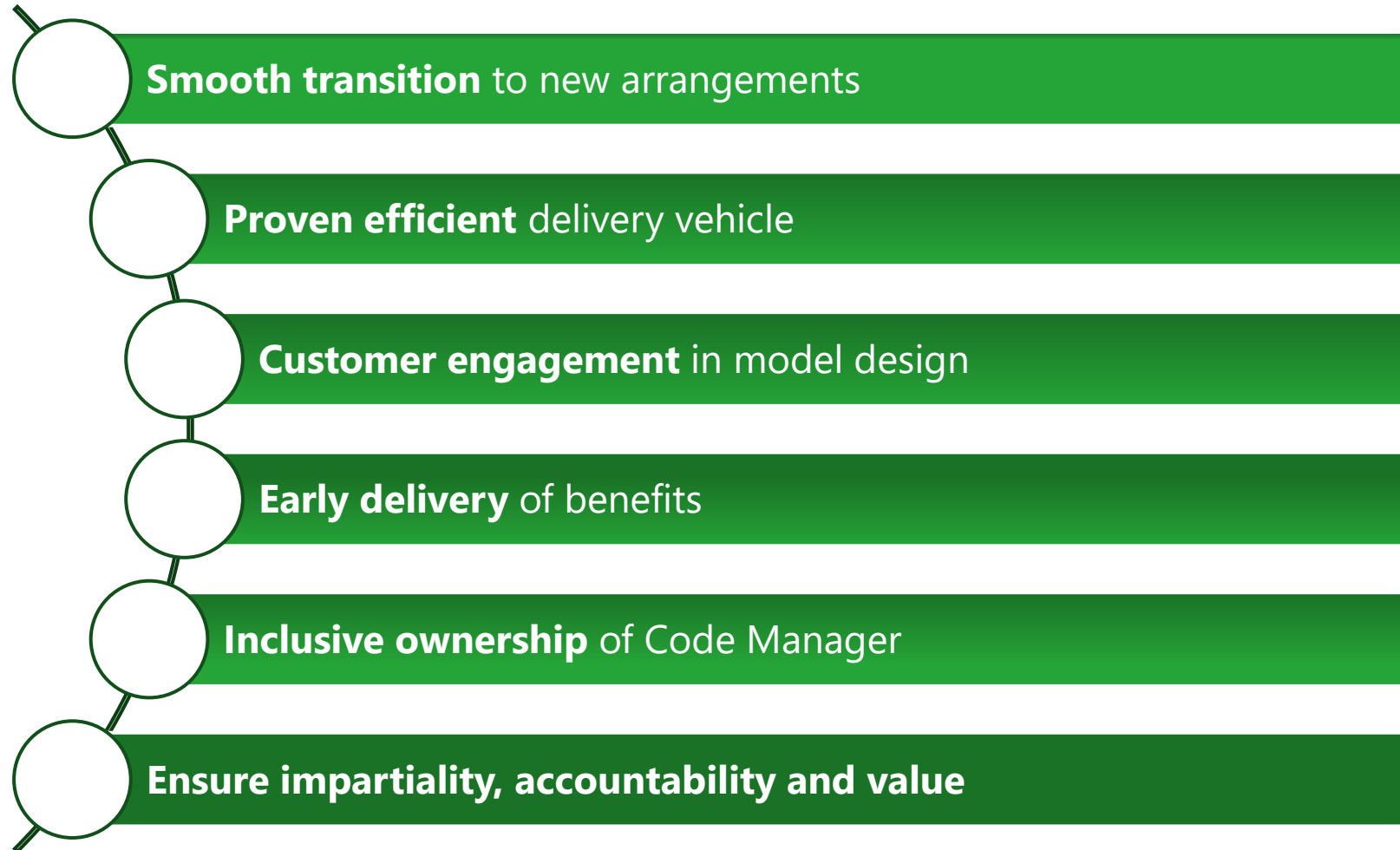
We will have to exercise our discretionary power to award a code manager licence on a reasonable basis. In particular, section 187(1) of the Act makes provision for the selection of a code manager by the Authority on either a competitive basis (in accordance with regulations

¹ References to the "Authority", "Ofgem", "we", "us" and "our" are used interchangeably in this document. The Authority refers to GEMA, the Gas and Electricity Markets Authority. The Office of Gas and Electricity Markets (Ofgem) supports GEMA in its day-to-day work. This determination is made by or on behalf of GEMA.
² The Code Manager Selection Regulations 2024
³ See Gas Act 1986 and Electricity Act 1989 respectively.
⁴ See Section 190 of the Act.

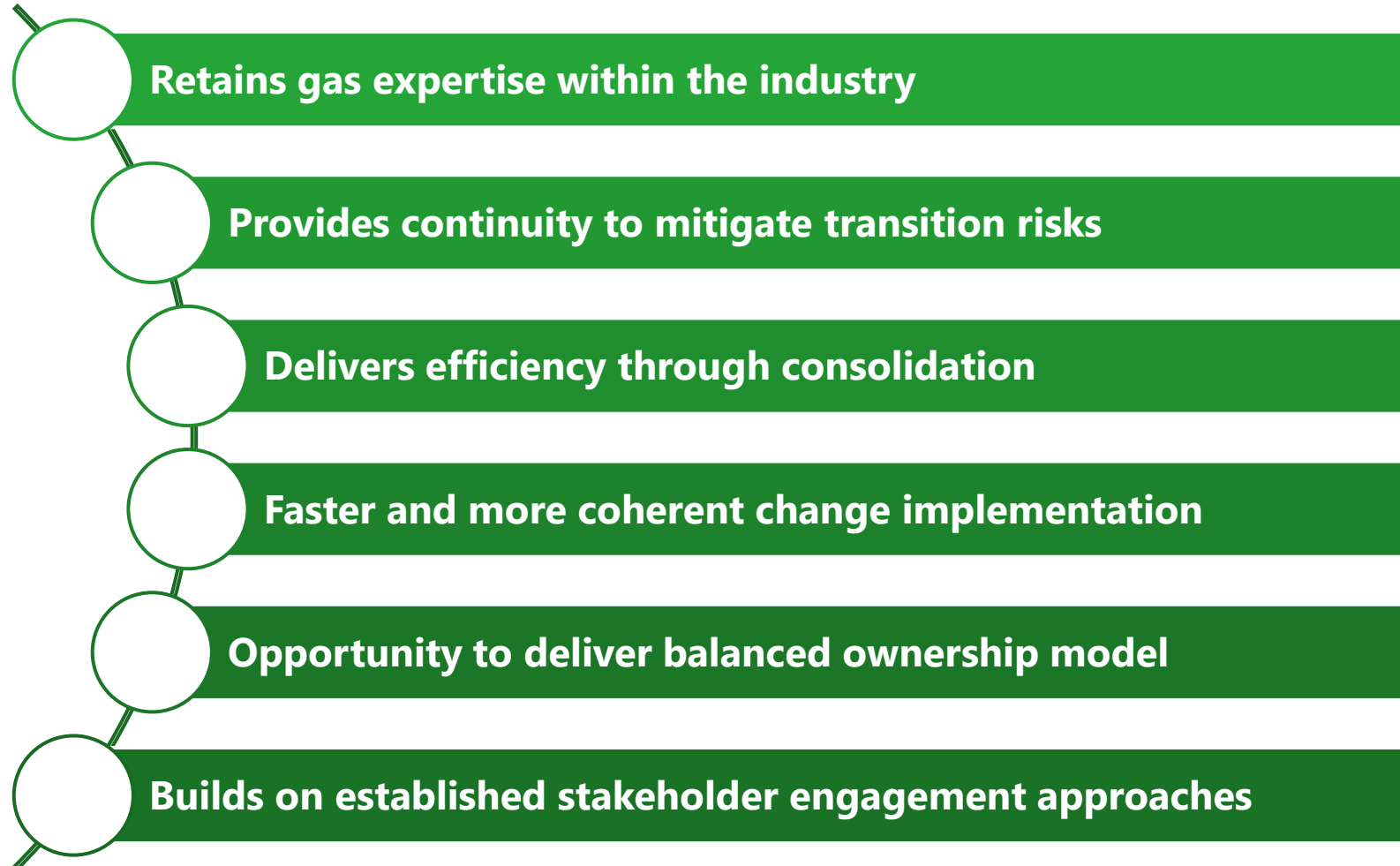
The Office of Gas and Electricity Markets
10 South Colonnade, Canary Wharf, London, E14 4PU Tel 020 7901 7000
www.ofgem.gov.uk

EOI notice 26/01/2026

Code Manager – Stakeholder Objectives



Benefits of our collaborative approach



10th December 2025

Kate Lloyd
Ofgem,
10 South Colonnade,
Canary Wharf,
London,
E14 4PU

Dear Kate,

Appointment of the Unified Gas Network Code Manager – Industry Collaboration

Thank you for the opportunity to speak with you and your Code Reform colleagues at our call on 6th November. As a follow-up to the meeting, we wanted to share an update on our collaborative work to help ready the gas network codes for consolidation and the appointment of a Code Manager.

As a collective of Licenced Gas Transporters (both Independent and those regulated via RIIO, collectively referred to as the "GTs"), Encodac as the provider of Uniform Network Code administration services (via the 'Joint Office'), and Xoserve as the Central Data Services Provider, we have committed to work together to jointly design a proposal for a Unified Gas Network Code Manager model. This joint proposal will consolidate license obligations under one Code Manager organisation, simplifying governance arrangements, enabling closer collaboration between system and code changes and ultimately reducing costs. Our intent is for this model to be tested with wider gas network code constituencies, before being shared with Ofgem for consideration as part of the Expressions of Interest process.

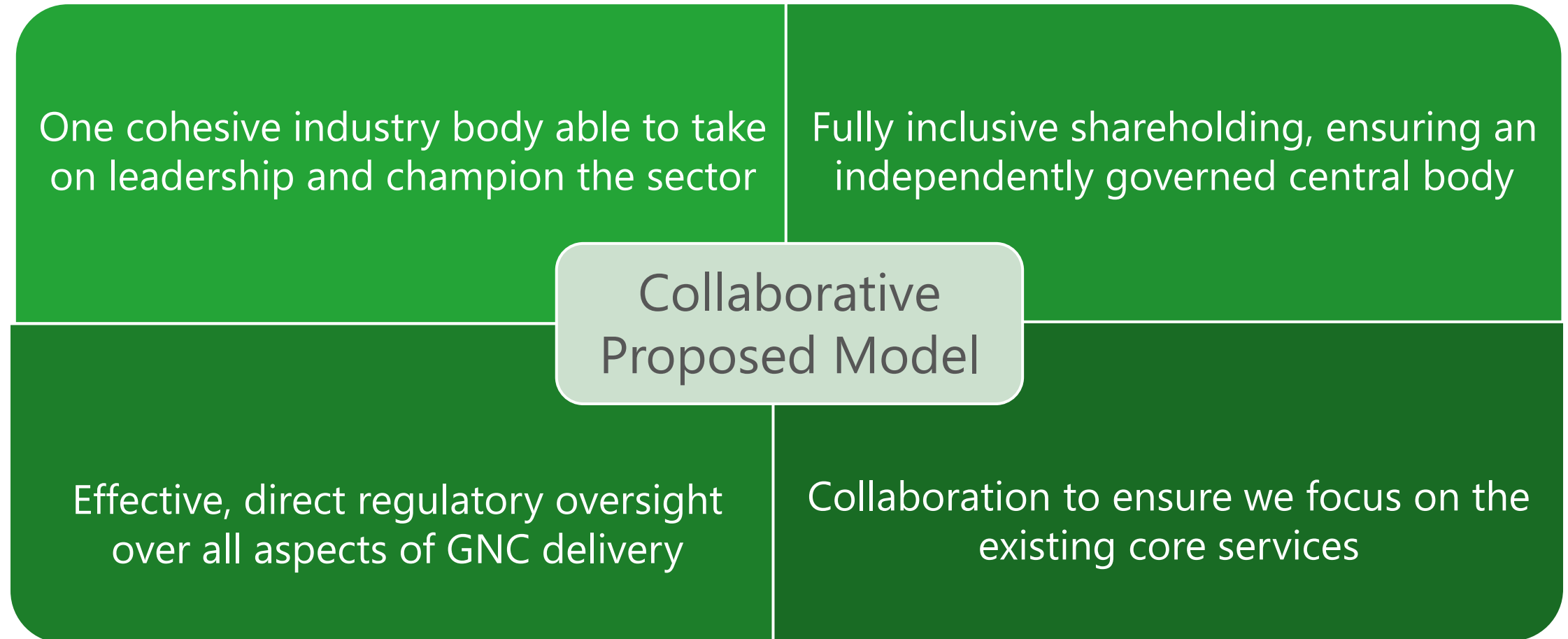
The GTs, Encodac and Xoserve all play a critical part in the functioning of the gas network codes, and our roles are enshrined within the current framework. National Gas Transmission (NGT) and the Gas Distribution Networks (GDNs) presently have Standard Special Conditions in their licences that require: the establishment of common transportation arrangements (A11), the provision of joint code administration services (A12), and the continued appointment of a CDSP (A15). Similarly, the Independent Gas Transporters (IGTs) hold regulatory obligations that require them to establish common transportation arrangements and

Joint letter to Ofgem
10/12/2025

Proposed Model

Naomi Anderson & Graeme Forbes

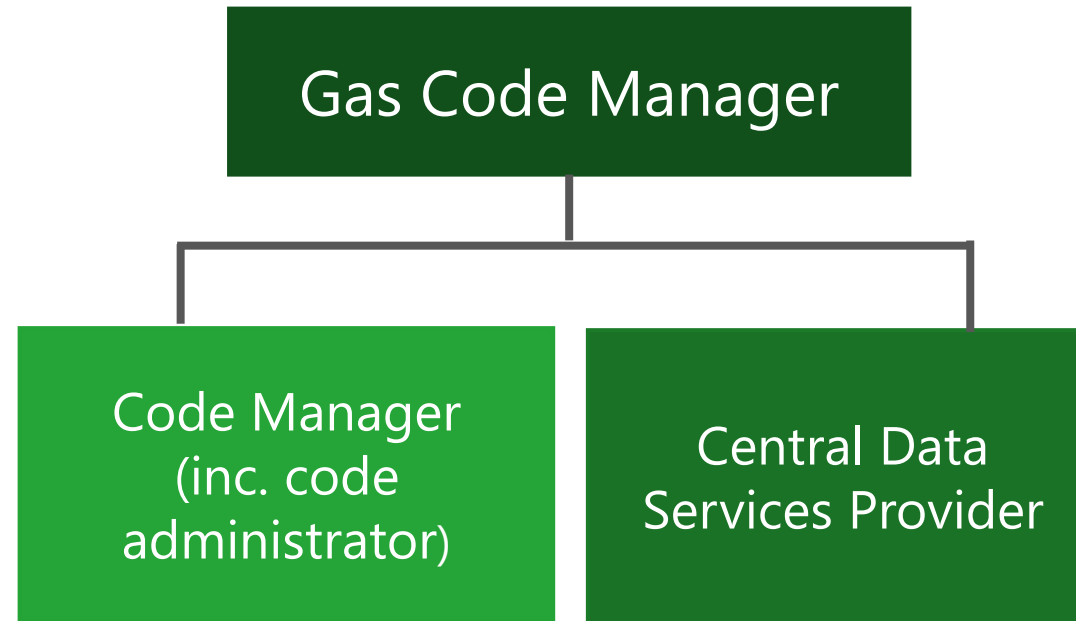
Model's alignment to Stakeholder feedback



One cohesive industry body able to take on leadership and champion the sector

Gas Code Manager

- Single entity – with an evolved Xoserve as the licence holder
- Accountable under licence for the ongoing development of the GNC and the provision of a CDSP function
- Diversified board to meet ‘Sufficiently Independent’ requirements
- Clear Governance arrangements to ensure independent decision making



Shared Services

- Clearer, more coordinated management of strategic industry change
- Efficiency opportunities through shared support services and regulatory expertise across both functions

Our collaborative model combines specialist expertise in the end-to-end gas network code

Fully inclusive shareholding, ensuring an independently governed central body

Ownership

Optimal evolution of the CDSP's current ownership structure

- Allow any code party to own a share of code manager
- Ensure representative ownership model

Governance

Evolve the board to become increasingly independent

- Evolve the existing board arrangements
- Ensure a balance between independence and current industry knowledge

Effective, direct regulatory oversight over all aspects of Gas Network Code delivery

- Code Reform introduces a new type of Ofgem Licence that creates a direct relationship between the regulator and code bodies
- Our solution is efficient and avoids duplicated oversight
- Expanding the gas network code manager to include CDSP maximises these benefits and will deliver change more strategically and effectively

Collaboration to ensure focus on the existing core services

New workgroup created to:

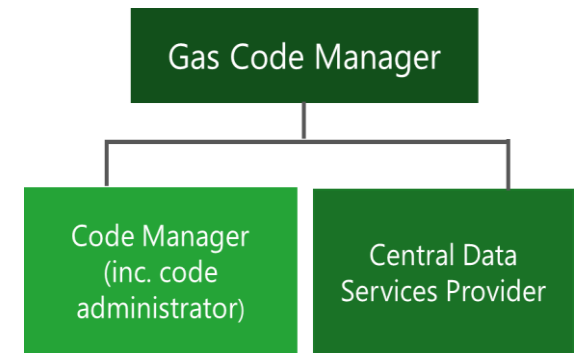
- Ensure impacts on existing arrangements are understood and industry is prepared
- Prepare for changes being introduced ahead of code manager award, including Modification Prioritisation Process & Strategic Direction Statement
- Agree how to monitor existing core service performance
- Resources to be ringfenced to protect core service provision

**Ensuring
continuity,
transparency,
and resilience**

Collaboration to ensure focus on the existing core services

Our partnership will ensure

- ✓ Alignment with Ofgem's requirements
- ✓ Current arrangements are maintained and enhanced
- ✓ GNC is drafted correctly considering all parties' needs
- ✓ Relevant elements from UNC and IGT UNC will be transferred to GNC



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Governance

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Timings & Next steps

Naomi Anderson

Timelines & Next Steps:

Code Manager appointment schedule



Upcoming code reform publications and consultation opportunities



We are committed to working with stakeholders to develop the optimal solution

Q&A

Paul McKie

Thank you and Contact details



Paul McKie

Encodar

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Clive Nicholas

Xoserve

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