
Implementation of the energy code reform: Second decision – response template

This document provides a template for responses to our new consultation questions on the proposed code text and current conflict of interest provisions.

If you are interested in responding to this consultation, please complete this word document and send it to industrycodes@ofgem.gov.uk by the end of the day on Friday 17 April 2026.

Guidance

We typically publish consultation responses when we publish our decision. To ensure that we can correctly attribute your response, please ensure that you enter all relevant details in the “Your organisation’s details” section (template part 1).

If you would like us to treat your response as being confidential, either in full or in part, please indicate this to us below. Further information on how we will treat your response, data and confidentiality can be found at the end of this document.

Please use template part 2 “Code text consultation responses” to provide your responses. For all questions, the template below provides space for you to enter free text comments. Some questions also ask whether you agree with our proposals. Please indicate the extent to which you agree or disagree with relevant proposals by deleting all but one of the bullets provided.

There is also a section for “General feedback” (template part 3). Please use this section to provide any views on the overall consultation process.

Template part 1: Your organisation's details

Contact name	Paul McKie & Clive Nicholas
Role title	CEO (Encodar) & Director of Strategy and Development (Xoserve)
Company name	Encodar Limited (operating the Joint Office of Gas Transporters) & Xoserve Limited (CDSP)
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Date of submission	16/04/2026
Do you want your response treated as confidential? (If yes, please indicate whether you would like the whole of your response to be confidential, or just particular parts).	No

Dear Kate,

The Joint Office and Xoserve are jointly responding to this consultation from a gas perspective only, in our capacity as the incumbent Code Administrator and CDSP.

We agree that the proposed code modification and Stakeholder Advisory Forum (SAF) text reflects Ofgem's policy decisions as set out in the main documents. We have raised some specific comments regarding the following sections in the response template below:

Future code modifications process

A1-2 / A7 / A15 / A16 / A20

Stakeholder Advisory Forum (SAF)

B1-3 / B6 / B8 / B11

We also wanted to note that:

1. The proposed text is at a level of detail that would normally be included in ancillary documents, like a procedure or Terms of Reference, rather than in the main body of the Code.

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Is there an opportunity via the Code Consolidation Workgroups to explore the most appropriate way that the proposed text can be implemented in a way that is consistent with the current code format.

2. Under the SAF proposed text Section B11 we have highlighted several areas where the SAF Chair is responsible for administrative type activities. We believe that these responsibilities should sit under the Code Manager, even if on behalf of the SAF Chair.
3. Section B6 addresses how a SAF member can be removed from office but we wanted to raise a broader concern around how the Code Manager would deal with a poor performing SAF.

In the meantime, if we can be of any further assistance, please do not hesitate to contact us.

Yours sincerely

By email

Paul McKie (CEO of Encodar) & Clive Nicholas (Director of Strategy and Development - Xoserve)

Template part 2: Code text consultation responses

Consultation section 2: Future code modifications process

For each section of the proposed code text, please answer the following question:

Question 1: To what extent do you agree that the proposed code text accurately reflects our policy decisions set out in the main document?

Sections: A1-22

Sections A1-A2: To what extent do you agree that the proposed code text accurately reflects our policy decisions set out in the main document?

Comments:

A2.5: a) refers to the Modification Procedures. Is this a separate document or is the 'Proposed code modification text' the procedure?

A2.12: How does this work when the Code Manager takes ownership of a Modification Proposal under A2.10? Would the Code Manager then become the Proposer?

Section A7: To what extent do you agree that the proposed code text accurately reflects our policy decision set out in the main document?

Comments: A pre-modification is where the proposer is clear on the solution, whereas an Issue is a topic that needs further discussion before the solution can be identified. It would be useful to have these separated into a Pre-Modification process and an Issues process.

A7.1: It states that the Pre-Modification process is not a mandatory step for **all** Modification Proposals, this implies that this step is therefore mandatory for **some** Modification Proposals.

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Section A15: To what extent do you agree that the proposed code text accurately reflects our policy decision set out in the main document?

Comments:

A15.8: Is there any clarification around what would make a Modification Proposal a ‘better proposal’?

Section A16: To what extent do you agree that the proposed code text accurately reflects our policy decision set out in the main document?

Comments:

A16.10: In order to support Ofgem, is it worth adding that a code manager decision is only appealable if it conflicted with the majority ruling of the SAF?

Section A20: To what extent do you agree that the proposed code text accurately reflects our policy decision set out in the main document?

Comments:

A20.1: Suggest that this is amended to include that the Code is modified in accordance with the approved implementation timetable (as per A20.2 a)). This will ensure that the Code is amended inline with any process or system changes that also need to be implemented alongside the Code text.

Question 2: Are any amendments needed to the proposed code text to ensure it reflects the specific requirements for the BSC and REC?

Comments: none

Consultation section 3: Stakeholder Advisory Forum (SAF)

For each section of the proposed SAF text, please answer the following question:

Question 3: To what extent do you agree that the proposed SAF text accurately reflects our policy decisions set out in the main document?

Sections B1-3: To what extent do you agree that the proposed code text accurately reflects our policy decision set out in the main document?

Comments: Would you want the SAF to provide views on the modification priority?

Section B6: To what extent do you agree that the proposed code text accurately reflects our policy decision set out in the main document?

Comments: Do Ofgem have any views on how the Code Manager would deal with a 'poor performing' SAF? The proposed code text makes reference to the removal of individual SAF members, but how will overall SAF performance be monitored, especially if the independent members are paid.

Section B8: To what extent do you agree that the proposed code text accurately reflects our policy decision set out in the main document?

Comments: 8.5 Would suggest that rather than have another independent member perform the Chair role for that meeting, the SAF Chair just refrains from voting on the Modification Proposal(s) that there is deemed a conflict of interest, but continues to chair for the other agenda items / Modification Proposals where there is no conflict of interest.

Section B11: To what extent do you agree that the proposed code text accurately reflects our policy decision set out in the main document?

Comments: We believe that the Code Manager is better placed to carry the activities listed below, rather than the SAF Chair.

11.8 / 11.9 / 11.11 (a) / 11.12 / 11.17 / 11.20 - suggest that it's the Code Manager who is responsible and not the SAF Chair.

11.23 / 11.24 / 11.25 – suggest that it's the Code Manager who writes up the SAF's assessment and not the SAF Chair. The Code Manager could carry this out on behalf of the SAF Chair.

Question 4: Are any amendments needed to the proposed code text to ensure it reflects the specific requirements for the BSC and REC?

Comments: none

Question 5: Do you have any views on whether conflict of interest provisions should be introduced under current panel arrangements?

Comments: We would suggest that the conflict of interest provision is not introduced under current panel arrangements.

We often have modifications that can split the Panel members by constituency, so would the entire constituency be directed not to vote if we deemed it a conflict of interest?

It would be difficult to identify whether there was a conflict of interest, and who has the final say if the member in question disagrees?