

DETERMINATION PURSUANT TO REGULATION 3(8) OF THE CODE MANAGER SELECTION REGULATIONS 2024 OF THE BASIS OF SELECTION OF A CODE MANAGER FOR THE GAS NETWORK CODE

This determination sets out the decision of the Gas and Electricity Markets Authority (‘the Authority’),¹ under section 187(1) of the Energy Act 2023 (‘the Act’), to proceed with the selection of a code manager for the Gas Network Code (GNC) on a non-competitive basis.

Background

Under new powers created by 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).² 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.³

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

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 See [Gas Act 1986](#) and [Electricity Act 1989](#) respectively

³ Section 190 of the Act covers the requirements under the Strategic Direction Statement.

Authority)⁴ or a non-competitive basis (in accordance with regulations made by the Secretary of State).⁵

When deciding whether to select a code manager for the GNC on a competitive or non-competitive basis, the Authority has considered the following:⁶

- **speed of delivery:** including the time needed to undertake a selection process, whether an existing entity may possess sufficient experience and expertise to meet the relevant eligibility criteria, and whether the code in question has been consolidated and may therefore have more than one incumbent code administrator or code body to consider,
- **value for money:** including whether there is likely to be sufficient interest to justify a competitive process, whether there is likely to be sufficient value in running a competitive process (in terms of both potential cost savings and quality of outcomes), and whether competitive pressure is likely to be available through alternative mechanisms, and
- **expressions of interest:** the information gathered from parties who responded to our call for expressions of interest (EOI) in becoming a code manager candidate for the GNC on 26 January 2026,⁷ pursuant to Regulation 3(5) of the Code Manager Selection Regulations 2024 ('the Regulations').

In May 2025,⁸ we decided to base our selection route decision for the GNC, in part, on the information gathered during a public EOI process, where any interested body would be able to put themselves forward as a potential code manager candidate. We made this decision because we did not consider that there was sufficient rationale, in line with our

⁴ [The Code Manager Selection \(Competitive\) Regulations 2025.](#)

⁵ [The Code Manager Selection Regulations 2024](#)

⁶ Further information on the process that we used to reach this decision can be found in our [Guidance on code manager selection.](#)

⁷ [Expression of interest invitation: code manager candidates](#)

⁸ [Energy code reform: decision on code manager selection](#)

considerations of speed of delivery and value for money, for us to invite only a single body to express interest in becoming a code manager candidate for this consolidated code. Instead, we recognised that code consolidation meant that there would be multiple incumbent code administrators and related code bodies who may possess the right expertise and experience for this new role. We also noted that the consolidated codes would have a broader scope than they do currently, so there may be benefits from opening them up to a wider range of potential candidates.

Summary of reasons for the Authority Decision

We have decided to consider Xoserve Limited (“the Candidate”)⁹ for selection on a non-competitive basis, who expressed interest as part of a formal collaboration between the Candidate, Encodar Limited (as the Joint Office for Gas Transporters) and Talan UK & Ireland Limited.

The Candidate submitted a completed eligibility assessment form to us on 19 March 2026. On 24 March 2026, we wrote to the Candidate to acknowledge receipt of the form.

The Candidate was required to satisfy the Authority that it met relevant eligibility requirements, as set out in our guidance on code manager selection (‘the Guidance’).¹⁰ The criteria were as follows:

1. **Basic information and expression of interest:** verification of relevant information about the Candidate, such as their solvency history, any recent substantive company changes, licensing history, etc., plus a requirement for the Candidate to express interest in the role.

⁹ Lansdowne Gate, 65 New Road, Solihull, B91 3DL

¹⁰ [Guidance on code manager selection](#)

2. **Suitability to hold a licence:** verification of whether the Candidate is fit and proper to hold a licence, by considering any disclosure or adverse information brought to light in respect of any directors, major shareholders, persons in effective control of the Candidate, or any person with significant managerial responsibility.
3. **Conflicts of interest:** affirmation of the Candidate's intent to comply with relevant conflict-of-interest requirements in the draft code manager standard licence conditions (SLCs) or to meet the requirements with the possibility of Authority approved exceptions to the SLCs, where this would not constitute an undue risk of conflicts of interest.
4. **Relevant experience:** evaluation of whether the Candidate has experience relevant to fulfilling the code manager role in key areas (ie, code administration, applying the relevant code's objectives, project management, stakeholder management, and delivering projects within budget).

We have assessed the information provided to us and have determined that, by reference to the criteria set out above, we consider that the Candidate is eligible to be considered for the potential grant of a code manager licence.

Given our determination of the Candidate's eligibility, and our determination that no other eligible parties expressed interest, we consider that the Candidate's selection on a non-competitive basis will satisfy our key considerations of speed of delivery and value for money set out above.

Authority Decision

We have decided, under section 187(1) of the Act, that the selection of the person who may become the code manager for the GNC is to be made on a non-competitive basis.

The Office of Gas and Electricity Markets

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Next Steps

The Candidate will be invited to submit a licensing assessment form, using the form in Appendix 2 of the Guidance. In completing that form, they will be required to demonstrate that they have credible plans for taking on this new role, and that they can present appropriate conflict-of-interest mitigations where those may be required.

Following our assessment of the Candidate, in accordance with the process established under Regulation 5 of the Regulations, we will publish a notice of our decision stating whether we propose to grant it a licence and, if the Candidate is successful, the reasons why we propose to grant it a licence. We will also allow for a period within which representations may be made.

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Cathryn Scott
Duly authorised on behalf of the Authority

Date: 1 June 2026