

11<sup>th</sup> August 2025

Charles Clark  
Ofgem  
10 South Colonnade,  
Canary Wharf,  
London,  
E14 4PU



Dear Charles,

**Data Best Practice as a Code Obligation Consultation – Cadent Gas Limited response**

As a licenced gas transporter (GT) who has been subject to the Data Best Practice (DBP) since 2023, we support the guidance's overall intent of making Data Users' interactions with Energy System Data more consistent, open, and effective for their specific purposes. We also understand that by implementing the policy within the energy codes, the obligation to comply with the guidance will be extended to both parties not directly licensed by Ofgem and licensees currently without conditions relating to the DBP (e.g. code administrators and gas shippers).

From a GT perspective, the Uniform Network Code (UNC) is the principal energy code that Cadent interacts with. We hold a Licence condition (SSC A11) to have in place transportation arrangements in the form of a network code that is unified with the other GTs' equivalent documents to form the UNC. We also hold Licence condition SSC A12 that defines arrangements for the joint governance of a code administrator – we note that the GT Licence drafting in the consultation's Appendix 2 does not include either of these conditions, and instead is based on the Independent Gas Transporter (IGT) Licence condition. We would expect proper governance to be followed, should conditions within the GT Licence be modified.

The UNC defines countless rules, obligations, and processes that utilise Energy System Data owned by Cadent. Parties such as the code administrator ("Encodar") and the Central Data Service Provider ("Xoserve") are appointed as custodians and process this Energy System Data on a daily basis. By implementing the framework within the energy codes, we think it's important that the obligations build



upon rather than duplicate the responsibilities of existing Licence condition holders.

The consultation acknowledges the reforms happening in parallel to consolidate energy codes and appoint code managers. This work is progressing at pace with Ofgem recently announcing the appointment of Elexon and RECCo as the BSC and REC code managers respectively. Focus will now shift to reforms in the other codes, and this consultation proposes to not initiate any investigative or compliance action until after a period of two years post-obligations coming into effect. As such, there may be a relatively short window in which the policy's benefits will be fully realised within some codes. Instead, it may be more appropriate and enduring to use the code manager Licence as the vehicle for implementing DBP within codes such as the UNC.

As noted above, the consultation document's referencing of the relevant UNC Licence conditions and code administrator is incorrect – SC 9 is switched off in the GT Licence, Encodar are the UNC code administrator through the JGAA, and there isn't currently a "Network Code and Uniform Network Code manager". However, interpreting the intent of Ofgem's proposals, and in the event that Ofgem decide to implement DBP within the UNC prior to the appointment of a Unified Gas Network Code manager, we think the most appropriate way to implement the policy would be:

- To update GT Licence condition SSC A11 to extend the code administrator's powers and functions to encompass:
  1. the duty to facilitate arrangements that ensure the DBP guidance is considered when modifications are proposed and the panel assesses them, and
  2. The preparation and publication of the DSAP at the agreed intervals.

By implementing the responsibilities within the UNC via SSC A11, the area of Licence most likely to transfer to the future Unified Gas Network Code manager will contain the provisions that give effect to the DBP within the UNC.

Further detail relevant to specific consultation questions is included below:

**Q1. Do you agree with our intent to expand DBP Guidance into the codes?**

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We agree that implementation of DBP into the energy codes has the benefit of extending the obligation onto additional industry actors to give consideration to the guidance. However, we think care must be given when implementing the policy to avoid duplication and uncertainty – particularly when allocating responsibilities over data processed through a code activity but owned by a party with a direct DBP obligations within their own Licence (GT Licence Special Condition 9.5). Additionally, the consultation consistently proposes the standard of “best endeavours” in terms of code administrators and panels’ work and decision making involving Energy System Data. We consider “reasonable endeavours” to be more appropriate, given that third parties such as code administrators and CDSPs that support the effective implementation of the energy codes operate on a not-for-profit basis. Requiring the standard of “best endeavours” would oblige third parties to do everything within their power, which we consider disproportionate given their industry role.

**Q2. Do you agree with the proposed deadline of six months after the Licence condition is applied for the consequential code modification? If not, please state your reasons specific for the relevant code and modification process.**

We do not agree that six months is sufficient time to fully develop a UNC modification. Xoserve will likely play a role in developing the DSAP, meaning that as well as UNC change, attention will need to be given to the Data Services Contract that governs Xoserve’s delivery of CDSP services. There will be a need to embed effective governance and coordination between the code administrator and CDSP, and update the modification rules to ensure Panel decisions consider the DBP. Given the significant modification workload driven by BAU change and other policies such as the Debt Relief Support Scheme, Gas Shipper Obligation, and Supplier of Last Offset Levy, it may require more time to develop the necessary code modifications. Furthermore, the code administrator and CDSP will need to ensure that they possess the necessary expertise and resources to discharge the obligations to the required standard. Both Encodar and Xoserve are incentivised to deliver their current services on an economic and efficient basis, meaning that they are unlikely to have resource flexibility to immediately pick-up any new obligations. Sufficient time should be afforded to allow parties to recruit/upskill resources where required.

**Q3. Do you agree with the minded-to position that the obligation to produce DSAPs is suitable and proportionate for code bodies? If not, what alternative would you propose to achieve the same or greater benefits**

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Specifically in relation to the UNC, the consultation proposes for the Uniform Network Code Panel to publish a Digitalisation Strategy and Digitalisation Action Plan at the frequency required by the DSAP guidance. The UNC code panel, as the suggested holder of this obligation, is an outlier compared to other codes such as the Grid Code and DCUSA, where it is proposed for the code administrators to hold this responsibility. As with many of the other codes, we think the UNC code administrator is a more appropriate and logical vehicle through which to discharge the obligation to publish Digitalisation Strategy and Digitalisation Action Plans. The composition of the UNC panel is transient, and the duty to prepare and publish action plans would represent a material shift from their existing responsibilities (versus the code administrator's). Finally, Xoserve is the custodian of a vast range of Energy System Data, which they process to deliver sector-critical activities such as settlement, supply point capacity management, and invoicing. Due to their industry position, we would expect Xoserve to assist the code administrator in the preparation of Digitalisation Strategy and Digitalisation Action Plans, and this collaboration could be formalised through subsequent code modifications.

This matter highlights the challenges created by the current regulatory treatment of the gas code, administration and data services. We note that the creation of new Licences and changes to existing Licences to create a new Gas Code Manager provides an opportunity to establish a more streamlined and effective arrangement.

**Q10. Do you have any concerns, or can you see any risks or issues, with the proposed changes to the Gas Transporter Licence amending the UNC and IGTUNC?**

As noted above, the consultation's Appendix 2 drafting under the "*Uniform Network Code (Including Independent Gas Transporter Uniform Network Code)*" section only makes reference to the IGTs' Condition 9. As such, we've found it difficult to comment on perceived risks and issues relating to the GT Licence, and our feedback is largely based on our interpretation of Ofgem's intent. To be able to effectively respond through a consultation process, we would expect corrected drafting to be reissued with adequate time for a response, prior to any GT Licence amendments being enacted.

Yours faithfully,

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Industry Codes Manager

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