

Penny Garner Chief Executive Joint Office of Gas Transporters

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Letter by e-mail to: penny.garner@gasgovernance.co.uk Date: 07 January 2018

Dear Penny,

As you know, in approximately three months, on 29 March 2019, the UK plans to leave the EU. The UK Government has agreed the full legal text of the Withdrawal Agreement with the EU and remains confident that this will provide the basis for a smooth and orderly exit. However, all parties need to continue to prepare for all possible scenarios until the final terms of withdrawal have been ratified both in the UK and the EU.

As the Code Administrator for the Uniform Network Code (UNC), you play an important role in the industry-led code modification process. As such, I expect you are doing everything possible to ensure that you are able to meet your obligations regardless of how the EU Exit process develops – including if there is no deal.

I am pleased to note the constructive ongoing engagement between our teams in relation to progressing consequential code modifications required in the event of no deal. I understand that you expect the changes to your code to be progressed via self-governance, subject to confirmation by your relevant code panel. I also understand that code administrators, in cooperation with relevant industry parties, are working to coordinate implementation of the changes as close to exit day as possible. I trust that the timelines and processes for this work can be confirmed soon now that the governments' statutory instruments have been made public

Over the coming months, as the date of the UK's departure from the EU approaches, it will be important for code administrators to continue to engage effectively with relevant industries parties, their respective panels and with one another to ensure they meet the needs of consumers – in particular in relation to ensuring that code changes are progressed as quickly as possible and that any uncertainty is minimised.

Updating the codes remains the responsibility of licensees with the support of the code administrators through the industry-led process of open governance. However, I would like to provide this opportunity for you to highlight at senior level any issues or concerns in relation to updating your codes – so that we can consider any necessary legal or regulatory contingencies. I recognise that the situation remains uncertain and subject to change. Therefore, even if there are no specific issues to be raised now, we remain at your disposal going forward and invite you to raise any relevant issues as they arise.

My wife and I recently had a baby and I am taking parental leave over the months January to March 2019. During this time, please contact Cathryn Scott, Director for Wholesale Markets and Commercial and SRO for our EU Exit work.

Kind regards,

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Jonathan Brearley, Executive Director, Systems and Networks

Cc: Mark Shurmer, Chair, UNC Modification Panel