

The Joint Office of Gas Transporters
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Monday 5th July 2021

Future status of the Joint Office of Gas Transporters

Dear Colleague,

On Thursday 15th April 2021, the Joint Governance Arrangements Committee (JGAC) wrote an open letter, informing the industry of our intention to move the work presently undertaken by the Joint Office of Gas Transporters (JO) into a new limited company.

In the letter, JGAC invited views from the industry in relation to the future of the JO and members of the JGAC also attended the UNC Modification Panel on Thursday May 20th, 2021, where we spoke and took questions from the UNC Modification Panel and industry parties.

We are writing to you today, to provide you with an update in relation to our recent industry communications relating to the future status of the JO.

In total, six parties provided written feedback to the JO. Respondents asked JGAC and the JO to consider several areas including but not limited to, the BEIS and Ofgem Code Governance proposals, (now part of the Energy White Paper) outputs and lessons learned from the establishment of the Retail Energy Code (REC), future ownership and funding of the JO, future service offerings and a possible merger between the JO and XoServe. A copy of the responses can be found at <https://www.gasgovernance.co.uk/JOFutureStatus/communications>

Following the UNC Modification Panel, we met with Ofgem on 9 June to discuss the feedback that we received from stakeholders and to further discuss the proposed amendments to the JGAA. We also informed Ofgem of our intention to delay formation of the new company until October 2021 to allow time to put in place requirements for the new company and for Ofgem to conclude its assessment of the JGAA.

Finally, we continue to believe that our proposal is a positive first step for the JO to be able to meet the challenges of the coming years and provide enhanced services to the industry. More importantly, it creates a platform for stakeholders to shape its future and make the changes we all need to support the energy market in meeting the Net Zero challenge.

We wish to thank the industry for their contributions, and we look forward to working with you over the forthcoming months.

Yours sincerely

By email

Joanna Ferguson, Chris Logue, Richard Pomroy, Paul Rogers and David Handley

Joint Governance Arrangements Committee (JGAC)