

xserve

BUSINESS PLAN 2025-28

TRUST  
IN  
DELIVER

DRAFT 1 ANNEXE



This report was published  
in September 2024

TRUST  
→ INNOVATE  
→ DELIVER



# Annexe Contents

## 2025-28 Business Plan - Draft 1 Annexe

Please click to navigate to any section

- 1. Business Plan Information Rules (BPIRs) traceability and supporting information . . . . 2**
  - 1.1 Publication of material . . . . . 2
  - 1.2 Stakeholder engagement . . . . . 3
  - 1.3 Current performance . . . . . 18
  - 1.4 Outputs . . . . . 44
  - 1.5 Investment Proposals . . . . . 66
  - 1.6 Costs and expenditure . . . . . 67
  - 1.7 Allocation of costs to customer classes . . . 75
  - 1.8 Assurance activities . . . . . 75
- 2. About Xoserve . . . . . 78**
- 3. Glossary . . . . . 90**

Download the latest version of the main Business Plan 25 document from the [Xoserve BP25 Hub](#).



# 1 Business Plan Information Rules (BPIRs) traceability and supporting information

## 1.1 Schedule for the publication of material

| Document  | Budget and Charging Methodology 'publish by' date | Target publish date | Date published |
|---|---|---------------------|----------------|
| Draft Statement of Planning Principles          | 30th June   | 28/06/2024          | 28/06/2024     |
| Final Statement of Planning Principles          | 31st July   | 31/07/2024          | 31/07/2024     |
| Draft 1 CDSP Budget and Supporting Material     | 31st October                                      | 27/09/2024          |                |
| Draft 2 CDSP Budget and Supporting Material     | N/A   | 15/11/2024          |                |
| Final Draft CDSP Budget and Supporting Material | N/A   | 13/12/2024          |                |
| Final CDSP Budget and Supporting Material       | End of January                                    | 31/01/2025          |                |

All relevant material is published on our dedicated online portal, including

- BP25 Documentation
- Media from dedicated roundtables and in-person events
- Non-confidential customer feedback, Xoserve's response, and traceability to subsequent documentation
- Previous Business Planning documents
- CDSP service documents
- The output of the 2023 Efficiency Review

## 1.2 Stakeholder engagement

In the draft and final versions of the CDSP Budget, the CDSP shall explain:

- how it actively sought views from stakeholders;
- how the content reflects and is informed by feedback from stakeholders;
- how the selected expenditure plans and investment options reflect stakeholders' priorities; and
- the reasons why any stakeholder feedback was not incorporated into the content.

### How we actively sought engagement from stakeholders

#### Events

We began BP25 engagement earlier than ever before. Historically, business planning engagement started following the publication of the Draft Statement of Planning Principles (or 'SPP' which was previously called the Principles and Approach, or 'P&A'), which meant that engagement used to begin in July. The current business planning cycle began in May 2024 (c.2 months earlier than previously), with an in-person event during which we presented the strategic principles and journeys and sought

within and post-event feedback from stakeholders. Indeed, considering we enthusiastically engaged with developing UNC modification 0841, preparation ahead of BP25 began in January 2024, when the associated working groups began. The following engagement events were attended (UNC mod 0841 working groups) or facilitated by Xoserve.

- [Multiple mod working groups](#)
- [Stakeholder strategy event 15 May](#)
- [SPP Roundtable 9 July 2024](#)
- Project Trident engagement event 9 September 2024
- [Monthly DSC Contract Management Committees](#)
- ERIX Programme Customer Advisory Boards

The following events will be facilitated

- Draft 1 Roundtable
- Draft 2 Roundtable
- Final Draft Roundtable
- Budget Webinar

### Online portal

Building on the earlier start to the development of this Business Plan, we wanted to engage with stakeholders in multiple ways, ensuring that interacting with the process was as easy as possible, thereby encouraging as wide a spread of opinion as possible. To enable this, we created a dedicated online space for information sharing and interaction. The [BP25 portal](#) was developed to share all relevant media, such as the iterative BP25 documents and videos, presentations, post-event summaries and ways to feedback digitally on the business plan process and content. This meant that any organisation that didn't have capacity to take part in the many events we facilitated could still engage in the process digitally. It also means that all feedback / commentary provided verbally by participants at the events could be curated in one, easily accessible place, and utilised in the development of the plan.

### Consultation periods

Along with encouraging verbal feedback during dedicated in-person and online sessions, we also facilitated consultation periods following the publication of the SPP, Draft 1, Draft 2 and the Final Draft of BP25. Correspondence and Xserve's response to each point raised were included on the BP25 Q&A Register, which was uploaded to the BP25 portal.

Feedback received was shared via the Q&A Register and where this feedback resulted in changes made in iterative drafts, we highlighted this in the documents.

We received 3 non-confidential pieces of written correspondence during consultation on the Draft SPP. They came from Centrica, Cadent and ICoSS. The contents of each correspondence were uploaded to the Q&A Register on the portal along with Xserve's response and traceability in terms of how each element has been incorporated. Where the format allowed, we also uploaded the original correspondence to the portal.

## UNC Modification 0841

UNC mod 0841 was developed across multiple working groups during 2023, in which Xoserve was an active participant. The rules forged during mod development were approved by the regulator in May 2024. These rules form a significant influence on the content of BP25, with the information contained in Annexe 1 specifically designed to make the task of assessing compliance with the new 'Business Plan Information Rules' (BPIRs) easier, both for the 3rd party assurer that was procured following mod approval, and for customer and stakeholder assessment.

Customer responses to the modification were mostly positive (in favour) of the rules being applied, and we consider these responses to be customer feedback.

We also regard the considerable time that Xoserve applied to helping to develop the modification as evidence of how we have actively sought customer feedback. Additionally, we regard the delivery of the majority of BPIRs in BP24 (before the modification was approved) as evidence of our willingness to respond to, and act on customer feedback in our Business Plans.

How the (Draft 1) content reflected and was informed by feedback from stakeholders

As with historical business plans, feedback during each stage of engagement contained a range of opinions. As ever, incorporating that feedback into the documentation required careful consideration. The following text categorises common feedback themes and explains how this feedback was utilised in BP25 development.

### Strategic principles and journeys

The discussion and comments provided during the Stakeholder event of 15 May 2024 gave us confidence that the strategic principles (trust>innovate>deliver) and related 'journeys' that we began to share in May were appropriate and we went on to include each one in Draft and Final SPP. The journeys were:

- From Transparency to Trust
- From Assurance to Confidence
- From System Custodians to Transition Facilitators
- From Stakeholder Servants to Serving Stakeholders
- From Code Delivery to Code Management

Stakeholders told us that the journeys were 'coherent and made sense in the context of the current market and Xoserve's evolution', 'provided good coverage', and 'generally made good sense'.

## Q&A Register

| Reference | Phase     | Feedback from | Strategic Dest.        | Feedback   |
|-----------|-----------|---------------|------------------------|--|
| BP2501    | Draft SPP | Cadent        | Trust                  | <p>We would like to see evidence that Xoserve have understood the intent of UNC modification 0841 which was recommended by industry and ultimately approved by Ofgem. In our view, the main intent behind 0841 was to make Xoserve's BP costs (and methodologies that sit behind them) more transparent so that industry could better measure the value for money of DSC services. Efficiencies and S&amp;O costs are briefly mentioned in the draft Statement of Planning Principles, but we feel that more focus could be given to Xoserve's efforts to deliver efficiencies and value to its customers, versus the large weighting given to Trident and code management.</p> <p>Similar to our feedback at the strategy launch event, I think industry would trust Xoserve's credentials as a potential code manager if the CDSP demonstrated a greater understanding of the forecasted complexities and challenges of the code manager role. We believe that the code manager role will be hugely different to the code administrator and CDSP roles, and it isn't clear whether Xoserve have appreciated the difference, and what additional skills would be required.</p> <p>Linked to the first point on 0841, we believe that Xoserve could build trust by putting itself in the shoes of its customers to identify services it could undertake to save them money. For example, could Xoserve</p> |
| BP2502    | Draft SPP | Cadent        | Confidence             | <p>We would like to be engaged by Xoserve with opportunities for wider CDSP activities providing that the activities:</p> <ul style="list-style-type: none"> <li>• Align with the strategic direction set by the board and communicated to customers,</li> <li>• Adopt the approach mentioned in the answer to Q1 (e.g. Xoserve provide a service that costs a DSC customer £1, whereas the same service would cost them £2 to deliver in-house etc)</li> <li>• Best utilise Xoserve's expertise and role in the industry, and do not duplicate customers' work/investment in non-CDSP activities</li> <li>• Do not compromise the quality of service of core CDSP services</li> </ul>   |
| BP2503    | Draft SPP | Cadent        | Transition facilitator | <p>[The most important considerations for Project Trident are]:</p> <ul style="list-style-type: none"> <li>• The flexibility of any Trident Solution to react to the uncertainty within the future gas industry</li> <li>• How customers intend to recover the costs of their investment (e.g. cost pass through via a price control), the impact on consumers' bills, particularly across a potentially shrinking customer base</li> <li>• How the integrity of essential industry processes will be protected during the transition</li> </ul>   |
| BP2504    | Draft SPP | Cadent        | Serving stakeholders   | <p>[The behaviours we would like to see Xoserve develop in order to help us deliver your objectives are]:</p> <ul style="list-style-type: none"> <li>• An unrelenting focus on the importance of delivering high quality core CDSP services, as a means of earning industry's trust to differentiate into wider opportunities such as code management and decarbonisation</li> <li>• Similar to the point in Q1, Xoserve thinking about how it can best</li> </ul>   |



**Xoserve Response**

We intend to comply with the new BPIRs as set out in UNC mod 0841. We have also procured a third party to make an independent assessment of our compliance with the rules and will present the findings alongside each draft of the business plan. We have also updated the final SPP so that it provides more information as to progress of the ERIX programme, and a summary of what to expect in Draft 1 of BP25.

The prominence given to Project Trident and Preparing for Code Management in the SPP should not be taken as any indication of a reduction in absolute focus on delivering value for money, robust and secure CDSP services. This remains our core provision, and Draft 1 of BP25 will contain the appropriate degree of detail as to how we will provide economic, efficient and effective services, as well as developing Project Trident and making the necessary preparations for code management (regardless of which entity becomes responsible for that future role).

We agree that our centrally-funded model has great potential for new or existing services (that could be delivered centrally) to be undertaken by Xoserve to drive mutual value. For example, it might lead to greater value, be that by making costs more economical, the services more efficient or effective, or for costs to be more equitably shared. We have described our intent to proactively explore this in the 'from assurance to confidence' journey that supports the 'Trust' strategic principle.

We agree that everything we intend to do during BP25 should:

- Align with our strategic aims
- Lead to value outcomes as per our 5E value framework
- Fully utilise the existing capabilities we have as an organisation
- Deliver high quality services that aren't compromised by new scope being added

We are facilitating a dedicated session on 9th September to walk through the Strategic Outline Investment Proposal associated with Project Trident. I will ensure that we cover these points during the session, which will be recorded for anybody unable to attend on the day.

We fully agree that delivery of high quality core services is our priority, with our people being the most valuable asset in this pursuit. To that end, we are proud that scores associated with our people's helpfulness and competence are consistently high in respective Institute of Customer Service (ICS) surveys. The last ICS survey results, achieved having had more survey respondents than ever before, were our best ever, with Xoserve scoring 82.1 on the UK Customer Satisfaction Index (UKCSI), which is higher than the national 'all sector' average.

As set articulated in the SPP, we intend to seek out ways we can deliver additional central services to the benefit of all.

**Draft 1 Traceability**

We have presented costs in a more granular way than ever before in BP25, including a breakdown of S&O costs into 'People' and 'Non-People' categories, as well as between 'Direct' and 'Outsourced' categories. This has been done to ensure we are compliant with the relevant BPIRs introduced via MoD0841.

In terms of matters of economy and efficiency, we have shown how we are progressing the independent assessors findings from the 2023 'Efficiency Review'. This includes a £0.5m annual reduction in DDP run costs (Service Area 15) from April 2025, which is coupled with functional improvements.

We have included a Digital UX Investment Proposal which introduces a new portal which we believe will make customer interactions with Xoserve less time consuming - we have shown a potential annual saving (associated with saved customer time) in the region of £380k. We are also proposing investment in CDSP Service Deveopment, which responds to this feedback directly by providing the means for Xoserve develop new solutions that will lead to

All engagement and our response to it (including traceability to BP25) has been included in D1. The Xoserve Board has provided the clear direction to prioritise delivering quality CDSP services now and in the future, and this remains our core priority. We have provided lots of information in BP25 as to our current and forecasted performance, including outputs and outcomes of each S&O service area. We have also included Investment Proposals that allows us to develop solutions and capabilities that will enable us to continue to ensure / assure CDSP services remain for as long as they are required.

We have presented an Investment Proposal (Strategic Outline Case) for Project Trident that addresses each point raised.

See items BP2501 and BP2502

| Reference | Phase     | Feedback from | Strategic Dest. | Feedback  |
|-----------|-----------|---------------|-----------------|---|
| BP2505    | Draft SPP | Cadent        | Code management | We don't think there is sufficient detail from Ofgem to confirm the scope (if any) of digital or data initiatives required for code management. Instead, we think that investment and effort would be better spent in preparing for the UK Link upgrade.  |
| BP2506    | Draft SPP | ICoSS         | Code management | <p>We believe that the current gas code governance landscape is overly fragmented and complex with code delivery, code administration and legal drafting sitting with different parties, with overlapping management frameworks and priorities. This has reduced efficiency in the current process and added cost to industry change. Now that Ofgem has committed to the creation of the Gas Network Code and the Code Manager role, we believe this is an opportune time for the industry to identify potential improvements to the current process.</p> <p>We are therefore supportive of the review of the current framework, as proposed by Xoserve in the 2025-2028 Business Plan statement planning principles. As long as such a review does not jeopardise Xoserve's core function or create significant costs for industry parties, we agree with Xoserve undertaking this work for the good of the industry.</p> |
| BP2507    | Draft SPP | Centrica      | Trust           | Focus should be placed on explaining how the efficiencies that were identified in the 2023 Efficiency Review will be realised, and how these will be treated and communicated within business plans, and on developing the future arrangements for service delivery.  |

**Xoserve Response**

We agree that the role of a future Gas Network Code Manager is still to be fully defined. As Draft 1 of BP25 will set out, our approach to making preparations for the era of code management will be focused on 'no regret' activities, which we regard as industry requirements regardless of which entity eventually is installed as the Code Manager. Draft 1 will make clear how we will mitigate against these preparations diluting or obstructing preparations for Project Trident (or delivery of CDSP BAU).

We are cognisant of the need to avoid any negative impacts on service delivery resulting from preparations for Code Management. Draft 1 of BP25 will set out how this risk will be mitigated alongside details of potential funding requirements.

We agree that continuing the work already in-flight to address the findings from the 2023 'Efficiency Review' is a key priority. The review identified potential areas of opportunity and, via the ERIX programme (and working with the Customer Advisory Board representatives nominated by CoMC), we are making progress in terms of economy gains (cost reductions), and on putting the capabilities in place that ensure that we are competition ready for Project Trident.

**Draft 1 Traceability**

Project Trident scope includes the means for Xoserve to improve the digital maturity of the UK Link Manual. We believe that this is both critical to the development and design of the new / upgraded solution, and will improve the integrability of this information (e.g. with a future digital, consolidated UNC/IGTUNC following reform of those codes).

We are also proposing to developing CDSP services, so that any impacts driven by future policy decisions (such as via the forthcoming Ofgem Strategic Direction Statement) are managed. This development will be proactive as well as reactive, and will

start with:

- The development of a data and digitisation strategy which builds on the direction in Ofgem's Data Consent Framework to be
- published in Winter 2024
- A scoping / discovery phase for exploring our Open Data Capabilities
- Working with other central bodies to develop Vulnerability and Priority Service Register activities

We believe that these are activities will benefit the whole gas industry and be valuable to whichever entity is chosen to be [Gas Network Code Manager].

We have instigated activity with key stakeholders to explore the role of Code Manager. The output of this work will be a white paper which will be shared with all interested parties, including Ofgem and customers. We are clear that the development of the white paper will not interfere with our absolute commitment to delivery robust, secure CDSP services.

See also items BP2505, which summarises the scope of a related investment.

BP25 brings forth a £1m reduction in 2024/25 Baseline S&O. £0.5m of this reduction is associated with DDP (currently the primary CDSP reporting platform) run costs. In opposition to most other services reviewed, Reporting was an area that the assessor identified as something to pursue in terms of cost. We have been able to negotiate a decrease in DDP run costs with Correla, while at the same time enhancing the functionality of the platform to address customer 'pain points'. There are further cost savings as net Gemini (-£0.5m) and CMS (-£.02m) run costs reduce, along with a reduction in FWACV license costs (-£0.1m).

BP25 also details the progress made in other areas and how the progression of each in-flight finding could impact future Value for Money. We have met the 9% reduction of 2022-23 baseline S&O (the cost base that was reviewed as part of the 2023 Efficiency Review) through a mix of economy gains since 2023. We have also included further reductions in our forecast that if realised would represent a 12% reduction by March 2028.

BP25 In the relevant section (Trust) we have included a waterfall diagram that shows the elements that have lead to S&O reductions and increases.



| Reference | Phase     | Feedback from | Strategic Dest. | Feedback   |
|-----------|-----------|---------------|-----------------|--|
| BP2508    | Draft SPP | Centrica      | Deliver         | Xoserve should explain how it will be able to successfully deliver CDSP Services and large projects within its core role while also undertaking code management strategy and business development activity.  |
| BP2509    | Draft SPP | Centrica      | Deliver         | It is our opinion that the removal of the Customer Advocate role within Xoserve has had a negative impact on service to Customers. Specifically, there has been a decrease in direct engagement with the senior management team, meeting relating to Customers' issues have become less effective and issues are not being resolved in a timely manner. We encourage Xoserve to review the Customer-related roles and oversight within Xoserve to identify how Customer satisfaction can be increased. |
| BP2510    | Draft SPP | Centrica      | Deliver         | In September 2023, Xoserve stated that a review of the Cost Allocation Methodology was underway, and that the outcome would be shared with Customers during the BP24 cycle. We are aware that work has been undertaken and expected that the findings would already have been shared with all Customers. We encourage Xoserve to update all Customers on progress and timelines for completion via the 2025-26 business planning materials.  |

**Xoserve Response**

It is right that Customers want reassurance that Xoserve will remain effective in delivery of CDSP services as we deliver on our longer-term strategy, and BP25 will set out the steps we are taking to do this. BP25 will outline in more detail how we plan to expand our capabilities further. At their core these will make Xoserve "competition ready" for project Trident. Xoserve will define the core requirements, procurement strategy and delivery plans for Trident, and work is already underway on this. Indeed, a key finding of the Efficiency Review was that Xoserve should enhance capabilities as an enabler to support initiatives by building more maturity in the capabilities typically required by leading assurance - BP25 will describe how we plan to do this.

We agree that the Customer Advocate role should be enhanced, and have taken a number of steps already, in respect of allocating Xoserve "Chairs" of several customer engagement groupings. BP25 will bring forward proposals for additional, modest investments in this respect

The inflight Equitability Review is being progressed, with updates being provided in the ERIX Customer Advisory Board and in CoMC. This work will not complete within the timeframe for BP25 development, so the work will not impact the 2025-26 budget.

**Draft 1 Traceability**

BP25 contains lots of information about how we will perform our core role as CDSP, both 'now' and in the future. The Delivery section features an array of information about expected workloads and performance across the various DSC KPMs/PIs. It also describes the enhancements to our current organisational design and some key appointments that will enable us to move to a strategic position of Intelligent Customer and Enterprise Architect. It also communicates the increase in resources that are required to move through the next phases of Project Trident, and the development of CDSP services.

We are proposing a £250k uplift in Service Area 6 (Customer Relationship Management) for new resource within Xoserve. These roles will add a strategic layer to the existing service, which is mostly focused on day-to-day, operational issues. The new function will oversee the provision of this service, identifying the ways in which it could be developed, and will provide an enhanced channel directly into Xoserve.

We have made it clear in Draft 1 that the Equitability Review will not impact the 2025-26 budget.

### Code Reform

Like all organisations that operate under the existing and future gas code arrangements, as Central Data Service Provider (CDSP) Xoserve needs to prepare for the era of code reform, and we received a range of opinions on this subject before we published Draft 1.

Our intention is to explore the Code Manager role via leading a working group of industry code experts, with the output being the publication of a white paper which we will present later this year. However, no funding has been included in Draft 1.

### Project Trident

During the 15th May event we introduced **Project Trident** as the name for a forthcoming multiyear upgrade / replacement of UK Link. We asked attendees to provide feedback on the Approach (risk v investment appetite), Benefits (customers, the wider industry, and the consumer), and Challenges (policy, market conditions) and how they could be mitigated.

In terms of our **Approach**, attendees provided opinions that included the requirement for:

- Investment to be made early to accelerate progress
- A sandbox environment and a focus on testing

- The establishment of a 'minimum viable product' and no deviation from it
- Xoserve to manage incremental code / general changes in a way that would minimise their impact on the project
- Taking a 'left to right' planning approach, placing the emphasis on 'what's next' and building in agility
- making the most of the SAP expertise that exists across the industry
- always being mindful of the impact of UK Link upgrades on everyone's systems and processes.
- Consider all potential solutions as well as SAP
- A robust investment proposal
- Consideration of product longevity
- Learning from previous programmes (e.g. Nexus) to be used
- A strong specification, plenty of time for consultation and a maintained focus to avoid scope creep
- Engagement of the right parties at the right time, with a balance of different stakeholders and considerations of different impacts on different parties



Attendees provided the following list in terms of **Benefits**:

- An essential project for the industry with potential to provide some cost benefit as the number of meter points decreases. The cost of the system should also decrease but may be variable as we move away from using large enterprise systems.
- Competitive procurement methods will allow value for money to be demonstrated
- Lessons learned through previous programmes (e.g. Nexus) can be applied
- Adaptability in the face of new industry process such as blending and / or settlement rule changes
- Future proofing via the provision of a solution with required longevity

In terms of **Challenges**, attendees highlighted the following:

- Ensuring that Trident is compatible with customer systems
- Maintenance of cost-per-meter point value in a market declining scenario
- Future investment appetite in the gas industry

This feedback was carefully considered when developing the [Project Trident Investment Proposal](#)

All content, including post-session presentations and videos is saved on the dedicated [BP25 digital portal](#).

### Capacity to deliver VfM CDSP services

During an online roundtable on 9th July, we were challenged to demonstrate how we could continue to deliver CDSP services, at the same time as Trident and other investments. We responded by indicating that BP25 would be a genuinely 3-year plan with investment proposals that that would allow us to keep pace with incoming changes, including an accelerated drive towards net zero, and code reform.

We were clear that Xoserve is not currently sized to deliver Project Trident, and that additional resources in key areas would be required. We also highlighted how we had already begun the process of preparing for the future by reorganising the business so that we could ensure continued robust CDSP services are delivered, while also taking the next steps in Project Trident and other important pieces of work.

Another theme of discussion was regarding Value for Money and cost-consciousness in the delivery of industry priorities. For example, there was support for the principle

of working collaboratively on Trident and an acknowledgment that operating 'on a shoestring' wasn't the right thing to do, but there was a desire to see the detail behind the principles.

We responded to this during the session by describing how we would adopt the HM Treasury's 'Green Book' approach in the production of Project Trident investment content – this method is designed to drive detailed cost benefit analysis in large transformation programmes. We also went on to produce investment proposals for all funding requirements in BP25, therefore providing detailed cost and benefit analysis for all proposed investments.

Centrica expressed concern that the SPP didn't provide enough information regarding the ERIX programme. We responded by including lots of information in progress to date and the plan to drive further value in the future. The video of the roundtable session can be found on the portal and includes a Q&A section (39:37 – 1:22:00).

### How selected expenditure plans and investment options reflected stakeholders' priorities

We know that VfM is a priority. Draft 1 communicates that CDSP services (already showed via the 2023 Efficiency Review to positively benchmark with other organisations) are becoming more economic, with a 9% reduction on the 2022/23 S&O baseline being achieved. This reduction will be achieved in 2025/26 following a series of initiatives, most lately including a £1m reduction in S&O between 2024-25 and 2025-26. We are targeting further cost reductions over years 2 and 3 of BP25.

Draft 1 contains an array of investment options (proposals) that we believe broadly reflect customer and stakeholder priorities. For example, Project Trident enables UK Link to endure for as long as it is required (the recently published NESO pathways indicate that this will be beyond 2040). UK Link is critical to the gas industry's smooth operation and so maintaining the services that are processed in UK Link is a huge priority for our stakeholders.

We have summarised why all investments being proposed in BP25 are important for our stakeholders in the **Innovate** and **Deliver** sections of BP25 and have included detailed Investment Proposals for each one in Annexe 1.5.

It also contains the details regarding Service and Operate (S&O) scope and associated cost. S&O captures all critical operational activity that is essential to the smooth operation of the gas industry, such as transfers, meter read submission, asset updates, Annual Quantity.

Finally, we have listened to feedback from various parties that the Customer Advocacy activities funded via General Service Area 6 (and outsourced to Correla) could be enhanced. We have responded to this by proposing an uplift of £0.25m to introduce a strategic layer to this service, thereby creating a more direct link to Xoserve's Leadership Team, and an enhanced capacity and capability within Xoserve to oversee this service.

### **What were the reasons why any stakeholder feedback was not incorporated into the content**

We were asked to present more information on the Equitability Review in BP25. We have referred to this inflight project in the Trust section of BP25, but given that this work has yet to conclude, and will not impact the budget, we have decided not to elaborate on it in the business plan at this time. We will continue to update CoMC and the ERIX Customer Advisory Board on progress as the project develops.

*In the CDSP Budget, the CDSP shall also explain how it will carry out robust and high-quality engagement with stakeholders during Year Y relating to*

- *finalising activities and Costs that were uncertain and could not have been confirmed when the CDSP Budget was set;*
- *agreeing activities and Costs for which the need may arise during Year Y; and*
- *tracking progress of the delivery of the CDSP Budget, including transparent metrics which will enable stakeholders to assess progress and performance.*

**How we will carry out robust and high-quality engagement with stakeholders during 2025-26 to finalising activities and costs that are uncertain and cannot be confirmed now**



### Sharing of commercial information

As communicated in the 'About this Document' section:

"As we move towards being a competition ready, 'Intelligent Customer', it's important that our approach to information sharing is well considered and protects the integrity of future procurement exercises. Where we see a risk associated with publicly sharing information (e.g. cost breakdowns in certain Investment Proposals), we have redacted that information.

Of course, we want to share this information transparently with customers, but in a confidentially secure way. As such, private briefing sessions will be arranged so that we can continue to build the trust that comes with repeated transparency, without jeopardising future procurement activity.

Full, unredacted information will be made available to the 3rd Party contracted to assure BP25 versus new Business Plan Information Rules introduced via UNC modification 0841."

The above applies to the Investment Proposals that include future procurement activity – this is the case for Project Trident and Digital UX.

In these IPs, we include a description of the costs but have redacted £ values. If we were to be fully transparent in a publicly available document, doing so might negatively impact the integrity of future procurement. We will share the cost information confidentially. Details for the private briefings will be shared with DSC Contract Managers following publication of Draft 1.

### BPIRs that we are not currently fully compliant with relating to Investment Proposals

There are some instances where full compliance with the Investment Proposal BPIRs is not currently possible. Where this is the case, the 3rd party assessor has included commentary as to how full compliance can be achieved. We have also included commentary as to when the enhanced compliance will be achieved.

For example, some Investment Proposals are included to make provisions for the delivery of as-yet-unknown scope which gets incrementally decided by customers within the budget period (and after BP consultation / approval). In these cases, the information that isn't available now, is presented to customers as it becomes known. We utilise the DSC committees (Change Management and Contract Management) to keep customers informed and where required seek approval to utilise funding.

- **How we will agree activities and Costs for which the need may arise during Year Y; and track progress of the delivery of the CDSP Budget, including transparent metrics which will enable stakeholders to assess progress and performance.**

We will utilise the DSC Committees (Change Management and Contract Management).



### 1.3 Current Performance

In the draft and final versions of the CDSP Budget, the CDSP shall describe performance during Year Y-1 and explain how that performance has informed the CDSP Budget for Year Y. The values of the Forecast Over/Under Amount for Year Y-1 and the Outturn Over/Under Amount for Year Y-2 must be stated in the CDSP Budget.

For the levels of performance and service the CDSP has achieved and/or expects to achieve during Year Y-1, the CDSP Budget must include an explanation of:

- the differences between what the CDSP expected when the CDSP Budget for Year Y-1 was set and what the CDSP has achieved and/or expects to achieve during Year Y-1;
- the factors that have caused the differences;
- the impact of each factor;
- the steps that the CDSP has taken and will take during Year Y-1 to ensure levels of performance and service levels to be achieved during Year Y-1 do not fall below what was expected when the CDSP Budget for Year Y-1 was set; and
- how the differences between what the CDSP expected when the CDSP Budget for Year Y-1 was set and what

the CDSP has achieved and/or expects to achieve during Year Y-1 have been considered when preparing the CDSP Budget for Year Y.

### Current Performance

Xoserve's performance as CDSP is measured via a series of 20 Key Performance Metrics (KPMs) and 29 Performance Indicators (PIs). Current performance is robust and largely consistent versus the appropriately stretching targets that are used to measure the effectiveness of our delivery of key industry services and processes. We report performance each month to the DSC Contract Management Committee, highlighting issues that have arisen in any given month that affect performance.

- **What were the differences between what we expected when the CDSP Budget for Year Y-1 was set and what the we have achieved and/or expect to achieve during Year Y-1;**

Our aspiration is to always achieve the DSC performance levels our service delivery is assessed against. Given that the targets are related to the provision of essential gas industry services, they are extremely stretching; the majority of the 49 measures require a perfect (100%), or near perfect (99%) score. As such, our expectation is that in some isolated instances we won't deliver a perfect score.



## Historic Trends

The graphs show historic performance from Y-4 in all instances except where a KPM or PI has been added later than 2021. This view shows how performance has flexed over time. Comparing the monthly instances of successful target scores across during the last two full financial years (2022/23 v 2023/24) performance has improved or been maintained in 2023/24 across all measures.

## Y-1 Performance

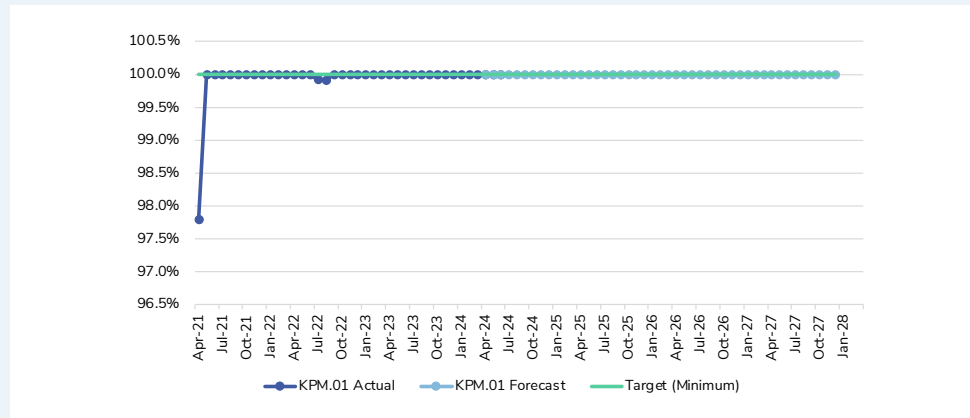
BP25 Draft 1 contains Y-1 Q1 performance. Subsequent drafts will extend this view iteratively, with the final version of BP25 containing Y-1 Q1, 2 and 3.

## Y, Y+1 and Y+2 Forecast

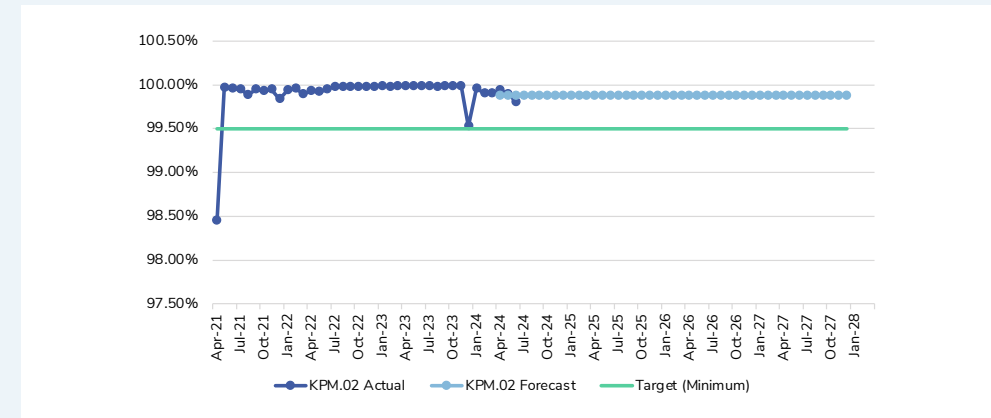
The forecast is based on the previous 6 months' performance. It should be noted that in some cases, the forecast would indicate that we 'expect' to be consistently under target until the end of the Business Plan period (April 2025 – March 2028), however in some cases this is not likely. For example, we do not expect KPM.04 (AQ processing) to be consistently under target for the next 3 financial years – as demonstrated in the related graph, we have achieved the required perfect score in 13 of the last 18 months. However, in the case of KPM.07 (meter read and asset processing), where we have consistently scored 99.99% v a targeted 100% across the last 18 months, it is likely that performance will follow this trend. Similarly, for KPM.13 (resolution of invoicing exceptions) we have averaged a score of 99.9% v the 100% target over the last 18 months and expect that to continue.

Key Performance Metrics 01 - 20

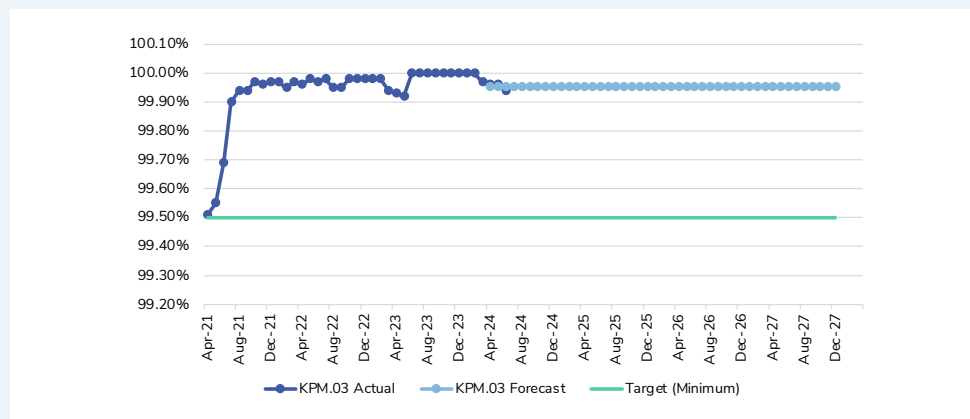
KPM.01 - Percentage of Shipper Transfers processed



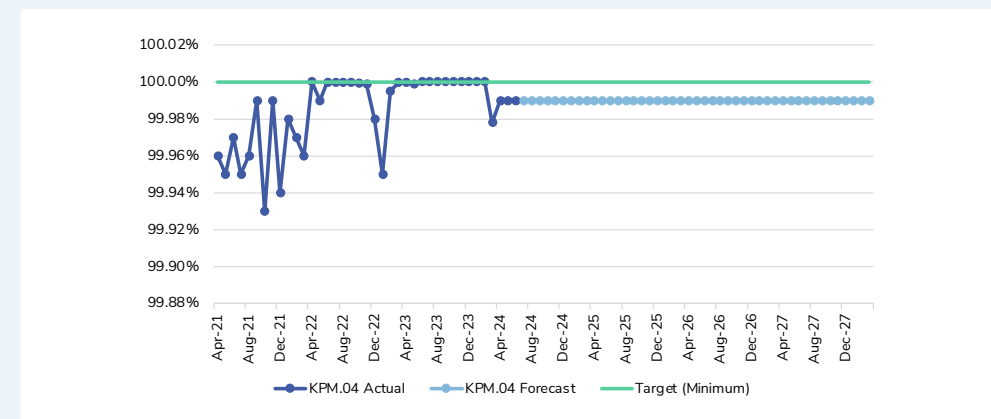
KPM.02 - Percentage of meter reads successfully processed



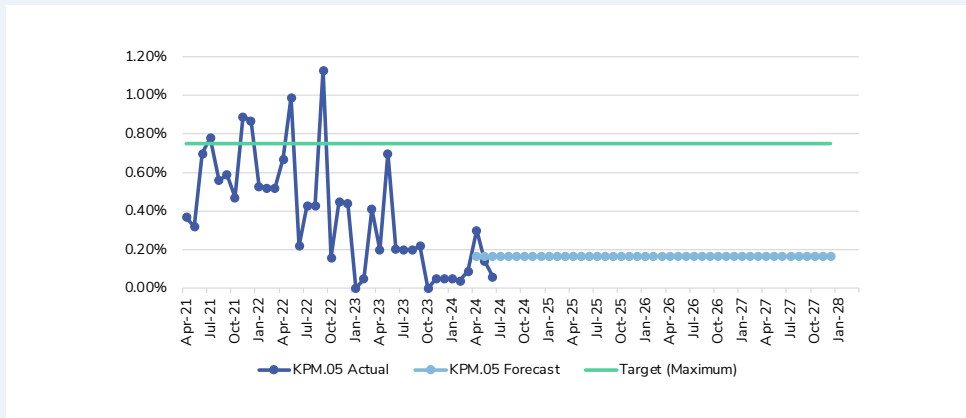
KPM.03 - % of asset updates successfully processed



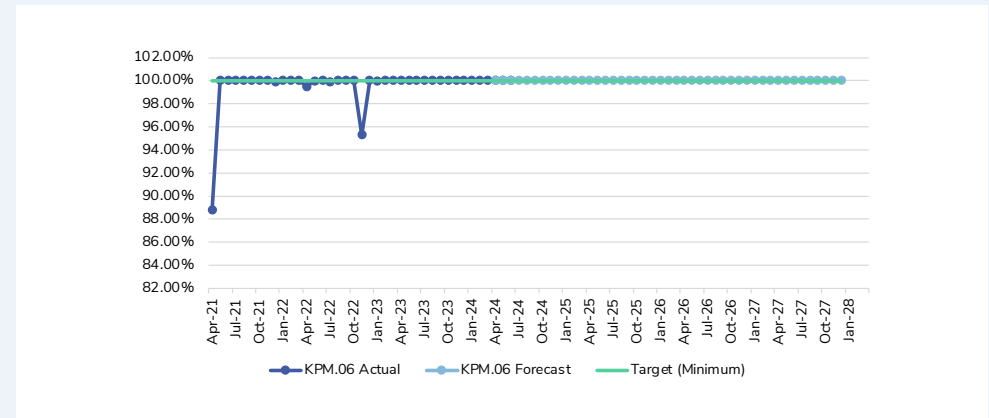
KPM.04 - % of AQs processed successfully



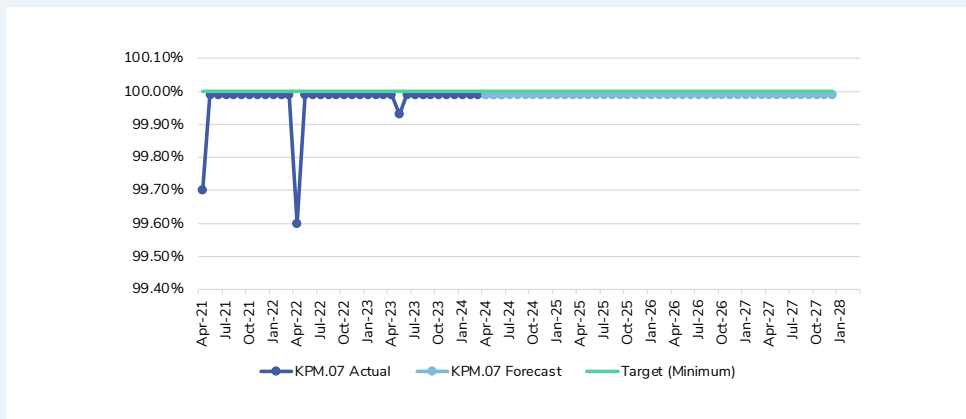
KPM.05 - Percentage of total LDZ AQ energy at risk of being impacted



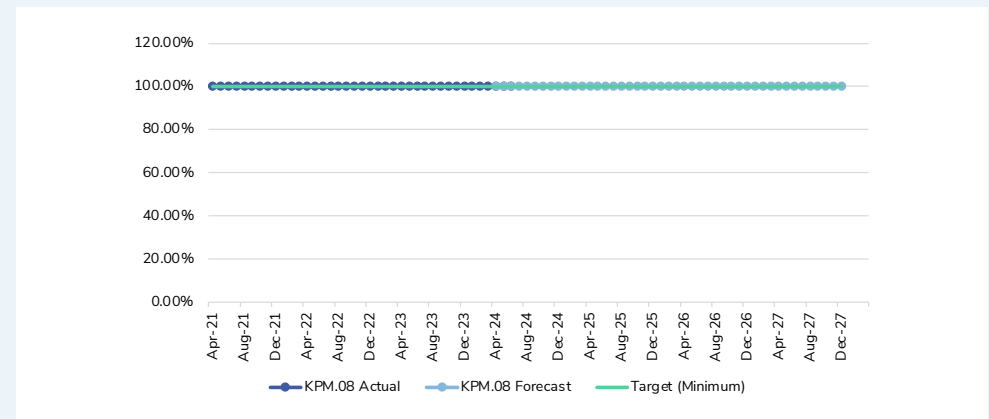
KPM.06 - Percentage processed within the Completion Time Service Level in DSC



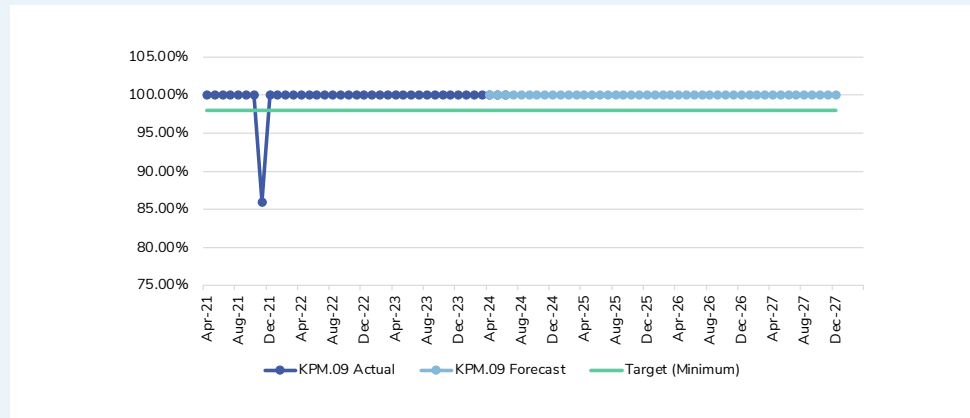
KPM.07 - Percentage of requests processed within the Completion Time Service Level in DSC



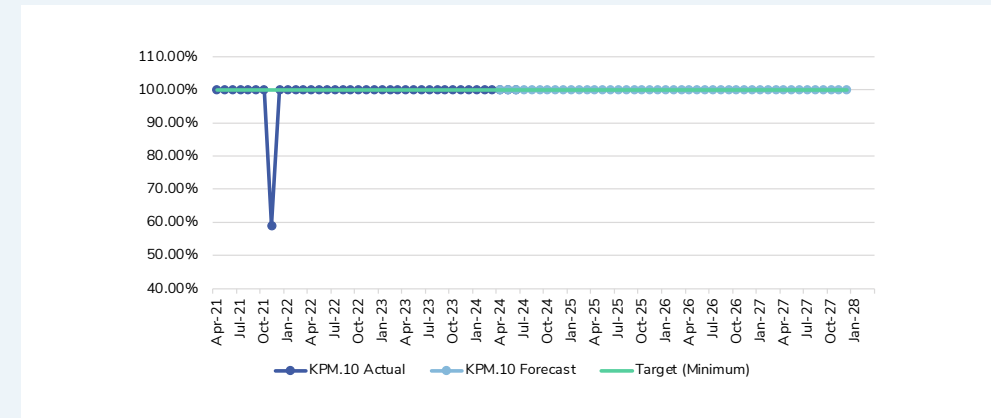
KPM.08 - % Notifications sent by due date



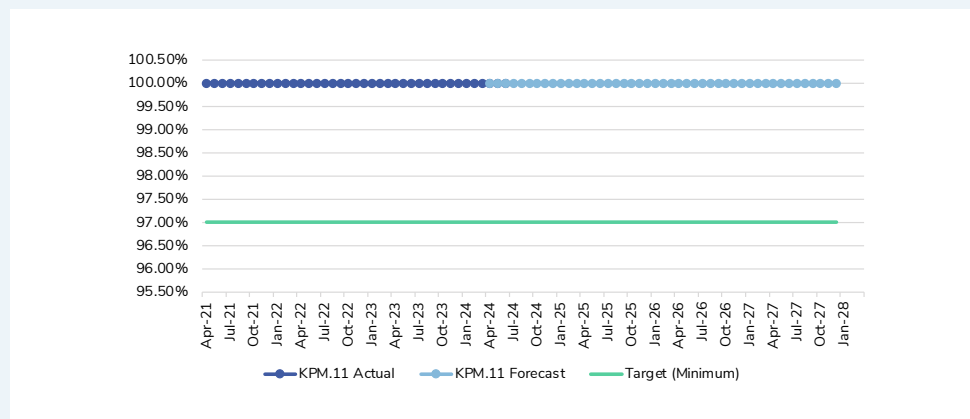
KPM.09 - % of invoices not requiring adjustment post original invoice dispatch



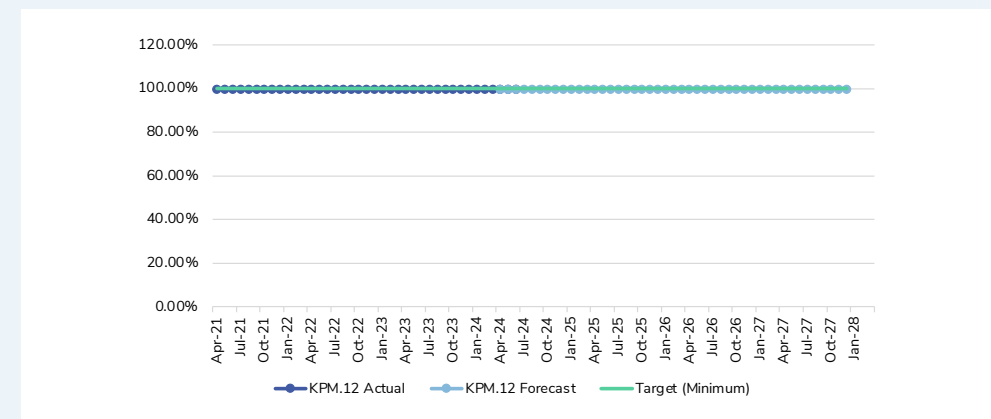
KPM.10 - % of DSC customers that have been invoiced without issues/ exceptions (exc. AMS)



KPM.11 - % customers DSC with less than 1% of MPRNs which have an AMS Invoice exception



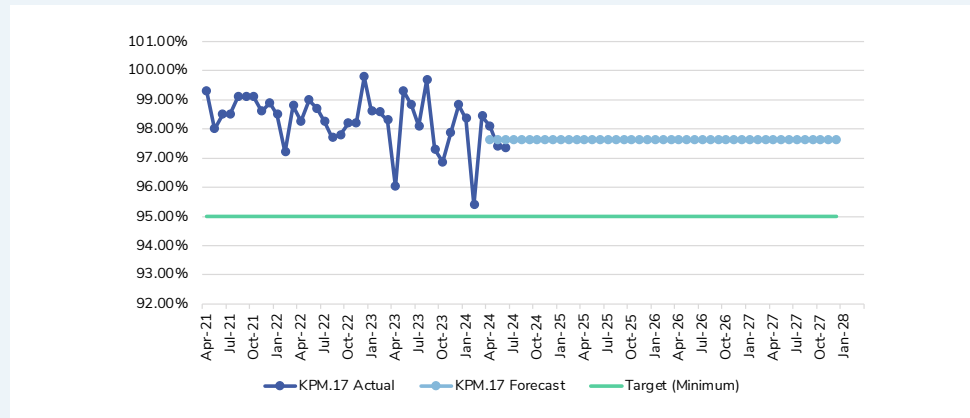
KPM.12 - % of invoices sent on due date



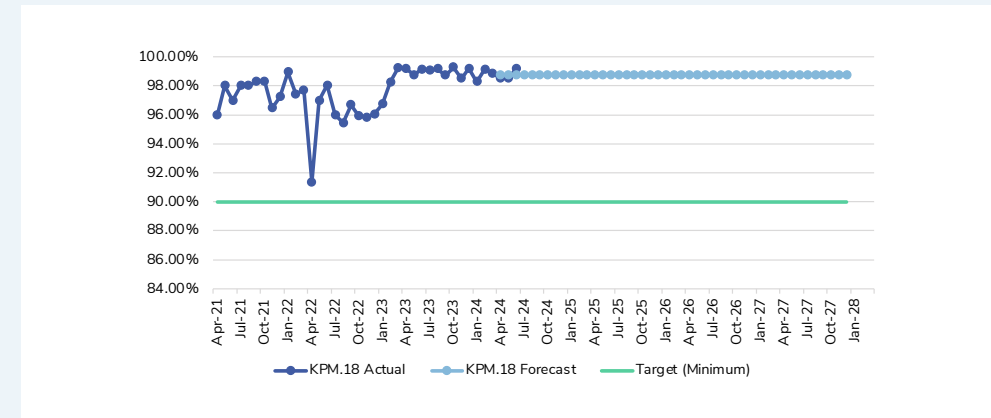




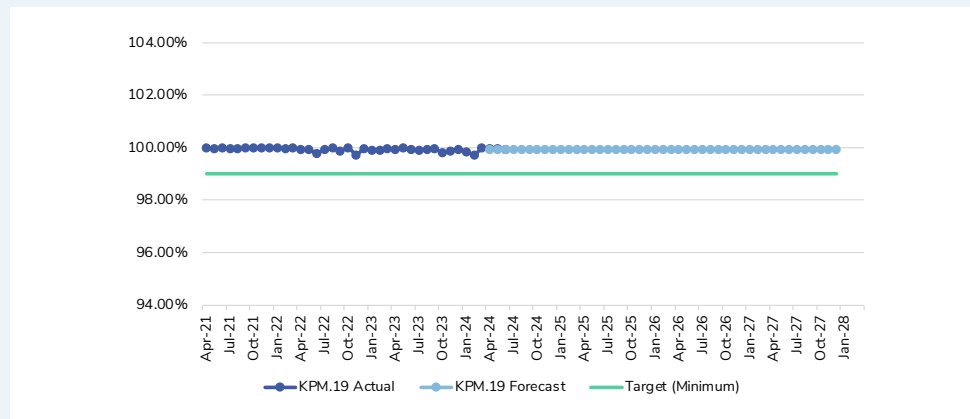
KPM.17 - % of tickets not re-opened within period



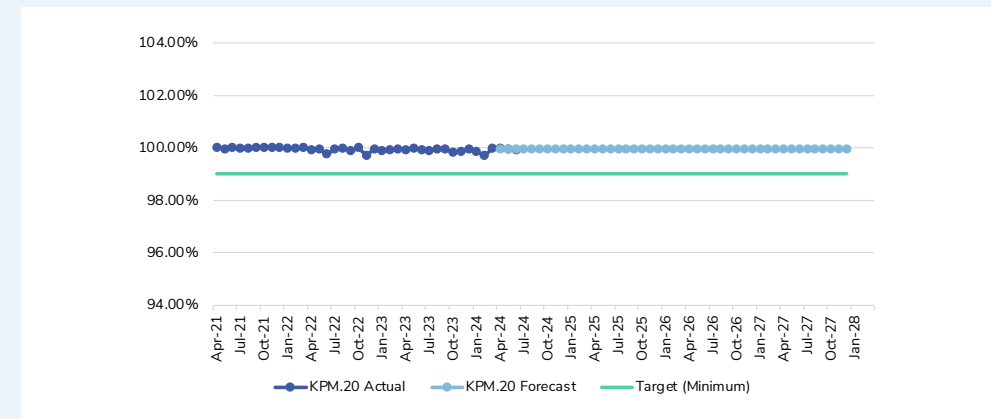
KPM.18 - % of customer tickets (Incidents & Requests) responded to within SLA



KPM.19 - UK Link Core Service Availability

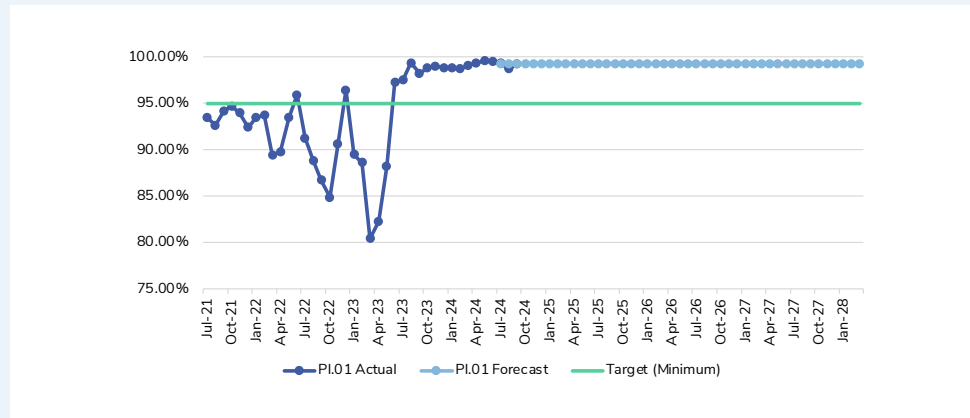


KPM.20 - Gemini Core Service Availability

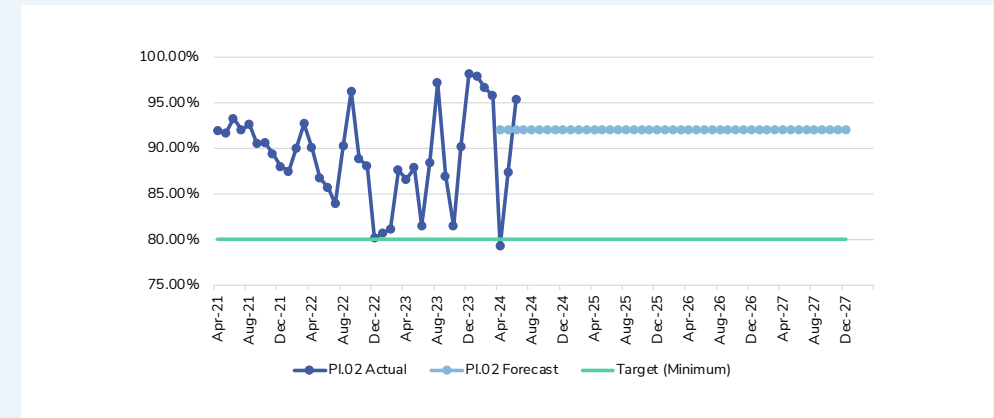


## Performance Indicators 01 - 29

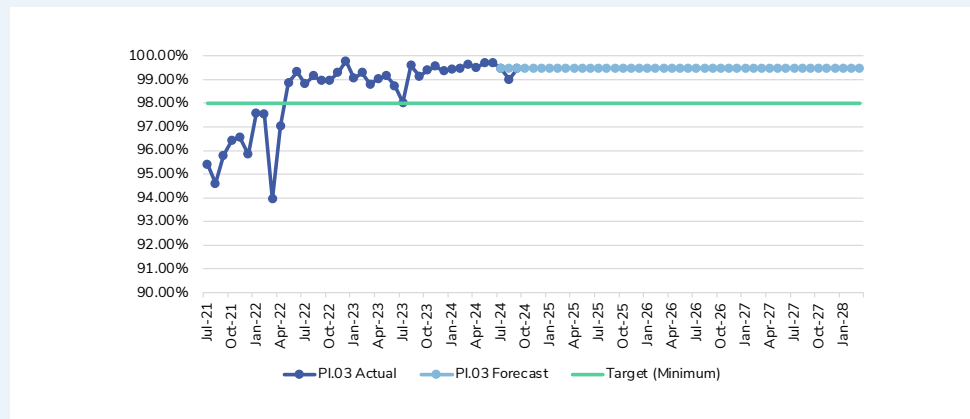
PI.01 - % CMS Contacts processed within SLA (95% in D+10)



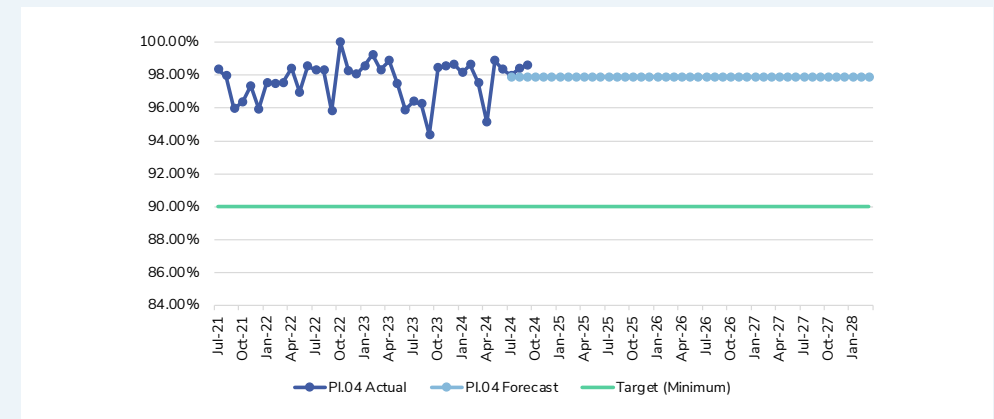
PI.02 - % CMS Contacts processed within SLA (80% in D+4)



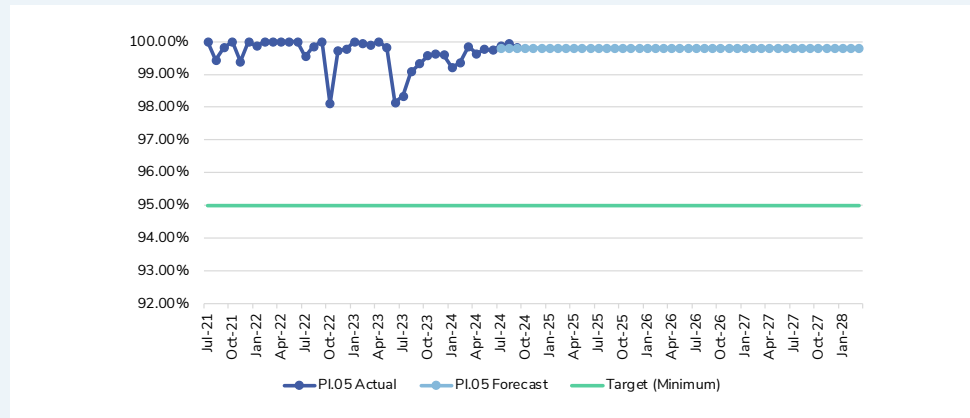
PI.03 - % CMS Contacts processed within SLA (98% in D+20)



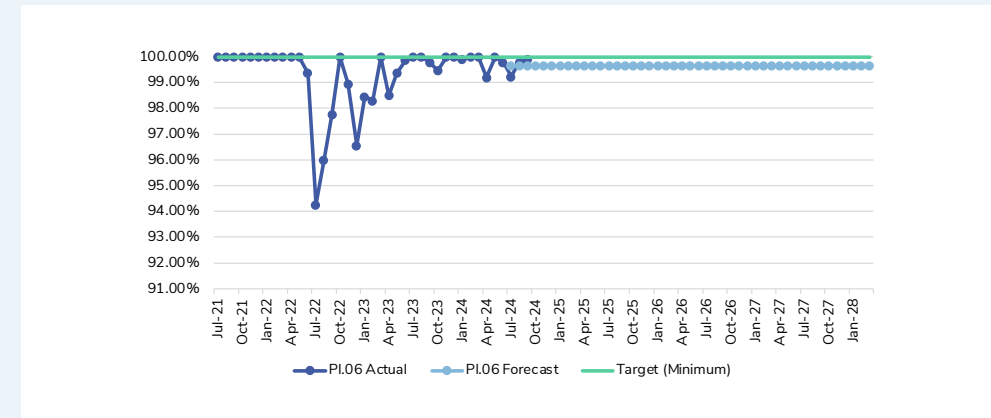
PI.04 - % customer queries responded to within SLA/OLA



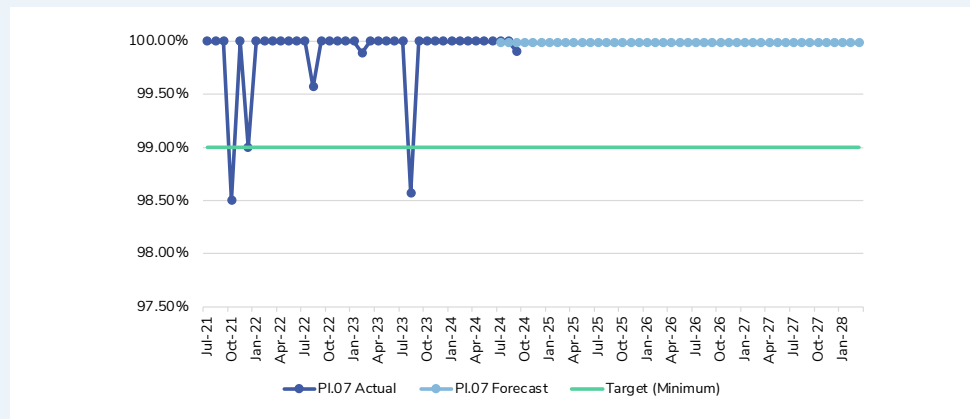
PI.05 - Percentage of queries resolved RFT



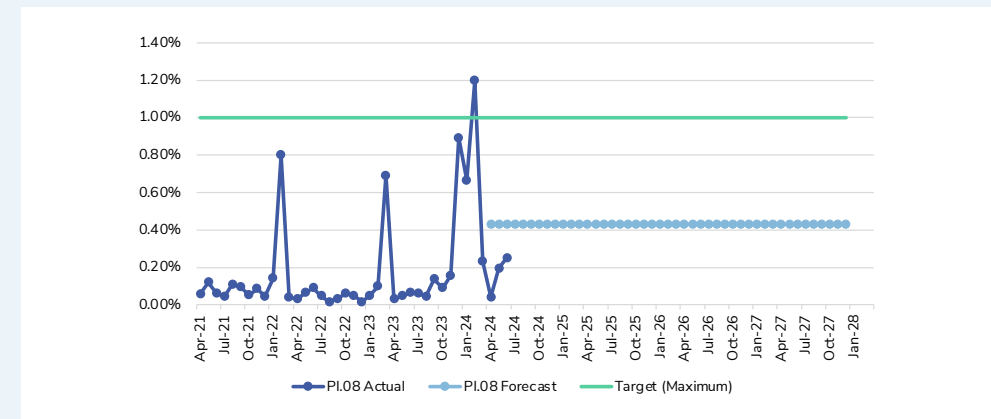
PI.06 - % of reports dispatched on due date against total reports expected



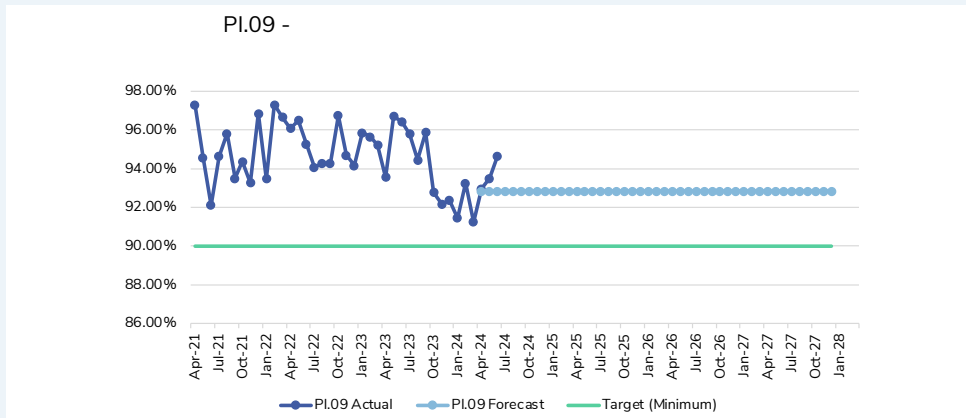
PI.07 - % of RFT against all reports dispatched



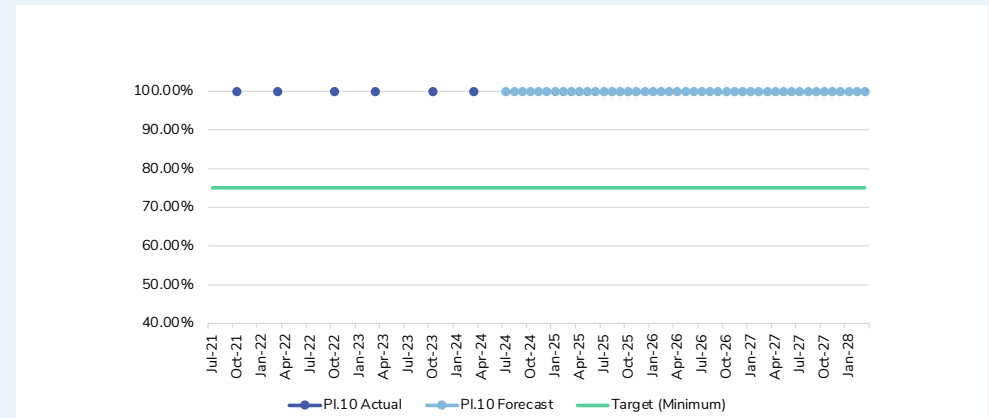
PI.08 - % of valid CMS challenges received (PSCs) (less than 1%)



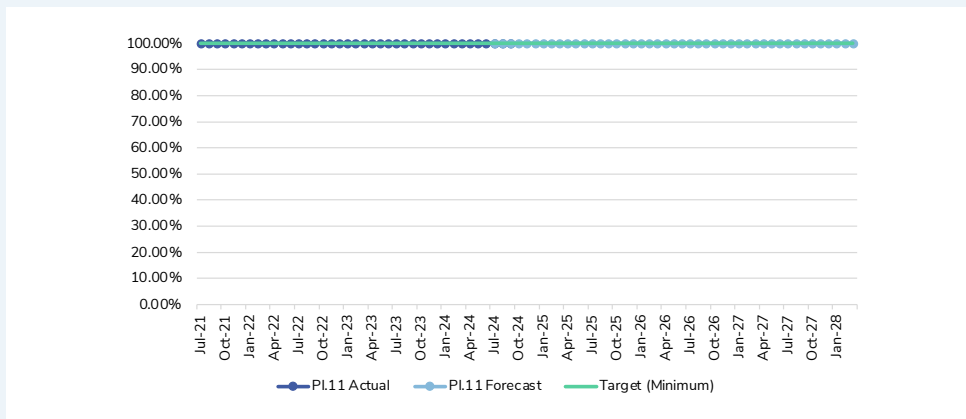
PI.09 - % of Telephone Enquiry Service calls answered within SLA (30 secs)



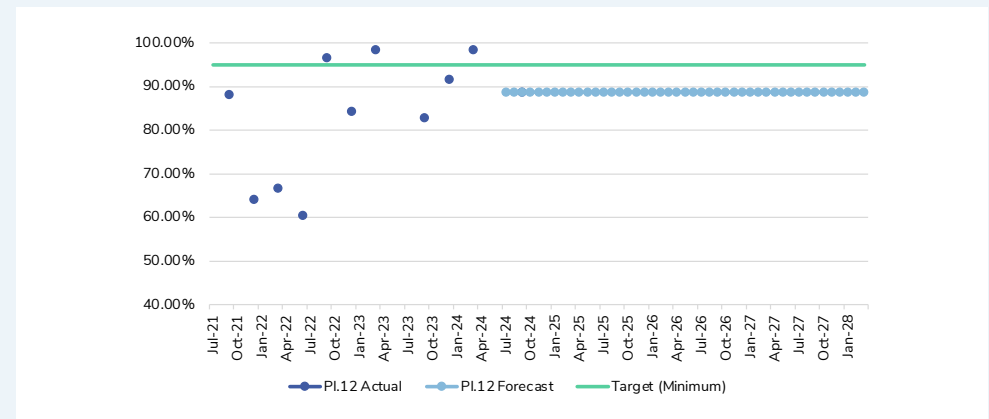
PI.10 - Confidence in DE Team to deliver DESC obligations (via Survey of DESC Members)



PI.11 - DESC / CDSP DE obligations delivered on time

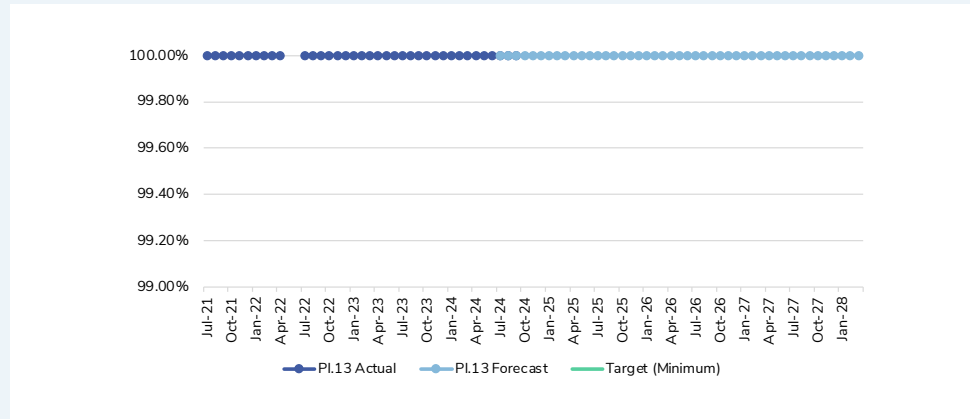


PI.12 - KPM relationship management survey

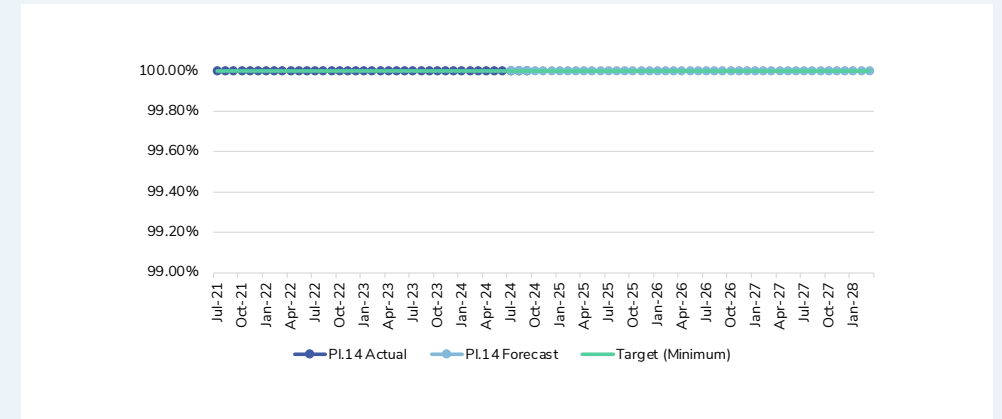




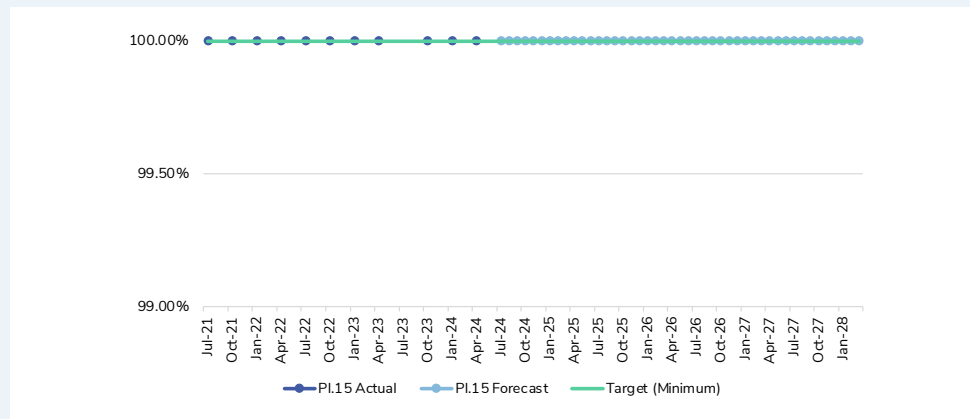
PI.13 - Plan accepted by customers & upheld (Key Milestones Met as agreed by customers)



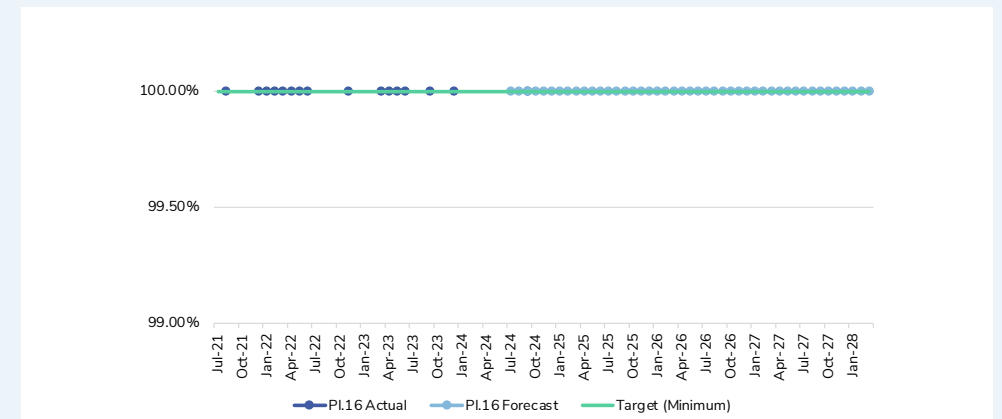
PI.14 - Provision of relevant issue updates to customers accepted at CoMC and no negativity on how the issue is managed



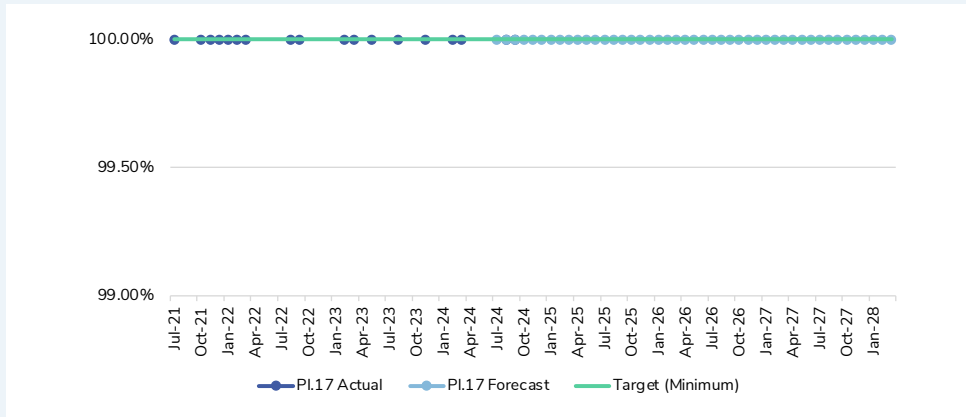
PI.15 - Survey results delivered to CoMC in Month +1



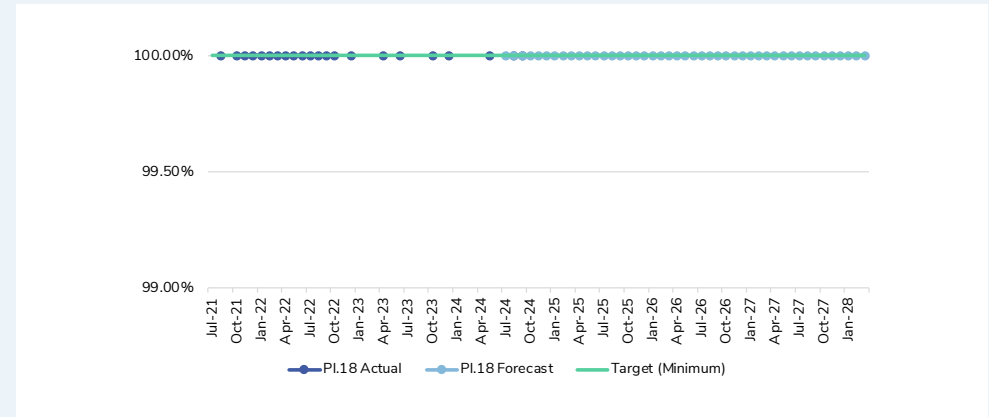
PI.16 - % closure/termination notices issued in line with Service Lines (leave) Shipper



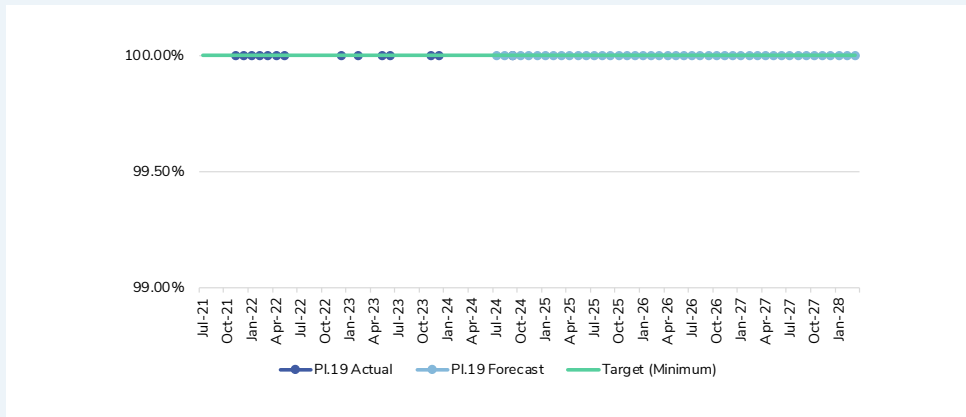
PI.17 - % key milestones met on readiness plan (join) Non Shipper



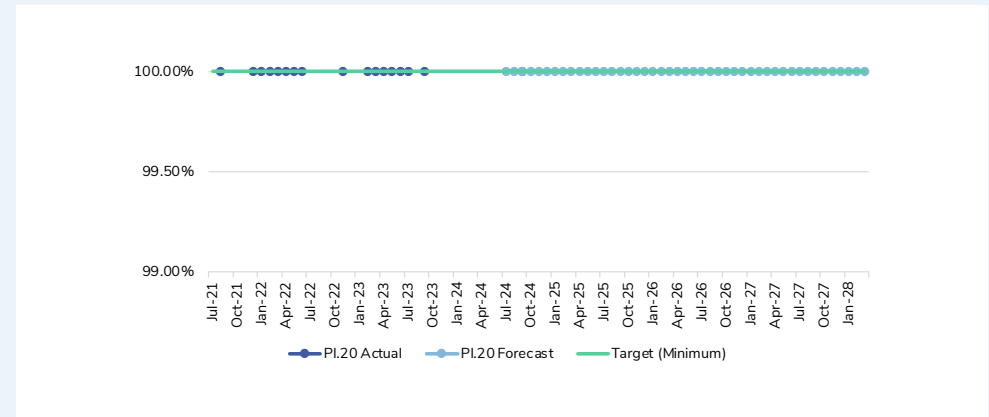
PI.18 - % key milestones met on readiness plan (join) Shipper



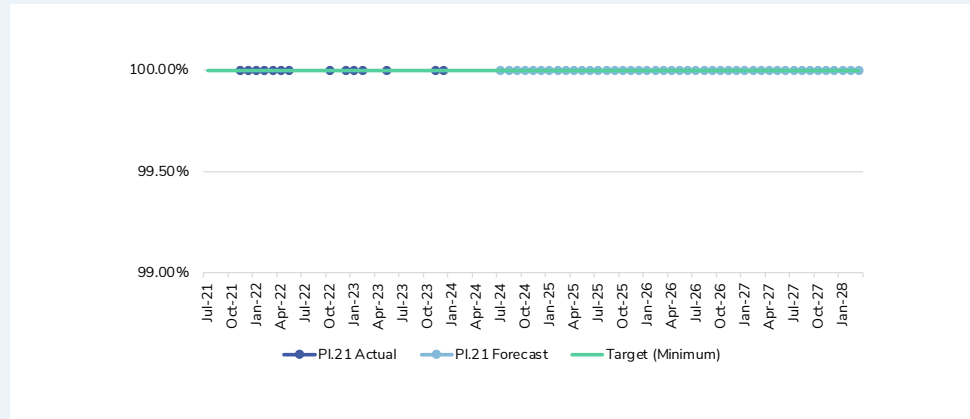
PI.19 - % of closure notices issued within 1 business day following last exit obligation being met (leave) Non Shipper



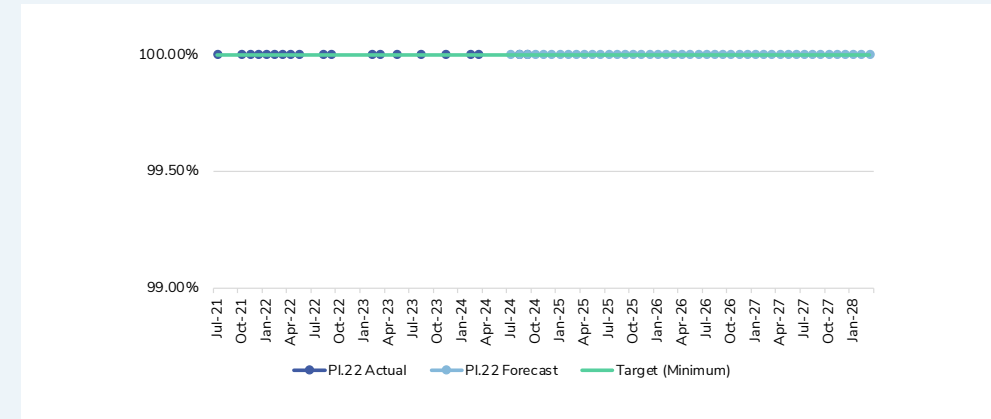
PI.20 - % of exit criteria approved and account deactivated within D+1 of cessation notice being issued (leave) Shippers



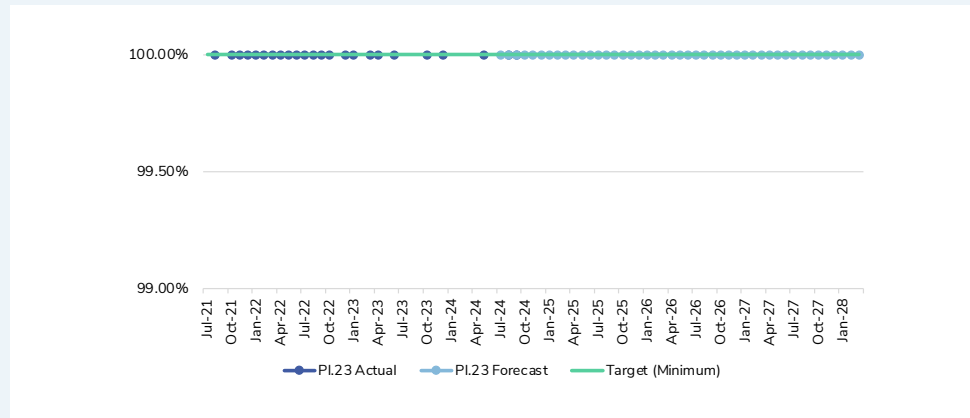
PI.21 - % of exit criteria approved and account deactivated within D+1 of cessation notice being issued. (leave) Non-Shippers



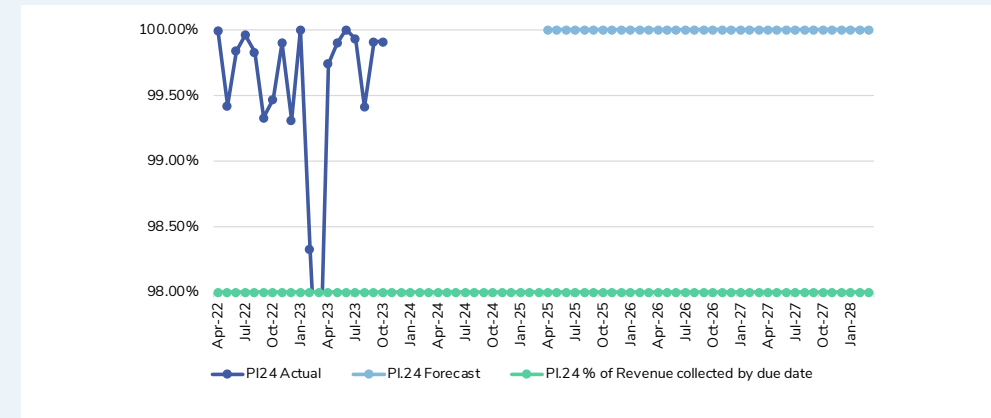
PI.22 - % of readiness criteria approved by customer (join) Non Shippers



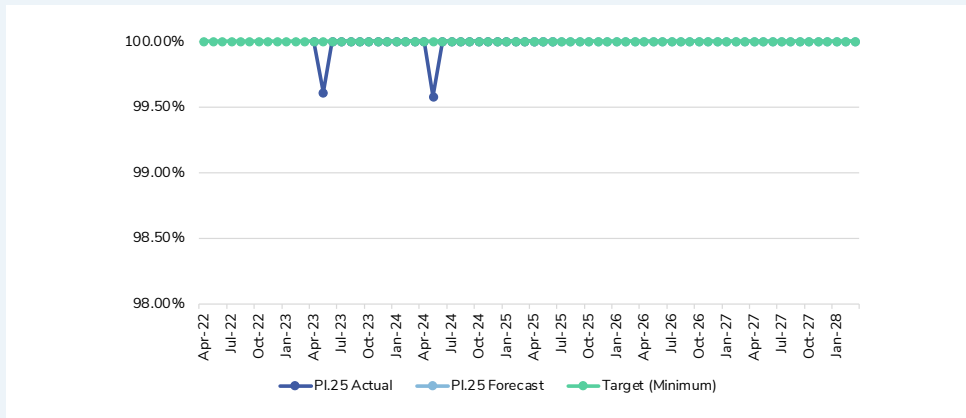
PI.23 - % of readiness criteria approved by customer (join) Shippers



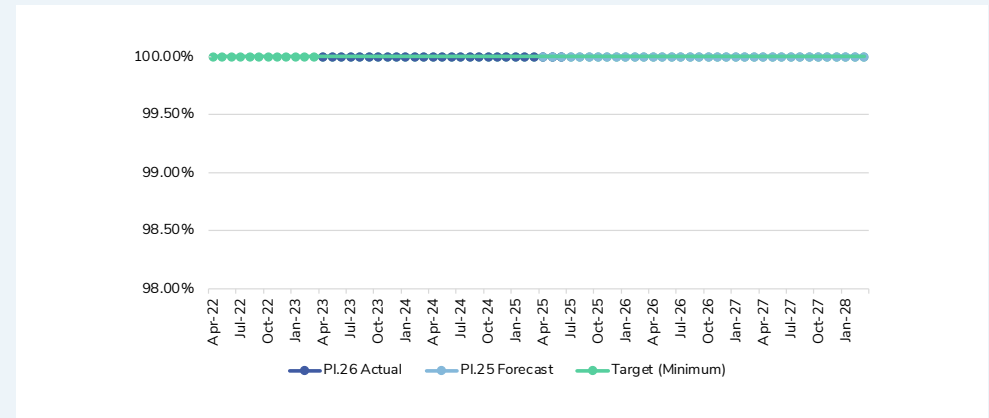
PI.24 - % of revenue collected by due date



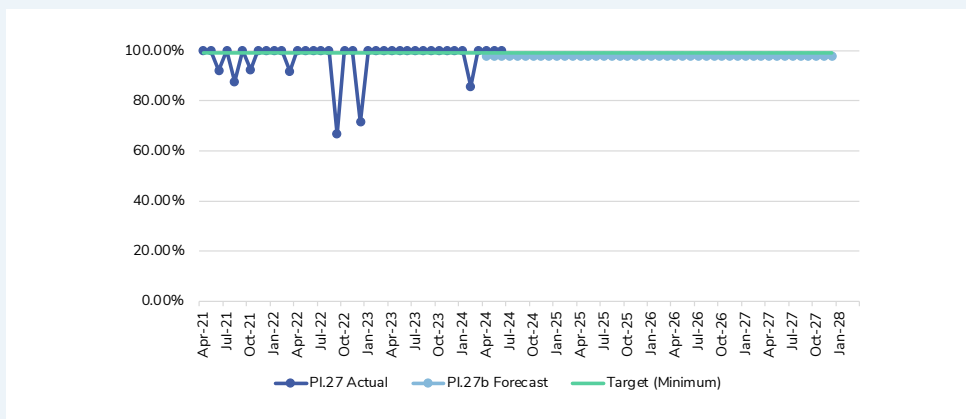
PI.25 - % of revenue collected by due date (+2 days)



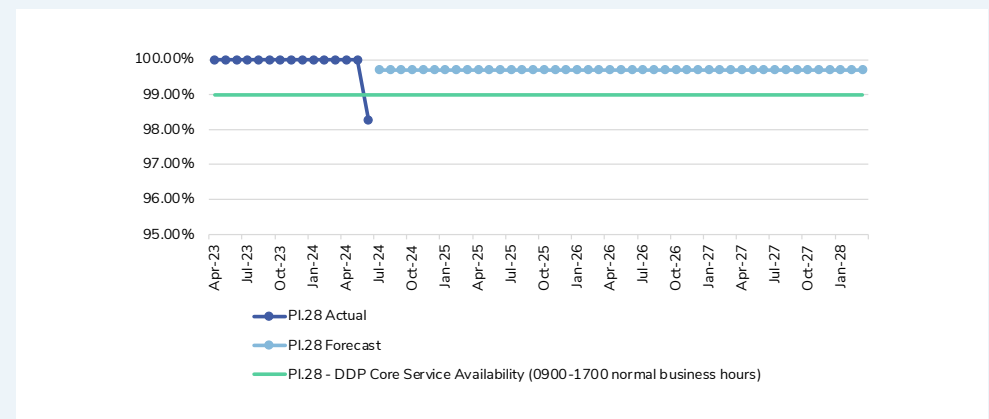
PI.26 - Energy Balancing Credit Rules adhered to, to ensure adequate security in place



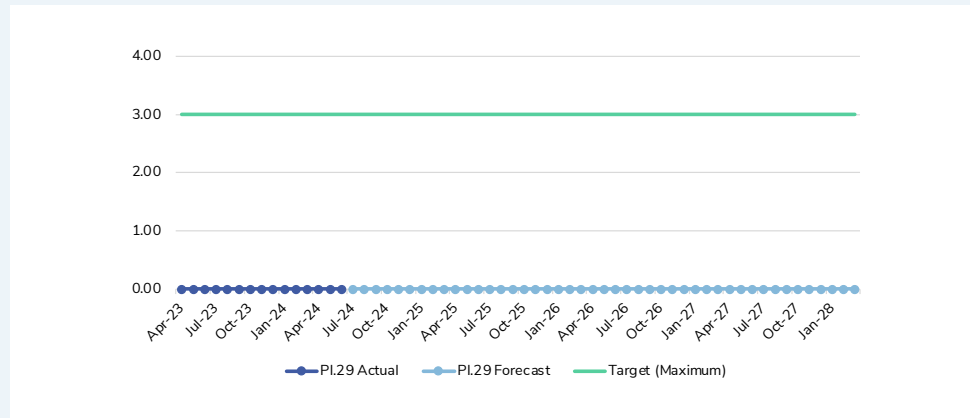
PI.27 - % level 1 milestones met



PI.28 - DDP Core Service Availability (0900-1700 normal business hours)



PI.29 - Number of valid DDP defects raised per release (Post PIS)



- **What caused the differences**
- **what the impacts were,**
- **what steps we took / will take during Year Y-1 to ensure levels of performance and service levels to be achieved during Year Y-1 do not fall below what was expected when the CDSP Budget for Year Y-1 was set**
- **how the differences between what we expected when we set the Budget for Year Y-1 was set and what we have achieved during Year Y-1 (so far), have been considered when preparing the CDSP Budget for Year Y.**

Across 42 of the total 49 KPMs/PIs, performance during Q1 of Y-1 has been robust, outturning at or above the related DSC target.

In 4 instances, using historic trends as a guide, we expected performance to fall short of the perfect score, and this is what happened.

In 3 instances, we expected to achieve our target, but a different result was returned. The following table provides a view of Q1 performance per KPM / PI.



| Measure   | # of months failed in Y-1 Q1 | Was this 'expected' (likely) based on previous trends | Why did we fail to achieve the target?  | What was the impact?  | What steps have / will we take to mitigate or to maintain current performance   | How has performance influenced BP25  |
|---|------------------------------|---|---|---|---|--|
| KPM.01 - Percentage of Shipper Transfers processed  | 0                            | Yes   | n/a   | n/a   | Continued monitoring  |  |
| KPM.02 - Percentage of meter reads successfully processed                                 | 0                            | Yes   | n/a   | n/a   | Continued monitoring  |  |
| KPM.03 - % of asset updates successfully processed  | 0                            | Yes   | n/a   | n/a   | Continued monitoring  |  |
| KPM.04 - % of AQs processed successfully  | 3                            | Yes   | During Q1 46,652,757 AQs required processing. 883 (0.002% of the total) failed to process 'right first time'. This occurs when the AQ job runs over the workflow that processes class changes and are flagged for information | The impact is that the AQs are checked to ensure the AQ has calculated and are then closed or are raised requiring a recalculation. | All AQs were issued correctly and on time.  | We may continue to see this, however monitoring and altering is in place to ensure all AQs are issued correctly and on time as part of the costs associated with Service Area 2 (which remains the same aside from CPI-H uplift)   |
| KPM.05 - Percentage of total LDZ AQ energy at risk of being impacted                      | 0                            | Yes   | n/a   | n/a   | Continued monitoring  |  |
| KPM.06 - Percentage processed within the Completion Time Service Level in DSC             | 0                            | Yes   | n/a   | n/a   | Continued monitoring  |  |
| KPM.07 - Percentage of requests processed within the Completion Time Service Level in DSC | 3                            | Yes   | Performance in this KPM is consistently 99.99% v the extremely stretching 100% target. This is due exceptions when meter read or asset update are submitted.  | As a result of exceptions across the 3 months in Q1, we were not able to process 0.002% of the total 378m process events.           | We continue to monitor exceptions as they arise, reporting back on where organisations receive read / asset exceptions. | It is very likely that performance will remain slightly below target due to the impact of exceptions. We do not currently have any plans to propose any investment that would directly address this, due to the fact that exceptions largely arise because of missing information in files submitted |

| Measure  | # of months failed in Y-1 Q1 | Was this 'expected' (likely) based on previous trends | Why did we fail to achieve the target?   | What was the impact?                                     | What steps have / will we take to mitigate or to maintain current performance  | How has performance influenced BP25  |
|--|------------------------------|---|--|--|--|--|
| KPM.08 - % Notifications sent by due date  | 0                            | Yes   | n/a  | n/a  | Continued monitoring   |  |
| KPM.09 - % of invoices not requiring adjustment post original invoice dispatch   | 0                            | Yes   | n/a  | n/a  | Continued monitoring   |  |
| KPM.10 - % of DSC customers that have been invoiced without issues/ exceptions (exc. AMS)                                  | 0                            | Yes   | n/a  | n/a  | Continued monitoring   |  |
| KPM.11 - % customers DSC with less than 1% of MPRNs which have an AMS Invoice exception                                    | 0                            | Yes   | n/a  | n/a  | Continued monitoring   |  |
| KPM.12 - % of invoices sent on due date  | 0                            | Yes   | n/a  | n/a  | Continued monitoring   |  |
| KPM.13 - % of exceptions resolved within 2 invoice cycles of creation date   | 3                            | Yes   | 0.2% of the total 2.4m exceptions remained unresolved by the SLA cut off due to Primes & Sub exceptions where no coterminous read has been provided. | This meant 5,621 exceptions were not resolved within SLA | Some previous industry changes around the P&S process have been raised but there is little appetite to progress these as the volume of sites impacted is so low. | There are no plans currently to address Prime and Sub exceptions with funding proposed in BP25 |
| KPM.14 - Number of valid P1 and P2 defects raised within the PIS period relating to relevant change (excluding programmes) | 0                            | Yes   | n/a  | n/a  | Continued monitoring   |  |
| KPM.15 - Number of valid P3 defects raised within PIS period relating to relevant change (excluding programmes)            | 0                            | Yes   | n/a  | n/a  | Continued monitoring   |  |

| Measure   | # of months failed in Y-1 Q1 | Was this 'expected' (likely) based on previous trends | Why did we fail to achieve the target?  | What was the impact?  | What steps have / will we take to mitigate or to maintain current performance                      | How has performance influenced BP25                                |
|---|------------------------------|---|---|---|--|--|
| KPM.16 - Number of valid P4 defects raised within PIS period relating to relevant change (excluding programmes) | 0                            | Yes   | n/a   | n/a   | Continued monitoring   |  |
| KPM.17 - % of tickets not re-opened within period   | 0                            | Yes   | n/a   | n/a   | Continued monitoring   |  |
| KPM.18 - % of customer tickets (Incidents & Requests) responded to within SLA                                   | 0                            | Yes   | n/a   | n/a   | Continued monitoring   |  |
| KPM.19 - UK Link Core Service Availability  | 0                            | Yes   | n/a   | n/a   | Continued monitoring   |  |
| KPM.20 - Gemini Core Service Availability   | 0                            | Yes   | n/a   | n/a   | Continued monitoring   |  |
| PI.01 - % CMS Contacts processed within SLA (95% in D+10)   | 0                            | Yes   | n/a   | n/a   | Continued monitoring   |  |
| PI.01 - % CMS Contacts processed within SLA (95% in D+10)   | 0                            | Yes   | n/a   | n/a   | Continued monitoring   |  |
| PI.02 - % CMS Contacts processed within SLA (80% in D+4)  | 1                            | No  | An unprecedented 6014 (100% increase from the previous month) Request for Amendment (RFA) contacts were submitted. At the same time, key RFA resources were required to resolve an unforeseen operational issue in the Amendment invoice. | 153 contacts were not processed within the agreed 4-day SLA | Options to enhance CMS RFA process are now being progressed to reduce the resolution time for RFAs | This activity is not expected to represent any cost impact on BP25 |
| PI.03 - % CMS Contacts processed within SLA (98% in D+20)   | 0                            | Yes   | n/a   | n/a   | Continued monitoring   |  |
| PI.04 - % customer queries responded to within SLA/OLA  | 0                            | Yes   | n/a   | n/a   | Continued monitoring   |  |

| Measure  | # of months failed in Y-1 Q1 | Was this 'expected' (likely) based on previous trends | Why did we fail to achieve the target?  | What was the impact?   | What steps have / will we take to mitigate or to maintain current performance  | How has performance influenced BP25  |
|--|------------------------------|---|---|--|--|--|
| Pl.05 - Percentage of queries resolved RFT   | 0                            | Yes   | n/a   | n/a  | Continued monitoring   |  |
| Pl.05 - Percentage of queries resolved RFT   | 0                            | Yes   | n/a   | n/a  | Continued monitoring   |  |
| Pl.06 - % of reports dispatched on due date against total reports expected             | 3                            | No  | Each month we issue an average of c.1,000 reports of varying formats and for multiple DSC constituents. 99.9% of these reports over 3 months were issued on time, with 4 missing the stated due date. 3 of the failed SLAs were related to one 'Duplicate Address Report', resulting from a data transfer error between the solution and CMS. The other failure, in the issuing of a customer portfolio report, was due to a manual error in the inputting of the correct recipient email address | A customer ticket was raised to address the Duplicate Address Report issue. Ultimately both reports were received later than the set due date. | A fix is scheduled for 2nd August 2025 to resolve the Duplicate Address Report, and training has been undertaken to ensure the correct email address will be applied to all User Portfolio Reporting going forward | No BP25 funding is required to resolve the issues captured in this matrix in BP25, however, in response to the 2023 Efficiency Review we are investigating ways in which reporting can be made more economic, efficient and effective. |
| Pl.07 - % of RFT against all reports dispatched  | 0                            | Yes   | n/a   | n/a  | Continued monitoring   |  |
| Pl.08 - % of valid CMS challenges received (PSCs) (less than 1%)                       | 0                            | Yes   | n/a   | n/a  | Continued monitoring   |  |
| Pl.09 - % of Telephone Enquiry Service calls answered within SLA (30 secs)             | 0                            | Yes   | n/a   | n/a  | Continued monitoring   |  |
| Pl.10 - Confidence in DE Team to deliver DESC obligations (via Survey of DESC Members) | 0                            | Yes   | n/a   | n/a  | Continued monitoring   |  |
| Pl.11 - DESC / CDSP DE obligations delivered on time                                   | 0                            | Yes   | n/a   | n/a  | Continued monitoring   |  |

| Measure   | # of months failed in Y-1 Q1 | Was this 'expected' (likely) based on previous trends | Why did we fail to achieve the target?   | What was the impact?  | What steps have / will we take to mitigate or to maintain current performance  | How has performance influenced BP25  |
|---|------------------------------|---|--|---|--|--|
| Pl.12 - KPM relationship management survey  | 1                            | Yes   | During Q1, the overall satisfaction score is 88.66%. Specific and actionable reasons have been identified as key drivers for the decrease in CSAT, including system issues and reliability | The impact was that we didn't meet this target, and instigated a plan to address this position ahead of the next survey | Comments received from customers in the survey have been analysed to identify common themes in feedback to help form next steps in addressing customer sentiment. Customers are also being followed up with where we require further detail to understand and clarify their pain points. | We are assessing ways to improve the Digital UX by introducing proposed investment funding |
| Pl.13 - Plan accepted by customers & upheld (Key Milestones Met as agreed by customers)                                 | 0                            | Yes   | n/a  | n/a   | Continued monitoring   |  |
| Pl.14 - Provision of relevant issue updates to customers accepted at CoMC and no negativity on how the issue is managed | 0                            | Yes   | n/a  | n/a   | Continued monitoring   |  |
| Pl.15 - Survey results delivered to CoMC in Month +1  | 0                            | Yes   | n/a  | n/a   | Continued monitoring   |  |
| Pl.16 - % closure/termination notices issued in line with Service Lines (leave) Shipper                                 | 0                            | Yes   | n/a  | n/a   | Continued monitoring   |  |
| Pl.17 - % key milestones met on readiness plan (join) Non Shipper   | 0                            | Yes   | n/a  | n/a   | Continued monitoring   |  |
| Pl.18 - % key milestones met on readiness plan (join) Shipper   | 0                            | Yes   | n/a  | n/a   | Continued monitoring   |  |

| Measure   | # of months failed in Y-1 Q1 | Was this 'expected' (likely) based on previous trends | Why did we fail to achieve the target? | What was the impact? | What steps have / will we take to mitigate or to maintain current performance | How has performance influenced BP25 |
|---|------------------------------|---|--|----------------------|---|-------------------------------------|
| Pl.19 - % of closure notices issued within 1 business day following last exit obligation being met (leave) Non Shipper        | 0                            | Yes   | n/a                                    | n/a                  | Continued monitoring  |                                     |
| Pl.20 - % of exit criteria approved and account deactivated within D+1 of cessation notice being issued (leave) Shippers      | 0                            | Yes   | n/a                                    | n/a                  | Continued monitoring  |                                     |
| Pl.21 - % of exit criteria approved and account deactivated within D+1 of cessation notice being issued. (leave) Non-Shippers | 0                            | Yes   | n/a                                    | n/a                  | Continued monitoring  |                                     |
| Pl.22 - % of readiness criteria approved by customer (join) Non Shippers  | 0                            | Yes   | n/a                                    | n/a                  | Continued monitoring  |                                     |
| Pl.23 - % of readiness criteria approved by customer (join) Shippers  | 0                            | Yes   | n/a                                    | n/a                  | Continued monitoring  |                                     |
| Pl.24 - % of revenue collected by due date  | 0                            | Yes   | n/a                                    | n/a                  | Continued monitoring  |                                     |
| Pl.25 - % of revenue collected by due date (+2 days)  | 0                            | Yes   | n/a                                    | n/a                  | Continued monitoring  |                                     |
| Pl.26 - Energy Balancing Credit Rules adhered to, to ensure adequate security in place  | 0                            | Yes   | n/a                                    | n/a                  | Continued monitoring  |                                     |
| Pl.27 - % level 1 milestones met  | 0                            | Yes   | n/a                                    | n/a                  | Continued monitoring  |                                     |



| Measure   | # of months failed in Y-1 Q1 | Was this 'expected' (likely) based on previous trends | Why did we fail to achieve the target?   | What was the impact?  | What steps have / will we take to mitigate or to maintain current performance  | How has performance influenced BP25   |
|---|------------------------------|---|--|---|--|---|
| PI.28 - DDP Core Service Availability (0900-1700 normal business hours) | 1                            | No  | On 10th June, a P2 incident occurred where a number of DDP meter read based dashboards were unavailable for Shipper and PAFA users. Data latency issues were also experienced. The start of this incident coincided with planned maintenance activity undertaken by the Birst platform provider, Infor | during remedial work with the provider, the platform became completely unavailable for 2.75 hours on the morning of 14th June. The wider incident impacting data latency was resolved on 17th June. | Root cause analysis is ongoing with Infor – regular contact and chasing of the provider continues for completion of the root cause, plus additional monitoring is taking place internally and by the provider as mitigation. | Though not directly linked to the P2 incident described, we are assessing ways to enhance the DDP platform functionality via BP25 |
| PI.29 - Number of valid DDP defects raised per release (Post PIS)       | 0                            | Yes   | n/a  | n/a   | Continued monitoring   |   |

For the Forecast Over/Under Amount for Year Y-1, the CDSP Budget must include:

- details of the Forecast Over/Under Amount for Year Y-1;
- descriptions of the factors that have caused and will cause the Forecast Over/Under Amount for Year Y-1;
- quantification of impact of each factor on the Forecast Over/Under Amount for Year Y-1; and
- an explanation of how the Forecast Over/Under Amount for Year Y-1 has been considered when preparing the CDSP Budget for Year Y

For the Outturn Over/Under Amount for Year Y-2, the CDSP Budget must include:

- details of the Outturn Over/Under Amount for Year Y-2; descriptions of the factors that have caused and will cause the Outturn Over/Under Amount for Year Y-2;
- quantification of impact of each factor on the Outturn Over/Under Amount for Year Y-2; and
- an explanation of how the Outturn Over/Under Amount for Year Y-2 has been considered when preparing the CDSP Budget for Year Y.

## Rebates

We communicated an unprecedented rebate of £10.1m via the 2024/25 Annual Charging Statement (ACS), and we are now forecasting a further £3.5m Y-2, and £1.5m Y-1 rebate in the 2025/26 ACS.

The factors that led to this total return of funding ranged from reprioritisation of change projects - including a pause and descoping of planned UK Link upgrade work, with a proof-of-concept exercise being undertaken to assess options for upgrading the current version of SAP to SAP4HANNA – to underspent industry change budgets (General Change, Gemini Regulatory, Decarbonisation) that were not fully utilised due to change demand (these budgets are typically sized to avoid the risk of additional (to the existing budget) within-year funding requirements. It also includes rebates on projects that are completing in 2024/25 (EPG/Gemini Sustain) with full funding not expected to be required.

Finally, the Y-2 rebate also includes an amount associated with Service and Operate (the ongoing cost to deliver day to day CDSP services).

## Y-1 (2024/25) Rebate Forecast

| Details of the Forecasted Outturn Over/Under Amount for Year Y-1 | Descriptions of the factors that may cause Outturn Over/Under Amount for Year Y-2   | Quantification of the potential impact of each factor on the Outturn Over/Under Amount for Year Y-1 | Explanation of how the potential Outturn Over/Under Amount for Year Y-1 has been considered when preparing the CDSP Budget for Year Y.  |
|--|---|---|---|
| General Change   | The General Change budget funds incrementally scoped changes as directed by the DSC Change Management Committee within the budget year. If the budget set during each business planning cycle (and recommended by the ChMC) is not utilised, funds are refunded | We currently forecast that £1m will not be utilised by the end of the current financial year        | We set each General Change budget following discussion with ChMC. This has once again happened and a preliminary budget of a similar magnitude to historic trends has been included in Draft 1. |

## Y-2 (2023/24) Rebate Forecast

This table provides a view of the Y-2 rebate forecast.

| Details of the Outturn Over/Under Amount for Year Y-2 (£m) | Descriptions of the factors that have caused and will cause the Outturn Over/Under Amount for  | Quantification of the potential impact of each factor on the Outturn Over/Under Amount for Year Y-1 | Explanation of how the potential Outturn Over/Under Amount for Year Y-1 has been considered when preparing the CDSP Budget for Year Y.  |
|--|--|---|---|
| Decarbonisation  | Over the last 3 business plans, we have retained a budget for use in the decarbonisation space. Typically, this budget has been used to fund a dedicated team of resources to centralise efforts to drive the decarbonisation agenda on behalf of the Distribution Networks and National Gas Transmission. The part of the Decarbonisation budget that was set aside for delivering incremental change projects (such as hydrogen trials) was not fully utilised during the period, which in turn drives this rebate forecast. | £0.65   | We moved the resourcing elements (£1.1m) of this funding into Service and Operate as part of the BP24 cycle, setting aside a change budget (£0.7m) to deliver incremental projects and support hydrogen trials. Given that we rebated £0.7m in the 2024/25 Annual Charging Statement (ACS) and are now predicting a further £0.65m in 2025/26 the next ACS, we have decided not to have a dedicated Decarbonisation investment in BP25. We will be proposing that an amount of funding is added to the BP25 General Change Budget to utilise for Decarbonisation activity (that goes beyond S&O scope) should it be required. |
| Energy Price Guarantee scheme                              | The principal benefit of this change was the effective discharge of Scheme Administrator duties, resulting in effective delivery of the EPG scheme. This helped to prevent a significant proportion of UK households being subject to fuel poverty, reducing instances of bad debt to suppliers. As a result, this reduced the risk of supplier (and shipper) failure and ensured the continued provision of gas to all domestic consumers. We did not require the full budgeted amount to successfully administer the scheme. | £0.41   | No EPG funding is required in BP25.   |
| Gemini Regulatory  | The Gemini Regulatory Change Budget is an annual fund used on demand, when National Gas Transmission requires it to design, test and implement functional changes to the Gemini systems as compelled by industry code change. It is likely that this won't be fully utilised during the period, which drives this rebate forecast  | £0.05   | We monitor the rebate amounts in each financial year to ensure the General Change Budget is right-sized. We generally take a 'risk averse' approach to setting the budget, given feedback that this is a better approach than having to provide additional funding within the financial year.   |
| Gemini Sustain   | The Gemini Sustain programme sustains the Gemini platform by modernising and transforming current legacy components into a modern, cost efficient and scalable solution that reduces operating costs and the ongoing cost of change. At the same time, it improves user experience and system stability, and eases known customer pain points. The full budget for this work wasn't required to deliver the full scope, which drives this rebate forecast.   | £0.04   | There are no Gemini Sustain requirements in the proposed investment portfolio for BP25  |

| Details of the Outturn Over/Under Amount for Year Y-2 (£m) | Descriptions of the factors that have caused and will cause the Outturn Over/Under Amount for   | Quantification of the potential impact of each factor on the Outturn Over/Under Amount for Year Y-1 | Explanation of how the potential Outturn Over/Under Amount for Year Y-1 has been considered when preparing the CDSP Budget for Year Y.  |
|--|---|---|---|
| General Change   | The General Change Budget is an annual fund used on demand, when the DSC Change Management Committee (ChMC) dictates. The funding is typically used to design, test and implement functional changes to CDSP systems as compelled by UNC/IGTUNC/REC industry code change. We also use the General Change Budget to fund incremental reporting requirements as dictated by the Performance Assurance Committee. As in most financial years, there was unspent funding in the 2023/24 General Change Budget which is now forecast for rebate. | £0.63   | We monitor the rebate amounts in each financial year to ensure the General Change Budget is right-sized. There is often a rebate, but we generally take a 'risk averse' approach to setting the budget, given feedback from customers that this is a better approach than having to provide additional funding within the financial year. |
| Service & Operate  | It was anticipated that a large S&O rebate was likely through FY23-24, driven by high interest rates on cash held for investment, and the final year of R&D tax credit recognition. £0.4m was committed to be rebated as part of the Y-1 rebate (given this commitment is required to be calculated mid-year) and this Y-2 rebate is the balance of the S&O surplus generated, now that the year is closed, and audit procedures are completed.   | £0.55   | Xoserve is expected to be fully funded from an S&O perspective year to year and therefore it is fair and equitable that these funds are returned to customers.  |
| <b>Total</b>   |   | <b>£2.30</b>  |   |



## 1.4 Outputs

In the draft and final versions of the CDSP Budget, the CDSP shall describe the outcomes it proposes to achieve for Customers and consumers by the end of Year Y. The CDSP shall also describe the outputs it proposes to deliver in order to achieve those outcomes. The proposed commitments (outcomes and outputs) must be appropriate, well-evidenced and reflect continuous improvement.

In the draft and final versions of the CDSP Budget, the CDSP shall explain:

- the measures of the existing levels of service that Customers and consumers receive and how the proposed levels of service for Year Y represent an improvement;
- how the CDSP will measure and report on progress against the proposed commitments;
- how the CDSP will seek feedback on its performance and progress against the commitments;
- the potential consequences to Customers, consumers and the CDSP of the non-delivery of each commitment; and
- where relevant, the levels of service that are provided by comparator organisations.



## Outputs

- **What are the measures of the existing levels of service that Customers and consumers receive and how the proposed levels of service for Year Y represent an improvement**

The existing levels of service and related measurements can be described via assessment of the attributes associated with each of the 18 General Service Areas within our budget's Service and Operate element. For the purpose of satisfying the related BPIRs, each Service Area can be understood to represent a 'commitment' to deliver a service to customers, each one having the following attributes (outputs / outcomes):

- **Service description / commitment** – a summary of committed activities per Service Area
- **Expected output 1 (volume)** - the number of process events we are likely to see in Y
- **Expected output 2 (number of related DSC Service Lines)** - the number service lines that underpin each Service Area (an exhaustive list of each service line can be found in the DSC Service Description Table)
- **Expected output 3 (number of corresponding code obligations)** - the number of industry code obligations associated with the Service Area / Commitment (an exhaustive list of the code obligations associated with each Service Area can be found in the DSC Service Description Table)

- **Expected Outcome** - related DSC KPM/PI (how the CDSP will measure and report on progress) – the Key Performance Metric or Performance Indicator that is used to measure effectiveness of activities within each Service Area
- **How the CDSP will seek feedback on its performance and progress against the commitments** – a brief description of the vehicle for seeking feedback
- **Expected continuous improvement or maintenance during Y** – the degree to which focus is on maintaining already robust service delivery and/ or the details of how improving service delivery will be tackled
- **The potential consequences to Customers, consumers and the CDSP of the non-delivery of each commitment** – a description of the possible consequences of failing to successfully discharge the Service Area

The table provides the attributes of each General Service Area / commitment.

| Area | Service Area                         | Service Description / Commitment   | Expected output 1 (Y volume)   |
|------|--------------------------------------|--|--|
| 1    | Manage Shipper transfers             | UK Link automated processing of file flows associated with end consumer registrations, switching and supply point data.  | 7.5m consumer transfers  |
| 2    | Monthly AQ Processing                | UK Link automated processing of file flows associated with Annual Quantities (AQ) and Supply Point Offtake Quantities (SOQ). All activities associated with AQ calculation processes including AQ query resolution. Also includes monitoring, notification and creation of AQ performance dashboards for meter points that have crossed the class 1 threshold.   | 215m AQs processed   |
| 3    | Manage updates to customer portfolio | Running and maintaining the Contact Management System (CMS), including the interfaces to and from the UK Link system where updates are required to the supply point register. Progression of any customer queries raised in CMS, including investigation and resolution. Change to CMS delivered via minor releases.   | 200,000 contacts processed   |
| 4    | Meter read/asset processing          | The automated processing of meter asset and meter read file flows in UK Link. This includes files and notifications associated to: <ul style="list-style-type: none"> <li>exchanges or updates to records for traditional meters, smart meters, automatic meter reading equipment, and datalogger equipment.</li> <li>updates to the metering conversion factors that are used to calculate meter volume and energy.</li> <li>meter readings for all classes of meter points.</li> <li>read replacement processes inclusive of daily read error notices.</li> <li>generation and notification of estimated opening and transfer readings.</li> <li>all activities associated with meter reading processes including meter read validation and rejection, calculating meter volume and energy from the raw meter read data, and calculating consumption adjustments.</li> </ul>   | 1.6b reads/assets processed  |
| 5    | Demand Estimation Obligations        | Demand activities: <ul style="list-style-type: none"> <li>Develop end-to-end methodology to determine gas demand profiles.</li> <li>Manage sampling, collection and validation of daily gas consumption for several thousand meter points.</li> <li>Analyse consumption data against variables such as weather and events calendar, to build demand models which can be used to calculate the estimated consumption for 25m Non-Daily Metered (NDM) meter points.</li> <li>Industry consultation and engagement with Demand Estimation Sub Committee (DESC).</li> <li>Review and maintain the gas industry's weather parameter: the composite weather variable (CWV), and its 'seasonal normal' version (SNCWV), to reflect the latest consumer and weather patterns.</li> </ul> <p>All of the above is necessary for production of demand profiles for the next gas year, to support key industry processes such as NDM nominations/ allocation and capacity forecasting.</p> | Periodic survey responses & 132 related DESC obligations   |
| 6    | Customer relationship                | Provision of customer relationship management team and services for all customer constituents. Customer training and education, including induction days for new industry entrants, customer expert days where customers are given access to a range of subject matter experts, and change awareness sessions for stakeholders.  | 6 periodic / fixed surveys<br>4 x Quarterly Shipper Meetings (including Small & Medium, I&C and Large)<br>24 x IGT Meetings (Two per month: one covering Change and one Operational)<br>12 x DN Meetings (held monthly (every quarter there is a F2F constituency over 2 days))<br>c300 individual organisational meetings |

| Expected output 2<br>(no. of related<br>DSC Service Lines) | Expected output 3<br>(no. of corresponding<br>code obligations) | Expected Outcome - related DSC KPM/PI (how<br>the CDSP will measure and report on progress)  | How the CDSP will seek feedback<br>on its performance and progress<br>against the commitments                           | Expected continuous improvement<br>or maintenance during Y            | The potential consequences to<br>Customers, consumers and the CDSP of<br>the non-delivery of   |
|--|---|--|---|---|--|
| 46   | 44  | KPM.01 - Percentage of Shipper Transfers processed   | Monthly CoMC, periodic surveys  | Maintain 100% performance   | Failed consumer transfer, failed UNC obligations, failed DSC KPM.01  |
| 8  | 8   | KPM.04 - % of AQs processed successfully   | Monthly CoMC, periodic surveys  | Maintain 100% (but no lower than 99.9%) performance                   | Failure to process an Annual Quantity value, failed UNC obligations, failed DSC KPM.04%  |
| 69   | 45  | PI.01 Count of closed contacts (D+10), PI.02 Count of closed contacts (D+4), PI.03 Count of closed contacts (D+20)                           | We have presented an Investment Proposal (Strategic Outline Case) for Project Trident that addresses each point raised. |   |  |
| 36   | 33  | KPM.07 - Percentage of requests processed within the Completion Time Service Level in DSC  | Monthly CoMC, periodic surveys  | Maintenance of 99.99% performance                                     | Failure to process a read or asset update within SLA, failed KPM.07, failed industry code obligation                                   |
| 18   | 17  | PI.10 - Confidence in DE Team to deliver DESC obligations (via Survey of DESC Members), PI.11 - DESC / CDSP DE obligations delivered on time | Monthly CoMC, periodic surveys  | Maintain 100% performance   | Potentially inaccurate demand estimation leading to settlement error / risk, failed industry code obligations, failed DSC PI.10 and 11 |
| 1  | 0   | PI.12 - KVI relationship management survey   | Monthly CoMC, periodic surveys  | Return to above target KVI survey, maintenance of current ICS results | Customers disengaged and unable to have effective dialogue with CDSP   |

| Area | Service Area                  | Service Description / Commitment  | Expected output 1<br>(Y volume)  |
|------|-------------------------------|---|--|
| 7    | Customer joiners/leavers      | The management and support for customers joining and exiting the gas market includes cessation notices, Supplier of Last Resort (SoLR) processes, and invoking deed of undertaking. Adding parties to the Data Services Contract (DSC) and UK Link user agreement, creation and removal of access to UK Link. Management of the Market Domain Data (MDD) and arranging user agent agreements. Information exchange (IX) installation, change and removal of equipment services.   | c132 joiner / leaver events  |
| 8    | Energy Balancing              | All activities in respect of energy balancing credit risk management, debt collection, and management of neutrality   | CE665m energy balancing invoiced charges   |
| 9    | Customer reporting            | Creation, maintenance, and distribution of reporting, both for external customers and management information required internally.   | 12,000 reports issued  |
| 10   | Invoicing customers           | Issue of invoices for: <ul style="list-style-type: none"> <li>Gas transportation on behalf of National Gas Transmission and the distribution networks</li> <li>DSC services provided by Xoserve.</li> </ul> Covers: UK Link automated calculation and creation of NTS and LDZ capacity, commodity, reconciliation, balancing and request to bill invoices (e.g. failure to supply gas). Also includes a share of the UK Link support and service desk costs. Validation and approval of invoices prior to issue and management of any customer queries raised against an invoice. | 27,000 invoices issued, 2700 customers invoiced, 9.5m exceptions processed                       |
| 11   | Management of customer issues | Management and communication of customer issues including: <ul style="list-style-type: none"> <li>Incident Management</li> <li>Defects which become apparent through the normal course of business where the functionality implemented does not result in the expected outcome.</li> <li>Data security incidents (including potential data breaches)</li> <li>Process issues and other, non-system issue management to identify underlying causes and prevent recurrence.</li> </ul>  | Ad hoc   |
| 12   | Customer contacts             | Service desk operation. Telephony service for the domestic enquiry telephone service line.  | 17,000 customer queries, 52,000 calls answered, 7,200 technical tickets, 23,000 customer tickets |

| Expected output 2<br>(no. of related<br>DSC Service Lines) | Expected output 3<br>(no. of corresponding<br>code obligations) | Expected Outcome - related DSC KPM/PI (how<br>the CDSP will measure and report on progress)   | How the CDSP will seek feedback<br>on its performance and progress<br>against the commitments | Expected continuous improvement<br>or maintenance during Y                        | The potential consequences to<br>Customers, consumers and the CDSP of<br>the non-delivery of   |
|--|---|---|---|---|--|
| 22   | 20  | PIs 17-23   | Monthly CoMC, periodic surveys  | Maintain 100% performance   | Failure of the smooth operation of customer joiner and leavers / SoLR process, failed industry code obligations, failed related DSC PIs  |
| 42   | 39  | PI.24 % of Revenue collected by due date, PI.25 % of revenue collected by due date (+2 days), PI.26 Energy Balancing Credit Rules adhered to, to ensure adequate security in place  | Monthly CoMC, periodic surveys  | Maintain above target performance   | Failure to manage credit risk, debt collection and management of neutrality, failed industry code obligations, failed related DSC PIs  |
| 40   | 10  | PI.06 - % of reports dispatched on due date against total reports expected, PI.07 - % of RFT against all reports dispatched   | Monthly CoMC, periodic surveys  | Consistently achieve above target performance                                     | Failure to issue reporting to customers within the agreed SLA, failed industry code obligations, failed DSC PI.06 and 07   |
| 34   | 26  | KPM.09 - % of invoices not requiring adjustment post original invoice dispatch, KPM.10 - % of DSC customers that have been invoiced without issues/ exceptions (exc. AMS), KPM.11 - % customers DSC with less than 1% of MPRNs which have an AMS Invoice exception, KPM.12 - % of invoices sent on due date, KPM.13 - % of exceptions resolved within 2 invoice cycles of creation date | Monthly CoMC, periodic surveys  | Maintain above target performance across KPM.09, 10, 11 & 12, and 99.9% in KPM.13 | Failure to invoice correctly / to agreed SLA, failed industry code obligations, failed related DSC KPMs 09-13  |
| 0  | 0   | PI.13 - Plan accepted by customers & upheld (Key Milestones Met as agreed by customers), PI.14 - Provision of relevant issue updates to customers accepted at CoMC and no negativity on how the issue is managed  | Monthly CoMC, periodic surveys  | Maintain above target performance   | Failure to manage ad hoc customer issues when they arise in a timely and robust manner, issues impacts and resolution not effectively communicated, failure of DSC PI.13                 |
| 7  | 2   | KPM.17 - % of tickets not re-opened within period, KPM.18 - % of customer tickets (Incidents & Requests) responded to within SLA  | Monthly CoMC, periodic surveys  | Maintain above target performance   | Failure to respond to customer contacts (calls, queries, technical tickets, customer tickets) leading to denegated service, failed industry code obligations, failed DSC KPMs .17 and 18 |

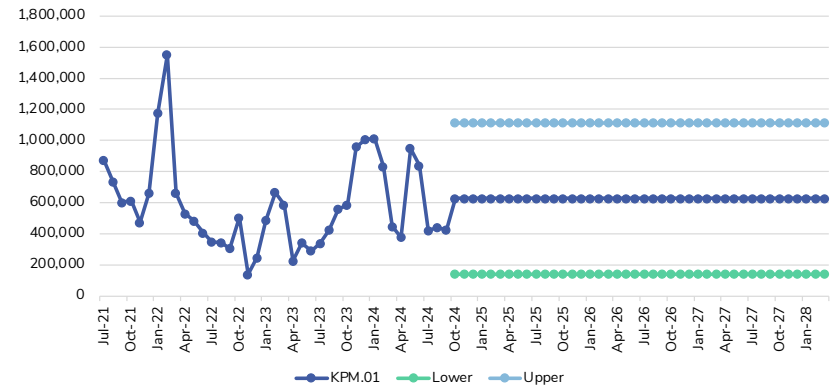
| Area | Service Area                         | Service Description / Commitment   | Expected output 1<br>(Y volume)   |
|------|--------------------------------------|--|---|
| 13   | Managing Change                      | The development of changes to CDSP system & services alongside industry stakeholders, production of detailed change documentation (HLSO, Change Packs, training). Adherence to DSC change governance procedures and code obligations. Delivery of complex changes to DSC services and the systems that underpin these, and assurance of Service Providers through the change lifecycle outside major change programmes.  | 3 Major Releases, 4 Minor Releases, Multiple Standalone / adhoc Changes   |
| 14   | Gemini Services                      | Gemini automated processing of file flows between the Gemini and UK Link system, the operation and support of the Gemini system, monitoring performance and incident management. Includes the provision of essential maintenance. Change management: the development, governance, delivery, and assurance of Gemini change.  | Average Gemini Availability – 99.94%<br>3837 Invoices<br>179 changes  |
| 15   | Value added services                 | The DDP platform is a data visualisation tool, used to access reporting information. It enables customers to: <ul style="list-style-type: none"> <li>securely query their organisation's data</li> <li>create bespoke reports via a personalised dashboard</li> <li>visualise data using a range of chart tools and comparison screens to gain insights on and evaluate responses to industry changes and trends</li> <li>use trend analysis to identify opportunities for improving data accuracy or process performance</li> <li>access the detail sitting between high-level key performance indicators to support decision making</li> </ul>             | Number of Files Received from DNs: 157143<br>Number of FWACV Calculations: 373709<br>Number of Files Issued related to FWACV: 229742<br>Number of Reports issued to Authority OFGEM Report: 72<br>NG Monthly Report: 24<br>CV Shrinkage Report: 365 |
| 16   | Central switching services           | This service was launched in 2021. It provides a consistent set of arrangements for suppliers of electricity and gas and consumers and governs the operation of faster and more reliable arrangements for consumers to switch their energy supply. The Xoserve Central Switching Service Consequential (CSSC) Programme was set up in 2018 as a result of the launch of Ofgem's Switching Programme. It delivers all direct and consequential impacts on CDSP systems and services, enabling faster switching services that interface with existing systems and processes, to allow seamless shipper registration, settlement, and transportation invoicing. | Approx 64 million CSS messages.   |
| 17   | Distribution Network funded services | Delivering the Flow Weighted Average Calorific (FWACV) service via the active management of the source data used to: <ul style="list-style-type: none"> <li>Calculate, Maintain and publish the actual and forecast Flow-Weight Average CV for each Distribution Network's charging area(s)</li> <li>Calculate, Maintain and publish Flow-Weight Average CV for declared Loss Of Records post-closeout (D+5) amendments to a Distribution Network's charging area daily, and;</li> <li>Creation and issue of the monthly FWACV audit reports to the Authority (OFGEM &amp; DN's)</li> </ul>  | 90 dashboards<br>60 million records updated each week<br>95 changes being progressed  |
| 18   | Decarbonisation                      | Planning, design, coordination and support for decarbonisation projects and cross industry engagement, and the management of a pipeline of related development work  | 15-20 inflight projects, multiple meetings facilitation and support   |

| Expected output 2<br>(no. of related<br>DSC Service Lines) | Expected output 3<br>(no. of corresponding<br>code obligations) | Expected Outcome - related DSC KPM/PI (how<br>the CDSP will measure and report on progress)  | How the CDSP will seek feedback<br>on its performance and progress<br>against the commitments | Expected continuous improvement<br>or maintenance during Y | The potential consequences to<br>Customers, consumers and the CDSP of<br>the non-delivery of  |
|--|---|--|---|--|---|
| <a href="#">CDSP Service Document</a>                      | n/a   | KPM.14 - Number of valid P1 and P2 defects raised within the PIS period relating to relevant change (excluding programmes), KPM.15 - Number of valid P3 defects raised within PIS period relating to relevant change (excluding programmes), KPM.16 - Number of valid P4 defects raised within PIS period relating to relevant change (excluding programmes), KPM.19 - UK Link Core Service Availability, PI.27 - % level 1 milestones met | Monthly CoMC, periodic surveys  | Maintain above target performance                          | Failure to deliver industry code changes requested by customers, failure to comply with set change management procedures  |
| 8  | 7   | KPM.20 - Gemini Core Service Availability  | Monthly CoMC, periodic surveys  | Maintain above target performance                          | Failure to deliver critical Gemini services which support balancing processes, failure of industry code obligations, failure of DSC KPM.20  |
| 0  | 0   | PI.28 - DDP Core Service Availability (0900-1700 normal business hours), PI.29 - Number of valid DDP defects raised per release (Post PIS)   | Monthly CoMC, periodic surveys  | Maintain above target performance                          | Failure to deliver value added services such as the provision of DDP, APIs that directly impact customer processes, failure of DSC PIs 28 and 29  |
| 28   | 23  | Suite of Gas Retail Data Service 'Performance Level' Targets   | Performance presented to REC Performance Assurance Board and at monthly CoMC                  | Maintain above target performance                          | Failure to facilitate fastwter switching services which enable consumer switching to take place to agreed SLAs, failed industry code obligations, potential service credit payments                               |
| 4  | 1   | PIs being investigated to reflect performance v 5 day obligation in phase 2 of service (estimated Nov-24)  | Periodic constituency meetings, ChMC, CoMC  | Continuation of service                                    | Failure to deliver the FWACV service therefore impacting settlement accuracy, failed industry code obligation   |
| 0  | 0   | KPMs 14-17 (following applicable project delivery)   | Periodic constituency meetings  | Continuation of service                                    | The absence of a centrally funded 'centre of expertise' in the decarbonisation space, and a risk that impacts to central systems, as a result of industry change, would not be understood / mitigated / optimised |

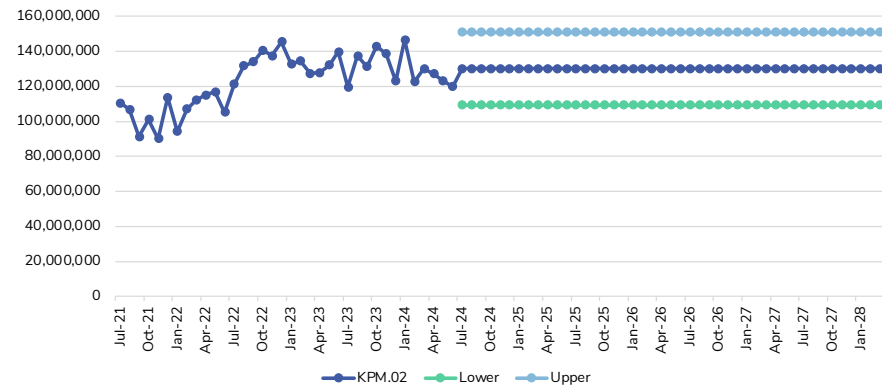
### Volumetric Trends

We also provide a process event forecast for each volumetric output out to March 2028, where this is relevant. This view is based on historic trends and offers a 'lower / higher' forecast.

KPM.01 Count of registrations (shipper transfer)

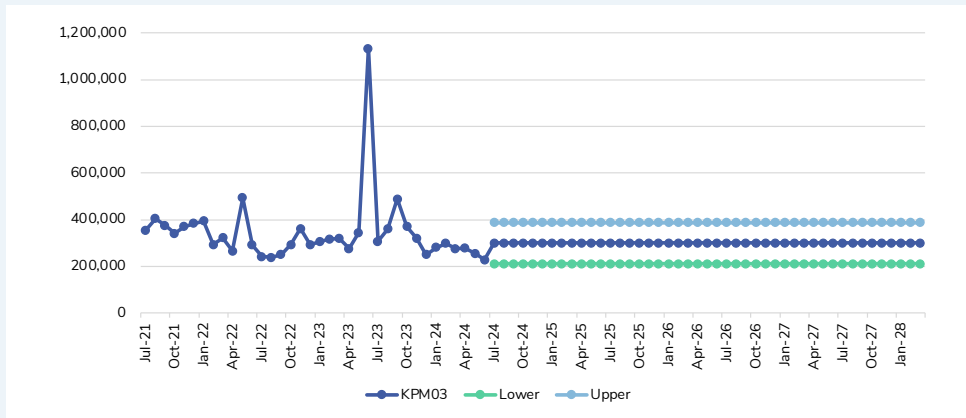


KPM.02 Count of reads

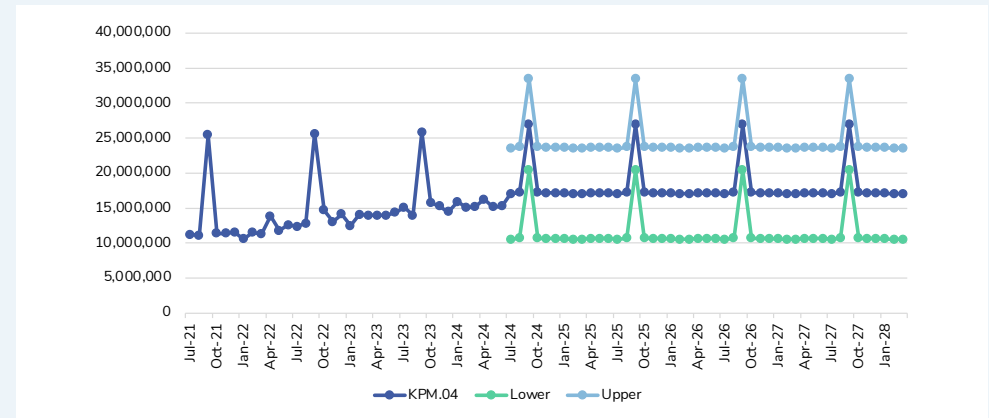




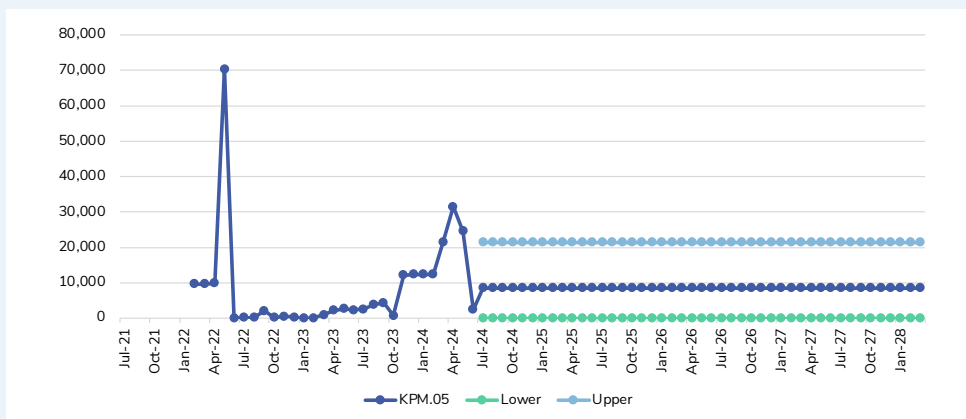
KPM.03 Count of asset updates



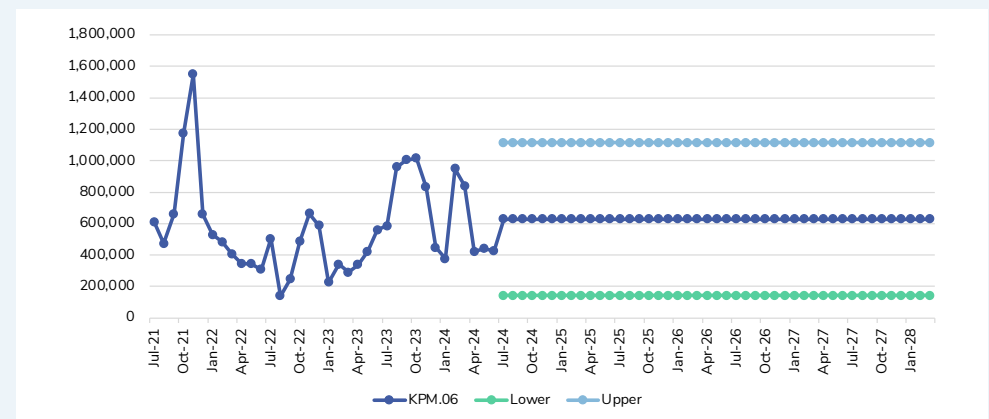
KPM.04 Count of AQs processed



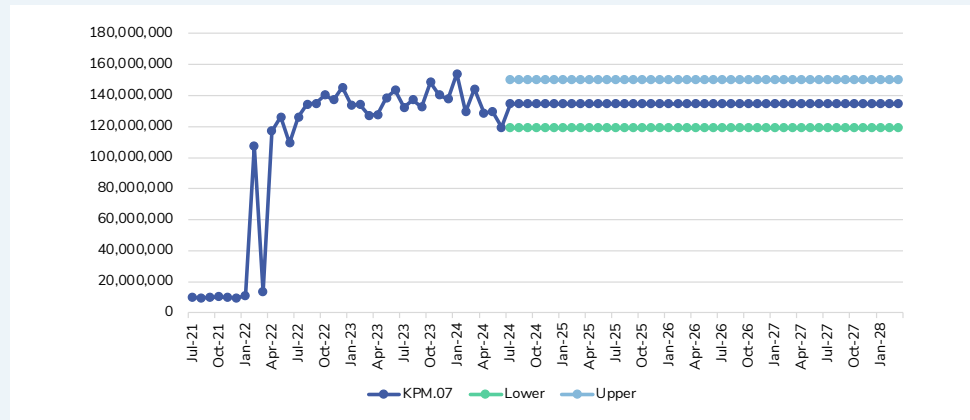
KPM.05 Count of MPRNs impacted



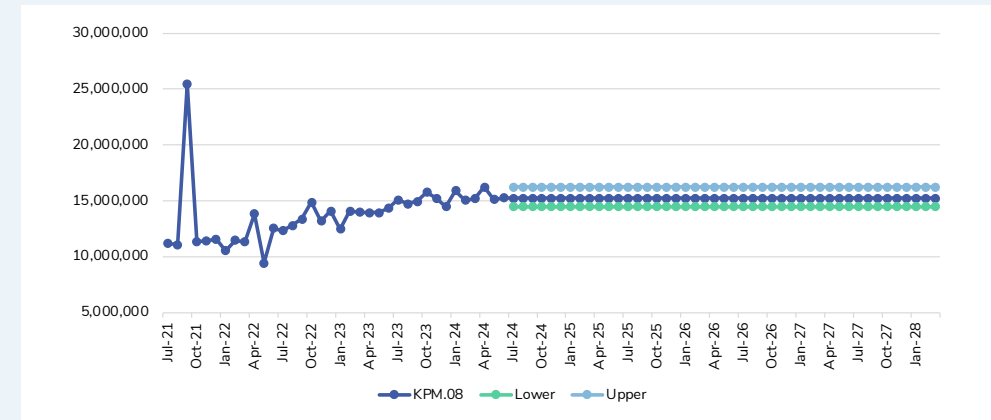
KPM.06 Count of registrations (as KPM.01)



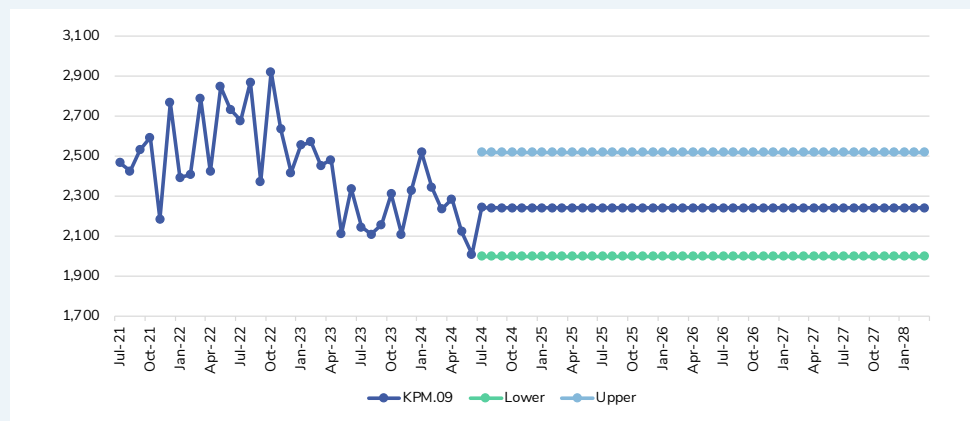
KPM.07 Count of reads/assets processed



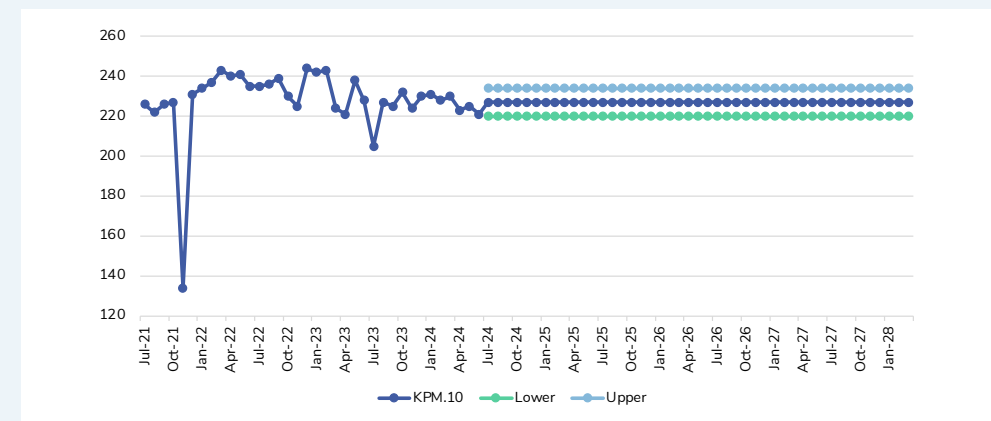
KPM.08 Count of notifications



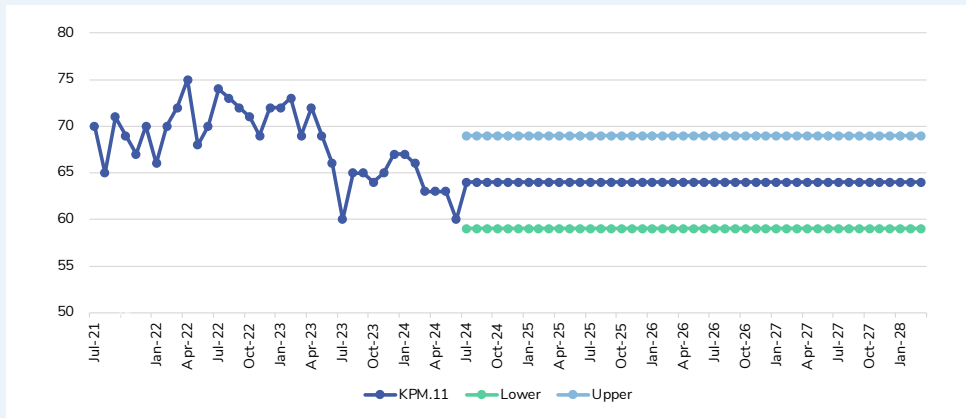
KPM.09 Count of invoices



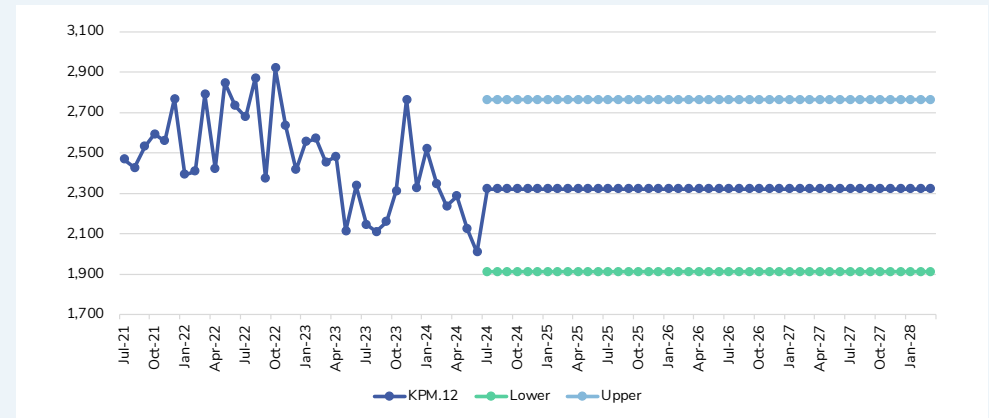
KPM.10 Count of customers invoiced



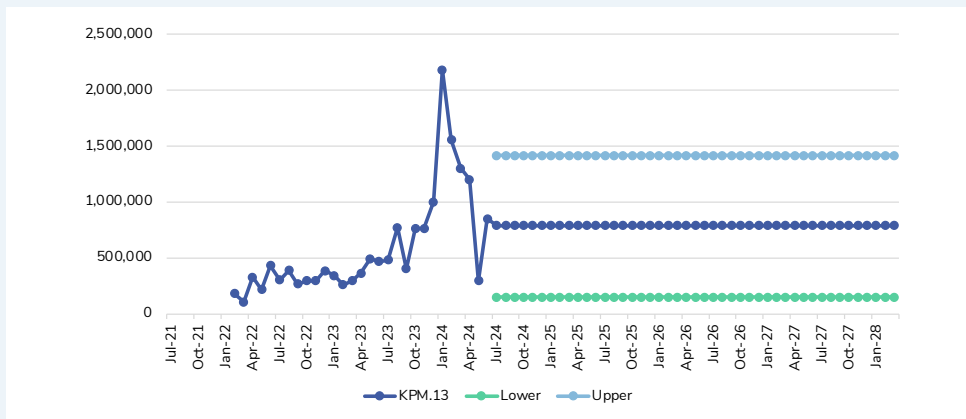
KPM.11 Count of customers



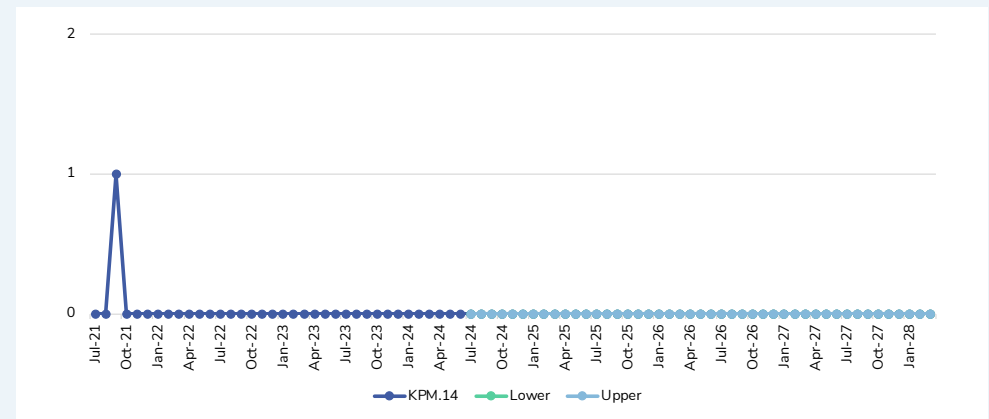
KPM.12 Count of invoices (as KPM.09)



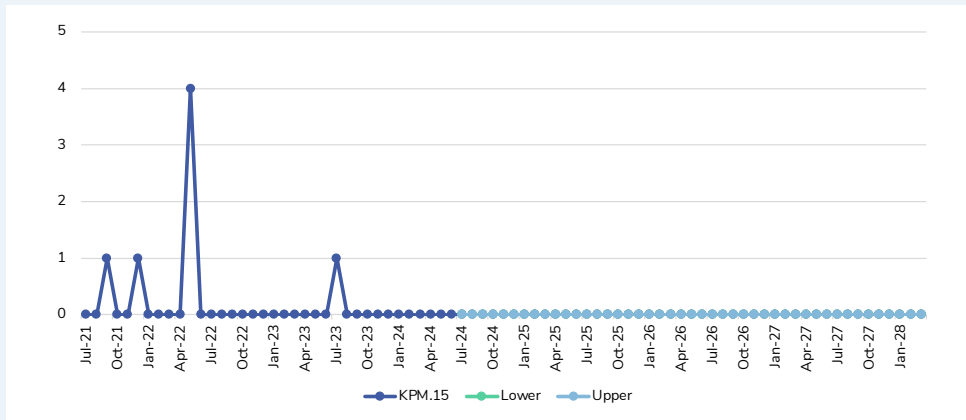
KPM.13 Count of exceptions



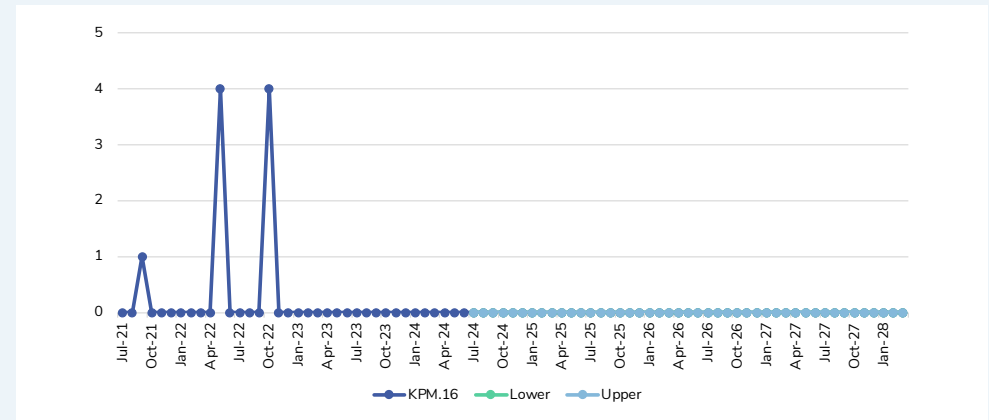
KPM.14 Count of P1 and P2 defects



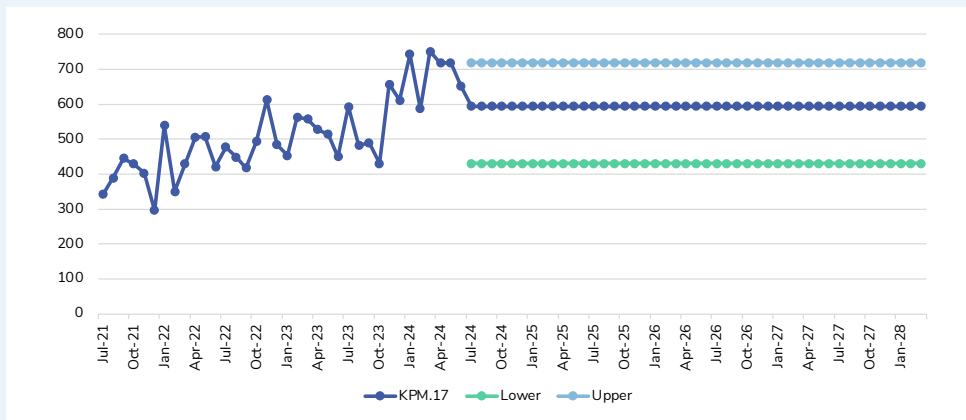
KPM.15 Count of P3 defects



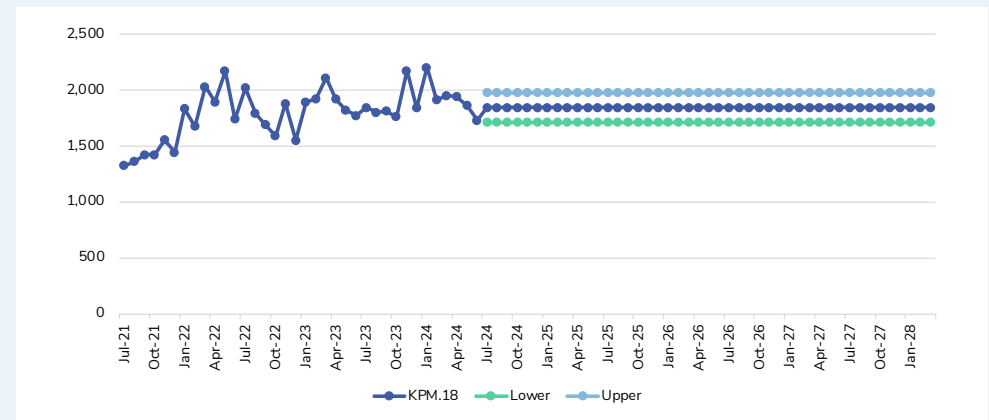
KPM.16 Count of P4 defects



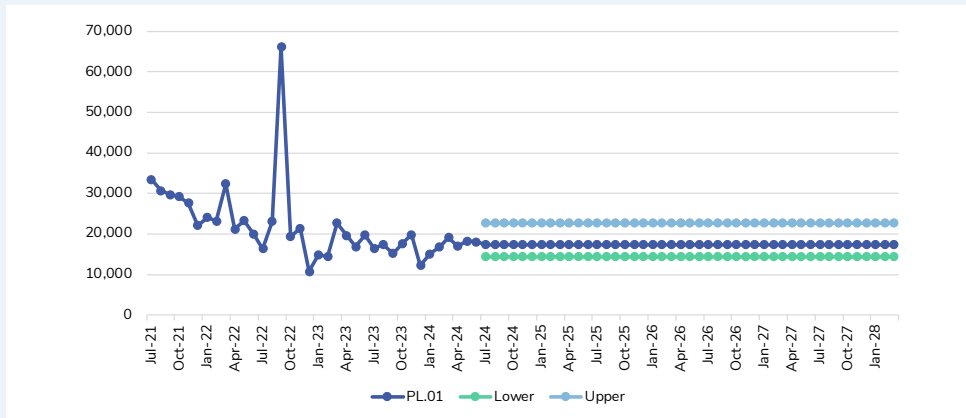
KPM.17 Count of technical tickets



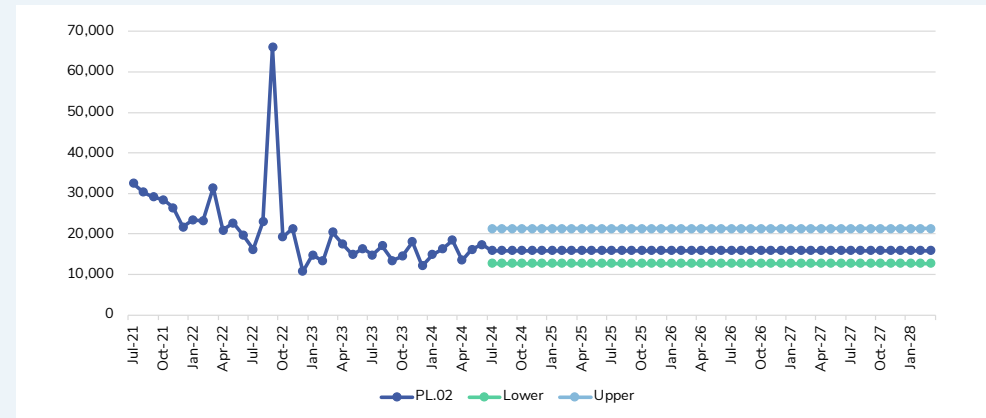
KPM.18 Count of Customer tickets (incidents and requests)



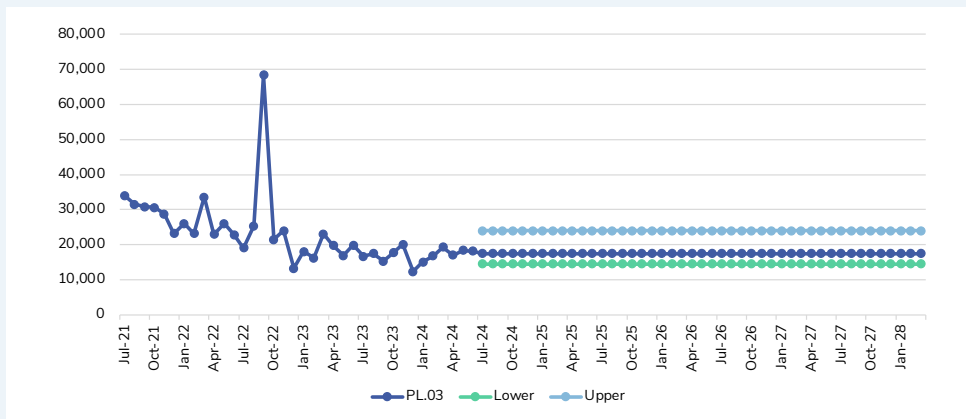
PI.01 Count of closed contacts (D+10)



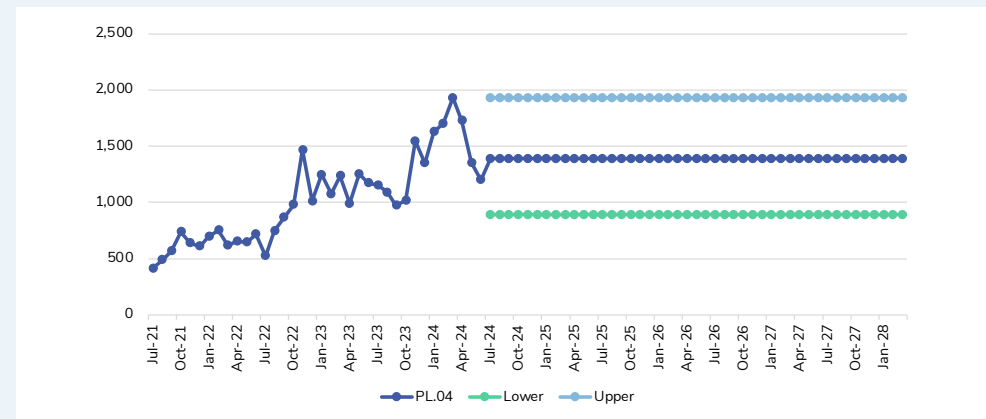
PI.02 Count of closed contacts (D+4)



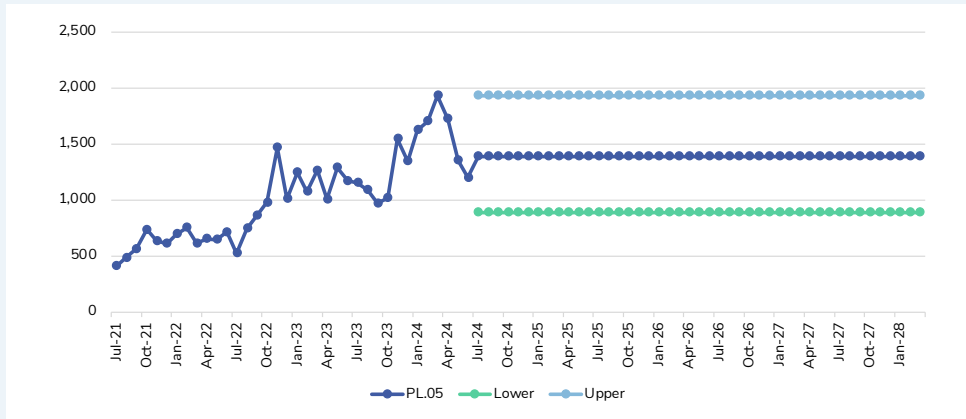
PI.03 Count of closed contacts (D+20)



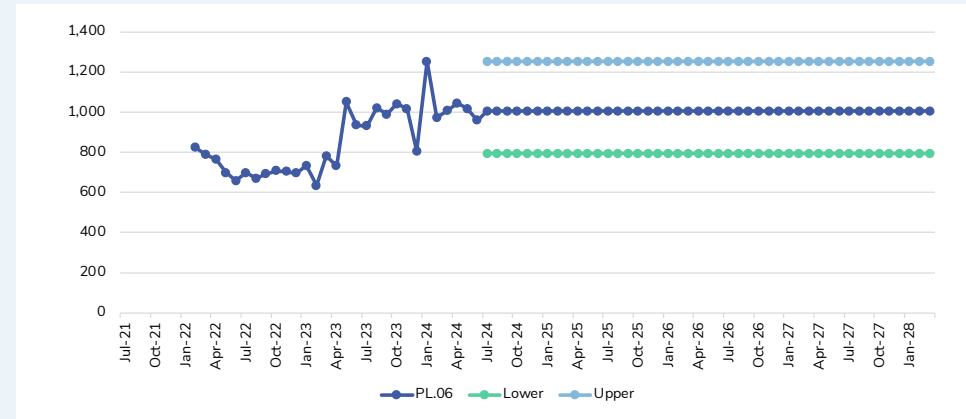
PI.04 Count of customer queries



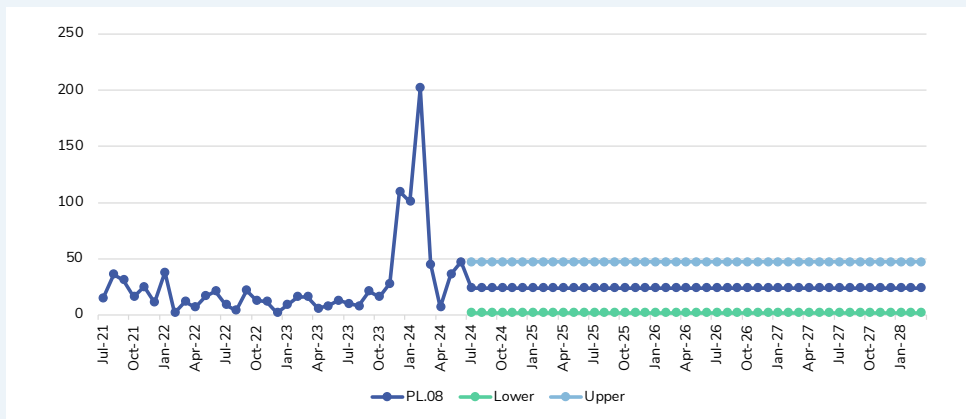
PI.05 Count of queries (as PI.04)



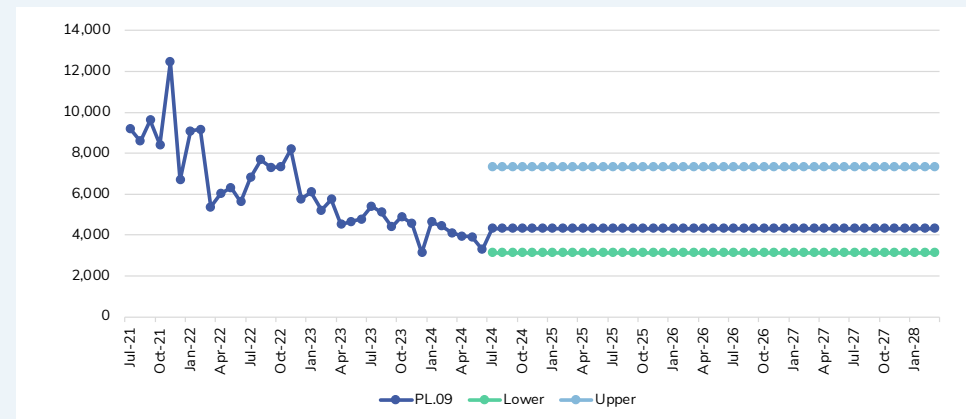
PI.06 Count of reports sent



PI.08 Count of PSCs received



PI.09 Count of calls answered



The CDSP shall propose commitments that:

- reflect the services that Customers and consumers require;
- are as complete as possible in capturing the activities and Costs of the CDSP;
- represent long-term value for Customers and consumers; and
- where relevant, allow comparison to outputs and outcomes delivered by comparator organisations

#### How do we know the services we provide are required by Customers and Consumers?

The Service Areas capture activities associated with critical gas industry processes (e.g. settlement, invoicing, balancing) and represent the functional delivery of industry code obligations, which have been set via a market lead development and approved by the regulator, into central systems and processes. Each year, we consult with customers and stakeholders via the annual Business Planning process, which provides all customers with the opportunity to provide feedback on all aspects of the CDSP budget.

#### Are the stated commitments as complete as possible in capturing the activities and costs of the CDSP?

The view provided in this 'Outputs' section includes all commitments that are delivered via the Service and Operate element of the CDSP budget. All costs associated with S&O are either directly associated with a Service Area or are shared across multiple Service Areas to reflect their 'Shared Service' status. As such, S&O captures the majority of CDSP commitments and activities aside from investment.

We also provide Investment Proposals (IP) for each change budget or project that is proposed for 2025-26. These IPs contain the scope of activities required in each instance.

#### Do the commitments represent long-term value for Customers and Consumers?

#### How have we allowed comparison to outputs and outcomes delivered by comparator organisations?

Relevant info is in the main BW25 document. Please see the ERIX section in the **Trust** Chapter.

The work we do helps to ensure that Great Britain's gas market is efficient, transparent and reliable.

**Maintaining standards:** We ensure consistent standards across the gas industry, by establishing, reviewing and updating common protocols, data formats, and procedures.

**Reducing complexity:** We make it easier for our customers to interact more efficiently and keep costs down, by reducing the need for multiple marketplace systems and interfaces.

**Ensuring data integrity:** We provide accurate, reliable data that is crucial for billing, settlement and other industry processes, by consolidating information into a single, secure source of truth.

**Enhancing market transparency:** We facilitate transparency in the gas market, by providing access to consistent and up-to-date information. This enables better decision-making, fosters competition and supports innovation.

**Supporting regulatory compliance:** We support our customers with compliance, by establishing and maintaining systems and processes that help them meet regulatory requirements.

**Supporting the energy transition:** We're facilitating the transition to a sustainable and customer-centric energy system, by providing expertise and services that reduce administrative burdens and create a level playing field for all market participants.

### Ownership

Xoserve is jointly owned by National Gas Transmission and Great Britain's four major gas distribution network companies: Cadent Gas Limited, Northern Gas Networks, SGN and Wales & West Utilities.

### Funding

Xoserve is a not-for-profit company. Our customers fund CDSP activity by paying charges that are set in our annual budget, which is approved by the Xoserve Board following consultation with customers during the business planning process. The rules that dictate how costs are shared b

Xoserve is responsible for assuring that the outcomes associated with each Service Area represent Value for Money. We perform this in a variety of ways.

### Audit

Each year (generally in January) we agree an audit plan for the forthcoming financial year with the Audit and Risk Committee (ARC). The plan represents a comprehensive review of key facets of CDSP delivery, ranging from internal financial controls, external ISO and NIST reviews through to operational compliance. The 2025-267 plan (pending ARC sign off) is as follows.



| Process                              | Reporting Period  | Overview   | Related risk or other trigger         |
|--------------------------------------|-------------------|--|---------------------------------------|
| Credit Risk                          | Q1 (Apr – Jun 25) | Review of compliance with service lines included in DSC Service Area 8 for credit risk management.   | DSC Service Delivery – retained       |
| Neutrality                           | Q1 (Apr – Jun 25) | Review of compliance with service lines included in DSC Service Area 8 for the neutrality processes. | DSC Service Delivery – retained       |
| Balanced Scorecard                   | Q1 (Apr – Jun 25) | Review of setting, management, delivery against and reporting of Balanced Scorecard targets.         | Corporate Governance                  |
| Manage updates to customer portfolio | Q1 (Apr – Jun 25) | Review of compliance with service lines included in DSC+ Service Area 3                              | DSC Service Area                      |
| GDPR                                 | Q1 (Apr – Jun 25) | Review of the control framework for GDPR compliance within Correla over CDSP data and systems.       | Correla GDPR Risk                     |
| Human Resources                      | Q2 (Jul – Sep 25) | Review of people processes including training, CSR and wellbeing. Excludes recruitment and payroll.  | Human Resources                       |
| Meter Read / Asset processing        | Q2 (Jul – Sep 25) | Review of compliance with service lines included in DSC+ Service Area 4                              | DSC+ Service Area                     |
| Anti-Corruption & Bribery            | Q3 (Oct – Dec 25) | Review of framework for compliance with legislation surrounding the Bribery Act and Competition Law. | Fraud / Legal & Regulatory Compliance |
| Purchase Governance                  | Q3 (Oct – Dec 25) | Review of purchase governance framework including Procurement support received from Correla.         | Financial Performance / Management    |
| Customer Reporting                   | Q3 (Oct – Dec 25) | Review of compliance with service lines included in DSC+ Service Area 9                              | DSC+ Service Area                     |

| Process  | Reporting Period                       | Overview  | Related risk or other trigger |
|--|--|---|-------------------------------|
| ISO9001 Surveillance Audit                                 | Q3 (Oct 2025)                          | External audit against ISO9001 requirements.  | DSC requirement               |
| ISO27001 Surveillance Audit                                | Q3 (Dec 2025)                          | External audit against ISO27001 requirements.   | DSC requirement               |
| Change Management  | Q4 (Jan – Mar 26)                      | Review of selected areas of change management framework following KPMG audit in 2023/24.  | DSC Service Delivery          |
| Regulatory Change  | Q4 (Jan – Mar 26)                      | Review of compliance with service lines included in DSC Service Area 13 in respect of regulatory change.                              | DSC Service Delivery          |
| DSC Contract Management                                    | Q4 (Jan – Mar 26)                      | Review of framework for compliance with CDSP Service Document - Contract Management Arrangements.                                     | DSC Service Delivery          |
| People Platforms & L&D services                            | Q4 (Jan – Mar 26)                      | Review of the provision of remaining services as per LTSA.  | LTSA provision                |
| NIST maturity  | Q4 (Jan – Mar 26)                      | External NCC review of Information Security framework against requirements.   | LTSA provision                |
| ISAE3402 - Core Invoices (transportation and distribution) | May 2026 (Testing Oct 2025 & Feb 2026) | ISAE3402 Assurance report on internal controls in respect of the gas transportation billing services provided to customers of Xserve. | DN requirement                |

## Procurement

As well as the 'normal' ongoing procurement and contract management activities, there are a number of key CDSP procurements scheduled to be undertaken in the coming year, some of which are described below.

### Project Trident (UK Link)

Our UK Link system is core to the data processing capabilities of the gas industry, connecting the complex information, technology and communications systems that are essential to the successful competitive retail gas market in Britain. Its core is a SAP product set which is approaching the end of its serviceable life so we must now consider the options for a cost-effective and innovative UK Link from 2027 onwards. The team will support this industry critical project, from early market engagement activities, through to the procurement and engagement of supporting services and the system solution itself. These activities will run through 2025/26, and our activities will be determined in part by the outcome of stakeholder engagement sessions to help identify the optimum requirements.

### Customer Digital Experience (CX Digital)

We are committed to improving ways in which customers and Xoserve interface with each other and this project is looking to streamline our digital interactions for both our day-to-day activities and to support our journey towards net zero. The project will involve market engagement support to identify the best options and interested suppliers, and procurement activities to select and appoint a provider to deliver the solution/s.

### Allocation of Unidentified Gas Expert (AUGE)

The AUGE service follows a set cycle, during which the Expert develops weighting factors that are used to share out the cost of 'missing' (unidentified) gas between relevant industry participants. The AUGE role is due to be re-tendered in 2025 and we are in the process of preparing for this procurement. Once two industry Modifications relating to this service have reached their conclusion, we will commence a competitive procurement, with the requirements aligned to the outcome of those Modification decisions.

### Non-daily metered service provider (NDMSP)

This important service provides regular meter reads on behalf of some of the Distribution Network Operators (Cadent, Northern Gas Networks and Wales & West Utilities) and the data collected by this service is used to help improve gas usage forecasting. The service includes both data provision and field service elements and we will be looking to undertake a competitive procurement during 2025 to ensure continuity of the service when the existing contract terminates in early 2026.

### VfM

The CDSP Budget could be subjectively described more as a 'short' or 'medium'-term period, given it is in place for one financial year (Y). Each Business Plan covers a Budget ('Y') and a forecasted budget ('Y+1', 'Y+2'). The full period could subjectively be described as 'long' term, although this may differ from one perspective to another.

In 2023 we facilitated an extensive 'Efficiency Review', which was carried out independently by a 3rd Party selected in collaboration with representatives of the DSC Contract Management Committee. The review took place during the summer of 2023, and assessed the 2022/23 budget, benchmarking the Value for Money of our service provision with other comparable organisations.

Most of our services benchmarked positively, and where opportunities were identified for improvement, we have initiated a programme of work to ensure positive action is taken.

Through this process, we have also identified ways in which some of the commitments can be improved in terms of VfM by making them more economic, more efficient, more effective and more supportive of our evolution as an organisation.

### Industry engagement

Many of our people perform customer-facing roles, including the newly appointed Service Delivery Managers, who are focused on the development and performance of an industry code or DSC service area (1-18). During 2025-26 the team expects to represent Xoserve at between 400 and 500 industry meetings and to support the development of over 100 industry code modifications.

| <b>UNC / IGT UNC Regulation team expects to attend c121 industry meetings and support the development of c58 mods / changes during 2025-2626</b> | <b>Total</b> |
|--|--------------|
| UNC Panel  | 12           |
| Distribution / Governance / Transmission Workgroup   | 36           |
| IGT Workstream   | 12           |
| Individual Mod Workgroups**  | 13           |
| PACT   | 12           |
| Customer constituency  | 12           |
| CoMc/ChMc  | 24           |

| <b>REC Regulation team expects to attend c326 industry meetings and support c40 mods / changes during 2025-26</b> | <b>Total</b> |
|---|--------------|
| Operational report  | 12           |
| RPA - GRDA and GES  | 12           |
| ASR   | 52           |
| General catch ups RECCo   | 52           |
| RTS catch call  | 52           |
| RTS technical change industry wide meeting  | 52           |
| CoMc/ChMc   | 24           |
| DN constituency   | 12           |
| RPS weekly catch up   | 52           |
| SOF   | 6            |

### Delivery Sub Group (DSG)

DSG is a sub-group of the Data Services Contract (DSC) Change Management Committee (ChMC).

In the monthly DSG meetings we share recommendations on changes to our IT services and systems – and wider industry change. Change forums ([xoserve.com](https://xoserve.com))

### Change Management Committee (ChMC)

ChMC meetings are run by the Joint Office of Gas Transporters. We support them by providing any supporting documents and meeting papers.

These meetings focus on changes to the Data Services Contract (DSC) – the agreement shared by all our customers. DSC Change Management Committee | Gas Gov 2023 ([gasgovernance.co.uk](https://gasgovernance.co.uk))

### DSC Contract Management Committee (CoMC)

CoMC meetings are also run by the Joint Office of Gas Transporters. These meetings focus on how we're performing in relation to the Data Service Contract (DSC). DSC Contract Management Committee | Gas Gov 2023 ([gasgovernance.co.uk](https://gasgovernance.co.uk))

## 1.5 Investment Proposals

Full documents are available for each proposal, linked below.

### 1.5.1 Project Trident

[Project Trident Strategic Outline Case](#)

### 1.5.2 CDSP Service Development

[CDSP Service Development](#)

### 1.5.3 Digital UX

[Digital UX Investment Proposal 2024](#)

### 1.5.4 UK Link Sustain

[Investment Proposal - UKLink Sustain](#)

### 1.5.5 General Change

[General Change Investment Proposal](#)

### 1.5.6 Gemini Change

[Gemini Change Investment Proposal](#)

## 1.6 Costs and expenditure

In the draft and final versions of the CDSP Budget, the CDSP shall include the details of the resources needed to deliver all proposed activities and commitments by the end of Year Y. The CDSP shall:

- **state the value of the total expenditure required to deliver CDSP Services regardless of the extent to which the expenditure is treated as Costs;**

See the TOTEX content in the Trust section

- **clearly set out the key drivers of Costs;**

See the Trust section which splits TOTEX out into S&O (outsourced / direct, people / non-people) and Investment (infrastructure / change). The Investment Proposals in Annexe 1.5 set out cost drivers for each project.

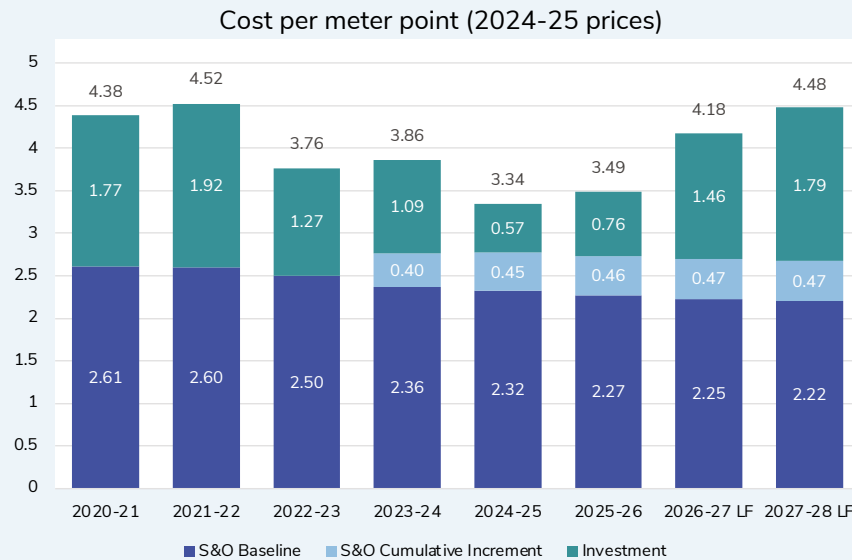
- **explain its Costs, resources and workload forecasts, particularly where these diverge from historical trends;**

## Costs

In the 'Trust' section we describe how our total costs are increasing because of Project Trident investment.

| £m (2024-25 Prices)                   | 2024-25      | 2025-26      | 2026-27       | 2027-28       |
|---------------------------------------|--------------|--------------|---------------|---------------|
| Project Baseline                      | £14.5        | £19.1        | £36.9         | £45.2         |
| <b>Subtotal Projects</b>              | <b>£14.5</b> | <b>£19.1</b> | <b>£36.9</b>  | <b>£45.2</b>  |
| S&O Scope Changes & Reclassifications |              | £0.4         | £0.3          |               |
| S&O Baseline                          | £69.7        | £68.6        | £68.3         | £67.8         |
| <b>Subtotal Service &amp; Operate</b> | <b>£69.7</b> | <b>£68.9</b> | <b>£68.5</b>  | <b>£67.8</b>  |
| <b>Totex</b>                          | <b>£84.2</b> | <b>£88.1</b> | <b>£105.4</b> | <b>£113.1</b> |
| <i>Broken down by:</i>                |              |              |               |               |
| DSC                                   | £81.3        | £85.2        | £102.5        | £110.2        |
| Additional Third Party                | 0.1          | £0.1         | £0.1          | £0.1          |
| RECCo                                 | 2.8          | £2.8         | £2.8          | £2.8          |
| <b>Totex</b>                          | <b>£84.2</b> | <b>£88.1</b> | <b>£105.4</b> | <b>£113.1</b> |

Further to this, the 'cost per meter point' graph in the Executive Summary section shows how this forecast compares with previous years, with investment increasing in 27/28 to the extent where TOTEX is broadly similar to 20/21 because of increasing investment costs from BP25 onwards (Project Trident).



### Resources

The Deliver section breaks down Xoserve headcount into functional areas, and compares the headcount forecast to previous years. Again, the increasing headcount is influenced by Project Trident.

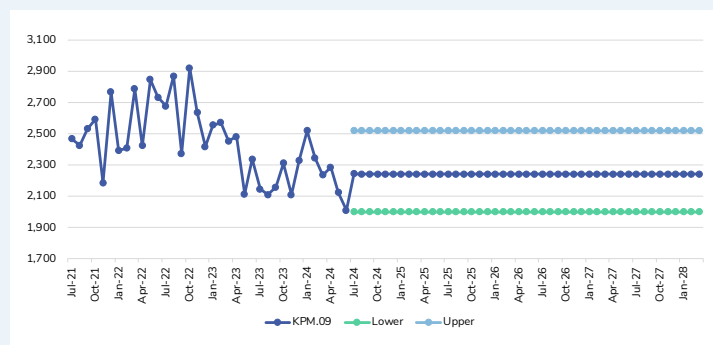
| Xoserve Area                 | 2022-23   | 2023-24   | 2024-25   | 2025-26   | 2026-27   | 2027-28   |
|------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|
| Executive Team               | -         | -         | 6         | 6         | 6         | 6         |
| Finance & Shared Services    | -         | -         | 28        | 28        | 28        | 28        |
| Programme & Service Delivery | -         | -         | 21        | 23        | 23        | 23        |
| Strategy & Development       | -         | -         | 9         | 23        | 23        | 23        |
| <b>Total Headcount</b>       | <b>45</b> | <b>58</b> | <b>64</b> | <b>80</b> | <b>80</b> | <b>80</b> |



## Workload forecasts

Annexe 1.4 (Outputs) contains a comparison of historic workload volumes and compares it with our forecast out to 2028. An example is:

KPM.09 Count of invoices



- present the Costs, resources and workload forecasts at a detailed level, including differentiating between 'internal' and 'external' Costs and resources, and compare the forecasts to historical data;

We have present costs at a more detailed level than at any time before, including:

- a differentiation between internal and external costs:

| Element      | BP Category | Business Area                    | Budgeted Spend 25/26 (£m) | Budgeted Spend 26/27 (£m) | Budgeted Spend 27/28 (£m) |
|--------------|-------------|----------------------------------|---------------------------|---------------------------|---------------------------|
| Outsource    | S&O         | Operate                          | 55.8                      | 55.2                      | 54.6                      |
|              |             | PAFA, AUGÉ, Meter Read Agents    | 3.2                       | 3.2                       | 3.2                       |
|              |             | RECCo Services                   | 2.8                       | 2.8                       | 2.8                       |
|              | Investment  | Infrastructure Projects          | 10.1                      | 22.7                      | 30.2                      |
|              |             | Change Projects                  | 5.4                       | 5.7                       | 5.9                       |
|              |             | <b>Total Outsource</b>           | <b>77.2</b>               | <b>89.5</b>               | <b>96.7</b>               |
| Direct       | S&O         | Operate                          | 0.6                       | 0.6                       | 0.6                       |
|              |             | Support                          | 5.7                       | 5.8                       | 5.7                       |
|              |             | Infrastructure & Change Projects | 0.9                       | 0.9                       | 0.9                       |
|              | Investment  | Infrastructure Projects          | 2.9                       | 6.7                       | 8.9                       |
|              |             | Change Projects                  | 0.8                       | 1.8                       | 0.2                       |
|              |             | <b>Total Xoserve</b>             | <b>10.8</b>               | <b>15.8</b>               | <b>16.3</b>               |
| <b>Total</b> |             |                                  | <b>88.1</b>               | <b>105.4</b>              | <b>113.1</b>              |

- A breakdown of people v non-people costs

| Service Area no. | Service Area  | Annual Service Area Charge £m | People      |              | Non-people  |             |
|------------------|---|-------------------------------|-------------|--------------|-------------|-------------|
|                  |   |                               | Xoserve     | External     | Xoserve     | External    |
| 1                | Manage Shipper Transfers                            | 2.1                           | 0.05        | 0.27         | 0.02        | 1.8         |
| 2                | Monthly AQ processes                                | 1.8                           | 0.07        | 0.41         | 0.03        | 1.3         |
| 3                | Manage updates to customer portfolio                | 5.4                           | 0.17        | 1.05         | 0.06        | 4.2         |
| 4                | Meter Read / Asset processing                       | 1.2                           | 0.01        | 0.08         | 0.01        | 1.1         |
| 5                | Demand Estimation obligations                       | 2.0                           | 0.13        | 1.09         | 0.05        | 0.7         |
| 6                | Customer Relationship Management                    | 3.9                           | 0.58        | 2.10         | 0.10        | 1.1         |
| 7                | Customer Joiners/Leavers (UK Gas Market)            | 1.0                           | 0.07        | 0.63         | 0.03        | 0.3         |
| 8                | Energy Balancing (Credit Risk Management)           | 1.4                           | 0.46        | 0.40         | 0.04        | 0.5         |
| 9                | Customer Reporting (all forms)                      | 2.0                           | 0.09        | 0.81         | 0.03        | 1.0         |
| 10               | Invoicing customers                                 | 8.8                           | 0.52        | 3.61         | 0.20        | 4.4         |
| 11               | Management of Customer Issues                       | 0.9                           | 0.07        | 0.49         | 0.03        | 0.3         |
| 12               | Customer Contacts                                   | 3.3                           | 0.27        | 1.83         | 0.10        | 1.1         |
| 13               | Managing Change                                     | 16.7                          | 2.90        | 8.51         | 0.46        | 4.8         |
| 14               | Gemini Services (General)                           | 4.2                           | 0.17        | 1.46         | 0.06        | 2.5         |
| 15               | Value Added Services (General)                      | 1.4                           | 0.11        | 1.02         | 0.04        | 0.3         |
| 16               | CSS   | 3.9                           | 0.16        | 2.30         | 0.06        | 1.3         |
| 17               | Distribution Network Wholly Funded                  | 0.1                           | -           | -            | -           | 0.1         |
| 18               | Decarbonisation                                     | 1.2                           | 0.10        | 0.57         | 0.11        | 0.4         |
|                  | <b>Total General Services Charge</b>                | <b>61.2</b>                   | <b>5.92</b> | <b>26.63</b> | <b>1.42</b> | <b>27.2</b> |
|                  | <b>Total Specific Services Charge</b>               | <b>4.8</b>                    | <b>0.00</b> | <b>0.47</b>  | <b>0.02</b> | <b>4.3</b>  |
|                  | Total Additional / 3rd Party Charge                 | 0.2                           | -           | -            | -           | 0.2         |
|                  | Total Rec Co  | 2.8                           | -           | -            | -           | 2.8         |
|                  | <b>Total Service &amp; Operate Business Plan 25</b> | <b>68.9</b>                   | <b>5.92</b> | <b>27.10</b> | <b>1.44</b> | <b>34.5</b> |

The cost forecast can be compared with previous years via the cost per meter point graph in the Exec summary.

In the Delivery section We have presented a detailed view of Xoserve's headcount with a comparison with previous years.

- **justify the proposed combination of 'internal' and 'external' resources;**

The arrangements that have been in place since 2021 following the creation and sale of Correla to a private equity firm have necessitated an operating model that blends internal (direct) and external (outsourced) resources to deliver CDSP services.

Direct resources can be understood to mean Xoserve's direct costs. We remain not for profit and manage an ecosystem of service providers, assuring performance via agreements (e.g. we manage and assure Correla via the DSC+ contract) – these costs can be understood as being external, or outsourced.

The justification for operating in this way can be undertaken in more than one way. For example, if we apply economy / efficiency (or 'cost') as a criterion for justification, as shown in the cost per meter point chart in the Executive Summary (and further elaborated on in the Trust section) the delivery of services that have been in

place since before company separation are becoming less expensive.

If we were to apply effectiveness (or the quality of what we oversee) as a measure, we can see that performance against the DSC Key performance Metrics and Indicators that we report to the DSC Committees each month has either been maintained or improved.

If customer satisfaction was a more appropriate measure of justification, we might point to the improvements in Xoserve's ICS scores since company separation.

Justification is subjective and there may be no definitive answer that completely satisfies.

Going forward, as communicated in this Business Plan, we are committed to moving towards fulfilling an 'Enterprise Architect' and 'Intelligent Customer' role for our customers as we move into a new and exciting era for Xoserve. We are committed to being fully competition ready and to competing Trident. This will present another opportunity to assess what the optimum mix of internal and external resources should be.

- **explain in detail the activities it has undertaken to satisfy itself that the 'external' Costs are efficient and represent value for money;**

See the ERIX content in the Trust section which describes activity in this area. See also the publicly available version of the 3rd party Efficiency Review carried out in 2023 on the 22/23 cost base. Efficiency-Review-Summary-September-2023.pdf (xoserve.com)

- **explain how efficiency and innovation will be used to reduce Costs;**

See the ERIX content in the Trust section which sets out the in-flight initiatives that we are focusing on in order to further reduce costs. It should also be noted that driving 'efficiency' might also legitimately take place while costs are not being reduced, and innovation will not always reduce costs. That said, we have highlighted an aim to reduce costs further than we already have.

- **present expenditure profiles.**

The expenditure profile forecast for S&O is effectively a cumulative 1/12 of the total S&O cost per calendar month as the graph in the Trust section shows. Some investment expenditure profiles are more nuanced and bespoke to the work being undertaken via any given project. We have included expenditure profiles for each IP and a summary view in the Trust section.

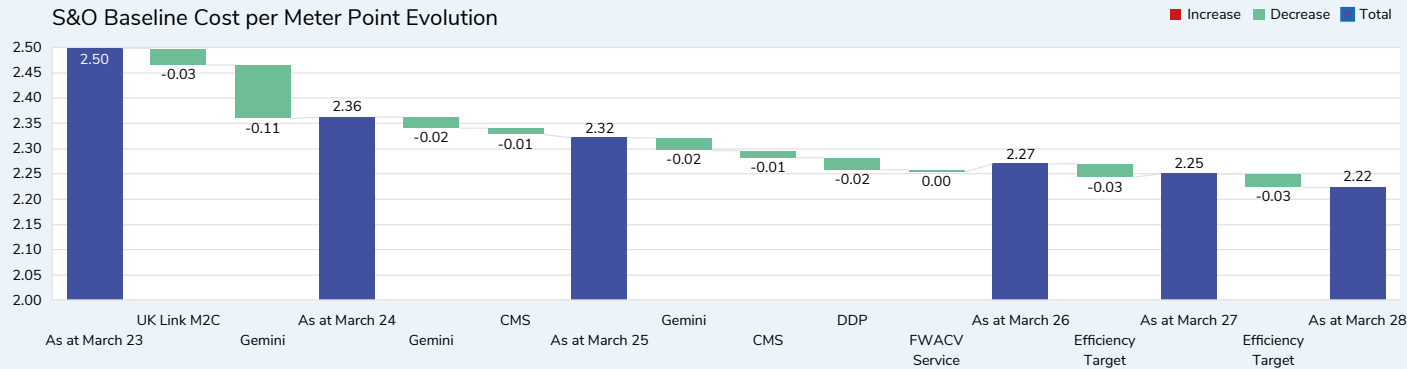
In the draft and final versions of the CDSP Budget, the CDSP shall demonstrate that the level of resources it proposes are required to all proposed activities and commitments are efficient. The CDSP Budget must include:

- **a comparison of efficiency forecasts against efficiency gains realised in previous periods;**

See ERIX content in Trust section which describes how in BP24 we set an >8% reduction on the 22/23 S&O baseline and have now achieved this. The following graph (found in the Trust section) shows how our forecast cost reductions compare with those of previous periods.

- **a description of how the CDSP sought to identify efficiencies;**

See ERIX content in Trust section which sets out progress to date and the impacts, as well as in-flight initiatives.



- **evidence of the efficiency of the proposed expenditure, for example as compared to historical benchmarks and/or benchmarking with relevant comparators including other monopoly service providers;**

See ERIX content in Trust section and [Efficiency-Review-Summary-September-2023.pdf](#) (xoserve.com)

- **justification for the relevant comparators selected;**

See ERIX content in Trust section and [Efficiency-Review-Summary-September-2023.pdf](#) (xoserve.com)

- **details of the assumptions and the justification for projected changes in the efficient levels of unit costs over time (i.e. ongoing efficiencies) caused by improvements in delivery, innovation, procurement, etc.;**

See ERIX content in Trust section which sets out the in-flight initiatives that we are progressing with the aim of further reducing applicable costs

- **an explanation of how any historical data has been used to derive efficiency forecasts, including a justification for the time period selected;**

See ERIX content in Trust section (Economy Target) , which sets out the rationale for using the 22/23 baseline as our starting position (it was the period reviewed by 3rd party). The historical data that has been used includes an annual snapshot of MPRNs in central systems (as at December each applicable calendar year, used to derive the cost per meter point for each service area) and historical cost reductions in S&O since the applicable period. We have also set out a

full view of all reductions and increases to show what has not been included in the Economy Target (because the related scope change / reduction represents new, unreviewed scope.

- **an explanation of how the enduring effects from efficiencies generated from Investments have been included;**

See ERIX content in Trust section which sets out the source of all reductions (and increases)

- **an explanation of the interactions between ongoing efficiency forecasts and the quality of outputs.**

See ERIX content in Trust section (ongoing efficiency) and Annexe 3 Current Performance which when combined show that as costs have reduced, KPM / PI performance has either been maintained or improved.

- **In the draft and final versions of the CDSP Budget, the CDSP shall robustly justify the proposed application of inflation to the categories of Costs. The CDSP shall also explain why the way in which it proposes to apply inflation to the categories of Costs best represents Customers' and consumers interests**

Our current assumption is that we will apply inflation in the same way that we have previously applied it, as described in BP24:

'Earlier this year we reviewed the elements that make up our cost base, including our 3rd party arrangements, and concluded that S&O was subject to CPI-H indexation and that this should be applied to the BP23 budget for charging purposes, noting that where costs did not increase by this level then customers would be rebated accordingly at the year end. The review found that applying CPI-H to investments was necessary for those fully scoped programmes (at the time of the review) and which had been costed in 2022/23 prices. The review concluded that investments that were designed to be budgets for within-year 'drawdown' need not be subject to indexation because the projects would be set in 2023/24 prices at the time of the agreement of their individual scopes. We will continue to apply (December 2023) CPI-H to 2024-25 Service and Operate costs for calculating customer charging. However, we have refined our approach to investments in our 2024-25 budget, with more funding being placed into the incremental 'Change' investment category, which will not be subject to indexation in the Annual Charging Statement. For example, we have separated the UK Link Roadmap into 'Sustain' and 'Enhance' sub-categories, with the former remaining in the 'Infrastructure' category – which is subject to indexation in the Annual Charging Statement – and the latter being moved into the 'Change' category – which is not'.

## 1.7 Allocation of costs to customer classes

In the draft and final versions of the CDSP Budget, the CDSP shall present and justify the allocation of Costs to Customer Classes for each item (e.g. CDSP Service or Investment). For each item, the CDSP Budget must include:

- the methodology used to derive the allocation;
- the details of any assumptions; and
- descriptions of the data relied on to derive the allocation.

### Cost Allocation Methodology and Budget and Charging Methodology

All relevant information is captured in the [Cost Allocation Methodology](#) and [Budget and Charging Methodology](#).

## 1.8 Assurance activities

In the final version of the CDSP Budget, the CDSP shall include details of assurance activities conducted by a sufficiently independent third-party with the intention to demonstrate that the CDSP Budget is robust in content and in relation to meeting the BPIR requirements. The CDSP Budget must include:

- descriptions of the assurance activities undertaken and the findings of those assurance activities;
- descriptions of any remedial actions that were required as a result of the assurance activities and confirmation that the remedial actions were satisfactorily completed;
- descriptions of the CDSP's (or the CDSP's Board's) conclusions in the statement and the evidence that supports the conclusions.

The scope of the assurance activities shall include:

- an assessment of the extent to which the Business Plan Information Rules have been satisfied in the final version of the CDSP Budget and the supporting material; and
- proportionate checks (for example through a sampling approach as the third-party assurance provider may advise or other standard practice) to validate the accuracy and consistency of the numbers presented in the CDSP Budget and the supporting material. The Committee may require that the CDSP instructs a sufficiently independent third-party to undertake the assurance activities.



## BPIR Assurance Report

The [full report](#) can be downloaded from the BP25 hub. Below is a summary of its findings:

| No.            | BPIR category                             | Fully compliant (%) | Adjusted compliant <sup>1</sup> (%) | Compliance comments   | Recommendation  |
|----------------|---|---------------------|-------------------------------------|---|---|
| <b>Overall</b> |   | <b>67%</b>          | <b>82%</b>                          |   |   |
| 1              | Publication of material                   | 50%                 | 100%                                | Full compliance should be achievable in subsequent drafts   | Ensure subsequent drafts updated to cover areas where BPIRs scored partial  |
| 2              | Stakeholder engagement                    | 71%                 | 100%                                | Full compliance should be achievable in subsequent drafts   | Ensure subsequent drafts updated to cover areas where BPIRs scored partial  |
| 3              | Current performance                       | 85%                 | 100%                                | Full compliance should be achievable in subsequent drafts   | Ensure subsequent drafts updated to cover areas where BPIRs scored partial  |
| 4              | Outputs                                   | 89%                 | 89%                                 | 1 BPIR partial, with opportunity to improve   | Opportunity to more clearly describe how outputs will improve over time   |
| 5.1            | Investment proposals – Trident            | 72%                 | 81%                                 | Investment proposals are mostly detailed, but not always standardised in how they are put together. Some provide greater clarity on the options space for consideration and how they have been evaluated. Demonstrating a standard approach to cost-benefit-analysis and scenario / sensitivity assessment would also be helpful.<br><br>Some BPIRs are hard to achieve for investment requests that are either early in maturation (e.g. Trident) or where they represent drawdown approaches. This has been reflected in the adjusted compliance score. | Across investment proposals, there are some common areas of feedback to consider <ul style="list-style-type: none"> <li>• Build a standardised investment report template, aligned to show a clear track to the BPIRs</li> <li>• Create a common way to review the option space across investments (incl. "Do nothing") and ensure options are evaluated before clear preferences drawn</li> <li>• Make clear the criteria that will be used to evaluate options before they are applied</li> <li>• Develop a common set of scenarios and sensitivities that options should be evaluated against</li> </ul> |
| 5.2            | Investment proposals – CDSP Services dev. | 50%                 | 82%                                 |   |   |
| 5.3            | Investment proposals – Digital UX         | 67%                 | 75%                                 |   |   |
| 5.4            | Investment proposals – UKL Sustain        | 72%                 | 76%                                 |   |   |
| 5.5            | Investment proposals – General Change     | 44%                 | 57%                                 |   |   |
| 5.6            | Investment proposals – Gemini             | 44%                 | 67%                                 |   |   |
| 6              | Costs and expenditure                     | 100%                | 100%                                | Fully compliant   | None  |
| 7              | Allocations of costs to customer classes  | 100%                | 100%                                | Fully compliant   | None  |

<sup>1</sup> The adjusted BPIR refers to the total count of BPIR that were assessed as feasible for Xserve to have been fully compliant on in draft 1 or within the stages of the given project investments; Source: Kearney





## About Xoserve

As the CDSP for the gas industry, Xoserve is responsible for managing and maintaining the gas industry's central data systems. These underpin critical processes, including metering, billing and settlement.

### Who uses our services?

Xoserve facilitates the accurate and efficient flow of information between our customers and other market participants.

**Gas shippers** - Shippers buy gas from producers and pay for it to be transported through the network.

**National Gas Transmission** - National Gas Transmission owns and operates the national high-pressure network connecting gas transporters (distribution networks), shippers and connection customers.

**Gas transporters** - Distribution networks own and operate the local network of pipes that transport the gas from National Gas' National Transmission System (NTS) to homes and businesses.

**IGTs** - Independent Gas Transporters (IGTs) build, own and operate local networks, connecting new business and consumer properties to the NTS via distribution networks.

**Other parties** - Our services are also critical to other industry customers that don't have a direct contractual relationship with us, including suppliers, meter asset managers (MAMs), meter asset providers (MAPs), industrial and commercial (major energy users), housing associations, meter reading agencies and automatic systems providers. Domestic consumers also use the 'Find My Supplier' service.

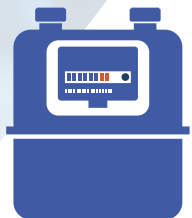
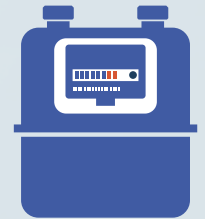


Vol of files processed:

Inbound: **1,060,902,514**

Outbound: **1,613,469,476**

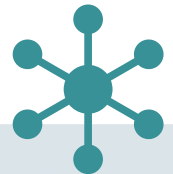
Asset updates processed:  
**4,707,348**  
**(4.7 million)**



**1,590,694,544**  
**(1.6 billion)**  
meter reads processed



**188,879,765**  
AQs processed successfully



**7,383,504**  
**(7.4 million)**  
Shipper transfers processed



Vol of invoices issued:  
**32,639**  
(22 types)



Gross Value of all Transportation invoices:  
**£7,638,513,998**  
**(7.6 billion)**

Gross Value of all invoices Issued:  
**£7,649,344,098**  
**(7.6 billion)**



**1,519**  
EBI invoices produced

Gross Value of All EBIs:  
**£10,830,099**

### The benefits of Xoserve's centralised service

The work we do helps to ensure that Great Britain's gas market is efficient, transparent and reliable



**Maintaining standards:** We ensure consistent standards across the gas industry, by establishing, reviewing and updating common protocols, data formats, and procedures.



**Reducing complexity:** We make it easier for our customers to interact more efficiently and keep costs down, by reducing the need for multiple marketplace systems and interfaces.



**Ensuring data integrity:** We provide the accurate, reliable data that is crucial for billing, settlement and other industry processes, by consolidating information into a single, secure source of truth.



**Enhancing market transparency:** We facilitate transparency in the gas market, by providing access to consistent and up-to-date information. This enables better decision-making, fosters competition and supports innovation.



**Supporting regulatory compliance:** We support our customers with compliance, by establishing and maintaining systems and processes that help them meet regulatory requirements.



**Supporting the energy transition:** We're facilitating the transition to a sustainable and customer-centric energy system, by providing expertise and services that reduce administrative burdens and create a level playing field for all market participants.

### Ownership

Xoserve is jointly owned by National Gas Transmission and Great Britain's four major gas distribution network companies: Cadent Gas Limited, Northern Gas Networks, SGN and Wales & West Utilities.

### Funding

Xoserve is a not-for-profit company. Our customers fund CDSP activity by paying charges that are set in our annual budget, which is approved by the Xoserve Board following consultation with customers during the business planning process.

The rules that dictate how costs are shared by customers are described in the [CDSP Budget and Charging Methodology](#).

## Industry Governance

Xoserve is funded, governed and owned by the gas industry through the Data Services Contract (DSC). All signatories to the DSC share decision-making responsibility for services provided under it. Decisions are made by three committees that are populated by industry-nominated experts:

- **Contract Management Committee (CoMC)**

The role of the CoMC is to represent customers in the management of Xoserve in relation to its DSC duties. The Committee has six transporter and six shipper seats, with representatives appointed each October for one year.

- **Change Management Committee (ChMC)**

The role of ChMC is to represent customers in the management of in-year change to the DSC. The Committee has six transporter and six shipper seats, with representatives appointed each October for one year.

- **Credit Management Committee (CMC)**

The role of the CMC is to assist the CDSP in managing credit risk, to ensure customers operate within the credit rules and to minimise the risk of avoidable financial loss. The Committee has a minimum of three shipper seats and three transporter seats, with representatives appointed each October for one year.

DSC committee meetings are chaired, organised and administered by the **Joint Office of Gas Transporters**. The Joint Office oversees the process for the appointment of voting representatives.





### Corporate Governance

Industry representation is carried into our Corporate Governance arrangements with a Board made up of members nominated by each DSC constituency. The Board's role is to challenge, review and oversee the activities Xoserve undertakes, including the preparation of Xoserve's annual Business Plan.



**Eve Bradley**, *Company Secretary*

### Our Board

Membership of the Board is managed via a customer driven nomination process, and comprises:

- 2 members nominated by the Gas Distribution Networks
- 1 member nominated by National Gas Transmission
- 1 member nominated by IGTs
- 4 members nominated by Gas Shippers

The Board also has a number of sub-committees. Each carries out specific duties, allowing the Board to operate more efficiently and concentrate on providing leadership and decision-making for the business.



### Board members

- **Sarah Carroll** – Network-nominated Director
- **David Handley** – Network-nominated Director
- **Tony Nixon** – Transmission-nominated Director
- **Neil Shaw** – IGT-nominated Director
- **John Clarke** – Shipper-nominated Director
- **Yehuda Cohen** – Shipper-nominated Director
- **Inge Hansen** – Shipper-nominated Director
- **Chris Jones** – Shipper-nominated Director
- The Xoserve board is chaired by **Mike Hogg**. Previously a shipper director, Mike was appointed as Chair in 2024 and is passionate about supporting the company's development.

The board and its subcommittees work closely with the Xoserve executive team to ensure clarity about the scope of their roles and make sure they provide the appropriate level of consideration to relevant matters.

### Executive Team



**Steve Brittan**  
Chief Executive Officer



**Dave Turpin**  
Director of Programmes  
and Service Delivery



**Clive Nicholas**  
Director of Strategy and Development



**James Spicer**  
Director of Finance and Shared Services



### Our services

We are responsible for the provision of various CDSP services, which are categorised based on the nature of the activity:

### General Services

These cyclic operational activities are fundamental to the smooth running of the gas industry. The services are broken down into 18 General Service Areas, which are categorised based on the functional activities being undertaken. We refer to the costs associated with delivering General Services as ‘Service and Operate’ costs.

| Area | Service Area                         | Service Description   |
|------|--------------------------------------|---|
| 1    | Manage Shipper transfers             | <p>UK Link automated processing of file flows associated with end consumer registrations, switching and supply point data.</p> <p>Contracting with, and management of the services provided by PAFA and AUGE.</p> <p>Includes the provision of reports that supported PAFA’s management of c.40 performance plans across industry and data extracts to enable the AUGE to support the analysis of Unidentified Gas (UIG) causes and the development of the annual UIG weighting factors.</p> <p>Provision of insights into industry performance through reporting channels.</p> |
| 2    | Monthly AQ processes                 | <p>UK Link automated processing of file flows associated with Annual Quantities (AQ) and Supply Point Offtake Quantities (SOQ).</p> <p>All activities associated with AQ calculation processes including AQ query resolution.</p> <p>Also includes monitoring, notification and creation of AQ performance dashboards for meter points that have crossed the class 1 threshold.</p>   |
| 3    | Manage updates to customer portfolio | <p>Running and maintaining the Contact Management System (CMS), including the interfaces to and from the UK Link system where updates are required to the supply point register.</p> <p>Progression of any customer queries raised in CMS, including investigation and resolution.</p> <p>Change to CMS delivered via minor releases.</p>   |



| Area | Service Area                     | Service Description   |
|------|----------------------------------|---|
| 4    | Meter read/asset processing      | <p>The automated processing of meter asset and meter read file flows in UK Link. This includes files and notifications associated to:</p> <ul style="list-style-type: none"> <li>• exchanges or updates to records for traditional meters, smart meters, automatic meter reading equipment, and datalogger equipment.</li> <li>• updates to the metering conversion factors that are used to calculate meter volume and energy.</li> <li>• meter readings for all classes of meter points.</li> <li>• read replacement processes inclusive of daily read error notices.</li> <li>• generation and notification of estimated opening and transfer readings.</li> <li>• all activities associated with meter reading processes including meter read validation and rejection, calculating meter volume and energy from the raw meter read data, and calculating consumption adjustments.</li> </ul>   |
| 5    | Demand estimation obligations    | <p>Demand activities:</p> <ul style="list-style-type: none"> <li>• Develop end-to-end methodology to determine gas demand profiles.</li> <li>• Manage sampling, collection and validation of daily gas consumption for several thousand meter points.</li> <li>• Analyse consumption data against variables such as weather and events calendar, to build demand models which can be used to calculate the estimated consumption for 25m Non-Daily Metered (NDM) meter points.</li> <li>• Industry consultation and engagement with Demand Estimation Sub Committee (DESC).</li> <li>• Review and maintain the gas industry's weather parameter: the composite weather variable (CWV), and its 'seasonal normal' version (SNCWV), to reflect the latest consumer and weather patterns.</li> </ul> <p>All of the above is necessary for production of demand profiles for the next gas year, to support key industry processes such as NDM nominations/ allocation and capacity forecasting.</p> |
| 6    | Customer relationship management | <p>Provision of customer relationship management team and services for all customer constituents.</p> <p>Customer training and education, including induction days for new industry entrants, customer expert days where customers are given access to a range of subject matter experts, and change awareness sessions for stakeholders.</p>   |

| Area | Service Area                  | Service Description   |
|------|-------------------------------|---|
| 7    | Customer joiners/leavers      | <p>The management and support for customers joining and exiting the gas market includes cessation notices, Supplier of Last Resort (SoLR) processes, and invoking deed of undertaking.</p> <p>Adding parties to the Data Services Contract (DSC) and UK Link user agreement, creation and removal of access to UK Link.</p> <p>Management of the Market Domain Data (MDD) and arranging user agent agreements.</p> <p>Information exchange (IX) installation, change and removal of equipment services.</p>   |
| 8    | Energy balancing              | All activities in respect of energy balancing credit risk management, debt collection, and management of neutrality.  |
| 9    | Customer reporting            | Creation, maintenance, and distribution of reporting, both for external customers and management information required internally.   |
| 10   | Invoicing customers           | <p>Issue of invoices for:</p> <ul style="list-style-type: none"> <li>• Gas transportation on behalf of National Grid Transmission and the distribution networks</li> <li>• DSC services provided by Xoserve.</li> </ul> <p>Covers: UK Link automated calculation and creation of NTS and LDZ capacity, commodity, reconciliation, balancing and request to bill invoices (e.g. failure to supply gas). Also includes a share of the UK Link support and service desk costs.</p> <p>Validation and approval of invoices prior to issue and management of any customer queries raised against an invoice.</p> |
| 11   | Management of customer issues | <p>Management and communication of customer issues including:</p> <ul style="list-style-type: none"> <li>• Incident Management</li> <li>• Defects which become apparent through the normal course of business where the functionality implemented does not result in the expected outcome.</li> <li>• Data security incidents (including potential data breaches)</li> <li>• Process issues and other, non-system issue management to identify underlying causes and prevent recurrence.</li> </ul>   |
| 12   | Customer contacts             | <p>Service desk operation.</p> <p>Telephony service for the domestic enquiry telephone service line.</p>  |
| 13   | Change management             | Development, governance, delivery, and assurance of change outside major change programmes.   |

| Area | Service Area                         | Service Description   |
|------|--------------------------------------|---|
| 14   | Gemini services                      | <p>Gemini automated processing of file flows between the Gemini and UK Link system, the operation and support of the Gemini system, monitoring performance and incident management. Includes the provision of essential maintenance.</p> <p>Change management: the development, governance, delivery, and assurance of Gemini change.</p>   |
| 15   | Value added services                 | <p>The DDP platform is a data visualisation tool, used to access reporting information. It enables customers to:</p> <ul style="list-style-type: none"> <li>• securely query their organisation's data</li> <li>• create bespoke reports via a personalised dashboard</li> <li>• visualise data using a range of chart tools and comparison screens to gain insights on and evaluate responses to industry changes and trends</li> <li>• use trend analysis to identify opportunities for improving data accuracy or process performance</li> <li>• access the detail sitting between high-level key performance indicators to support decision making</li> </ul>                 |
| 16   | Central switching services           | <p>This service was launched in 2021. It provides a consistent set of arrangements for suppliers of electricity and gas and consumers and governs the operation of faster and more reliable arrangements for consumers to switch their energy supply.</p> <p>The Xoserve Central Switching Service Consequential (CSSC) Programme was set up in 2018 as a result of the launch of Ofgem's Switching Programme.</p> <p>It delivers all direct and consequential impacts on CDSP systems and services, enabling faster switching services that interface with existing systems and processes, to allow seamless shipper registration, settlement, and transportation invoicing.</p> |
| 17   | Distribution Network funded services | <p>Services which are wholly funded by Distribution Networks. Costs are associated with delivering the Flow Weighted Average Calorific Value service.</p>   |
| 18   | Decarbonisation                      | <p>Planning, design, coordination and support for decarbonisation projects and cross industry engagement, and the management of a pipeline of related development work.</p>   |

### Change delivery

We assure the delivery of critical transformation programmes and projects on behalf of our customers. These include multi-year infrastructure programmes aimed at maintaining or improving critical IT platforms such as UK Link and Gemini, and in-year, change projects that are incrementally scoped by customers.

### Specific Services and Additional Services

These are optional services which are delivered directly to individual organisations on a case-by-case basis. These services include installation of / connection to the Information Exchange (IX), usage of our telephone enquiry services and delivery of customer-specific reporting.

### How charges are calculated

The General Service, Infrastructure and Change charges (both in total and by customer constituency) are published each January in the [CDSP Annual Charging Statement](#).

Each February, Distribution Networks, IGTs and National Gas receive a Charging Schedule which details their individual organisation's share of the overall constituency charge (split over 12 equal monthly instalments).

Shipper organisations receive a schedule which provides indicative annual charges based on a range of meter point totals. The individual organisation's shares are calculated using the following rules, which were introduced in 2017 following the Funding, Governance and Ownership industry programme:

- **Shippers** – By percentage share of meter points with the count taken at the start of each month.
- **Distribution Networks and IGTs** – By percentage share of meter points with the count taken on a fixed date - 1st December each year.
- **National Gas** – No further breakdown required.

## Evolution of the company

Xoserve has occupied a critical and unique position within the heart of Great Britain's gas industry since it was established in 2005. We have been a consistent and reliable presence during that time, adapting to evolving gas industry priorities to best serve our customers.

Here is an overview of the significant events which have shaped the company we are today:

- **2005: Formation of Xoserve** - Xoserve is established as a separate entity from Transco, the former gas transportation arm of British Gas, with the aim of introducing competition into the gas industry and providing independent gas settlement services.
  - **2014: Funding, Governance and Ownership (FGO) programme begins** - Gas industry participants begin the process of reforming how Xoserve is funded, governed and owned.
  - **2017: FGO programme concludes** - Xoserve is designated as CDSP, funded and governed by the gas industry and owned by the distribution networks.
  - **2017: Successful Implementation of Project Nexus** - Xoserve successfully implements Project Nexus to upgrade the UK Link system, introducing significant improvements to data management and settlement processes.
  - **2021: Creation and sale of Correla** - Xoserve's business is restructured, creating Correla. This commercial company is sold via a competitive tender process to a private investor. The move provides customer benefits including:
    - Fixed costs for services and projects
    - A contractually incentivised service level agreement (SLA)
    - Shared proceeds from company sale (as rebate to charges in FY 2020-21).
  - **2022: CSSC goes live** - Xoserve begins to provide the Gas Enquiry Service (GES) on behalf of RECCo.
- CMS redevelopment** - Funded by private equity, with customers paying a Software as a Service charge.
- Energy Price Guarantee (EPG) and other support schemes** - Xoserve provides support for consumers in the face of high energy bills, through administration of the EPG and EBRS schemes, and involvement in additional Government support activities.

# Glossary

## Glossary of terms

| Term                 | Meaning  |
|----------------------|--|
| <b>API</b>           | Application Programme Interface  |
| <b>AQ</b>            | Annual Quantity  |
| <b>AUGE</b>          | Allocation of Unidentified Gas Export  |
| <b>BAU</b>           | Business as usual  |
| <b>BDP</b>           | Big Data Platform  |
| <b>BI</b>            | SAP Business Intelligence  |
| <b>BP22 Baseline</b> | Business year 2022 costs used to baseline costs for the Efficiency Review  |
| <b>BP23</b>          | The CDSP Business Plan for 2023-24   |
| <b>BP25</b>          | The CDSP Business Plan for 2025-26   |
| <b>BP26</b>          | The CDSP Business Plan for 2026-27   |
| <b>BP27</b>          | The CDSP Business Plan for 2027-28   |
| <b>BPIR</b>          | Business Plan Information Rules introduced by UNC modification 0841, which was approved by the regulator in May 2025   |
| <b>CAB</b>           | Customer Advisory Board  |
| <b>CICM</b>          | Chartered Institute of Credit Management   |
| <b>CDSP</b>          | As the gas industry's Central Data Service Provider (CDSP), we provide a suite of vital services for gas Suppliers, Shippers and Transporters  |
| <b>CICM</b>          | Chartered Institute of Credit Management   |
| <b>ChMC</b>          | The DCS Change Management Committee is the elected body of customer representatives that meet once per month to oversee the delivery of DSC change activity. <a href="http://www.gasgovernance.co.uk/DSC-Change">www.gasgovernance.co.uk/DSC-Change</a>            |
| <b>CoMC</b>          | The DCS Contract Management Committee is the elected body of customer representatives that meet once per month to oversee the day-to-day operation of DSC activity. <a href="http://www.gasgovernance.co.uk/DSC-Contract">www.gasgovernance.co.uk/DSC-Contract</a> |

| Term                     | Meaning  |
|--------------------------|--|
| <b>CMS</b>               | Contract Management System   |
| <b>CPI-H</b>             | Consumer Price Index; used as a measure for inflation  |
| <b>CSS</b>               | The Central Switching Service  |
| <b>DESNZ</b>             | Department for Energy Security and Net Zero  |
| <b>DDP</b>               | Data Discovery Platform  |
| <b>DSC</b>               | The Data Service Contract is the contract which is constituted by the DSC Agreement, the DSC Terms and Conditions and each of the CDSP Service Documents   |
| <b>Efficiency Review</b> | In BP23 we received funding to facilitate a 3rd Party review to assess the extent to which we were delivering value for money CDSP services. This work concluded in September 2023.  |
| <b>EFT</b>               | Enterprise File Transfer   |
| <b>ERIX</b>              | The Efficiency Review Implementation in Xoserve  |
| <b>FBC</b>               | Full Business Case   |
| <b>FES</b>               | Future Energy Scenarios, that identifies the potential routes towards Net Zero   |
| <b>FGO</b>               | The Funding Governance and Ownership programme   |
| <b>FWACV</b>             | Flow Weighted Average Calorific Value  |
| <b>I&amp;C</b>           | Industrial & Commercial  |
| <b>ICS</b>               | The Institute of Customer Service  |
| <b>IGT UNC</b>           | Independent Gas Transporter Uniform Network Code <a href="http://www.igt-unc.co.uk">www.igt-unc.co.uk</a>  |
| <b>Investment</b>        | This term covers funding to deliver transformation activity, and further splits into sub categories that are aligned with terminology in the Budget and Charging Methodology: 'Infrastructure' (typically technology-sustaining programmes) and 'Change' (incrementally scoped budgets for customer usage throughout the business plan period) |

| Term                  | Meaning   |
|-----------------------|---|
| <b>ISO</b>            | International Standards Organisation  |
| <b>KPM</b>            | Performance versus a suite of Key Performance Metrics that show how effective we are at delivering CDSP services are monitored and reported each month to the DSC CoMC  |
| <b>MPRN</b>           | Meter Point Reference Number  |
| <b>NDMSP</b>          | Non-Daily Metered Service Provider  |
| <b>NESO</b>           | National Energy Systems Operator  |
| <b>NISA</b>           | National Institute for Standards and Assurance  |
| <b>OBC</b>            | Outline Business Case   |
| <b>Ofgem</b>          | Office of Gas and Electricity Markets; regulator of the electricity and gas markets in Great Britain  |
| <b>PAFA</b>           | Performance Assurance Framework Administrator   |
| <b>PI</b>             | Performance versus a suite of Performance Indicators that show how effective we are at delivering CDSP services are monitored and reported each month to the DSC CoMC   |
| <b>PIP</b>            | Privacy Improvement Plan  |
| <b>Q</b>              | Quarter of the financial year; quarter 1 period is April to June, quarter 2 period is July to September, quarter 3 period is October to December and quarter 4 period is January to March   |
| <b>Q&amp;A</b>        | Questions and Answers   |
| <b>Rec Co / RECCo</b> | Retail Energy Code Company <a href="http://www.retailenergycode.co.uk">www.retailenergycode.co.uk</a>   |
| <b>S&amp;O</b>        | Service and Operate costs fund the day-to-day operational activity that is either performed directly by Xserve, or via one of our outsourcing agreements. S&O is an umbrella term that covers all of the CDSP General Service Areas |



| Term                    | Meaning   |
|-------------------------|---|
| <b>S&amp;O Baseline</b> | The Service and Operate costs associated with activities that span business plan years. We use this to measure and report the extent to which like-for-like activity is being economically undertaken across a multi-year period. To do this we apply the same indexation to all historic costs to evaluate whether services are being delivered more or less economically across the period in question                                |
| <b>SDS</b>              | Strategic Direction Statement; published annually by Ofgem  |
| <b>SAS</b>              | Statistical Analysis System   |
| <b>SIP</b>              | Security Improvement Plan   |
| <b>SOC</b>              | Strategic Outline Case  |
| <b>SPP</b>              | Statement of Planning Principles, which sets out the strategic principles that will guide creation of BP25  |
| <b>The 5Es</b>          | We have adopted a framework through which Value for Money can be commonly understood. The 5Es and their relative descriptions are thus: 'Economy' - are costs reasonable, 'Efficiency' - are costs being fully utilised, 'Effectiveness' - are services being delivered effectively versus stated aims (e.g. Key Performance Metrics), 'Equity' - are costs being fairly shared and 'Evolve' - which reflects the need for us to evolve |
| <b>Totex</b>            | Total Expenditure   |
| <b>UKCSI</b>            | The UK Customer Satisfaction Index  |
| <b>UK Link M2C</b>      | UK Link Move to Cloud programme   |
| <b>UNC</b>              | Uniform Network Code <a href="http://www.gasgovernance.co.uk/UNC">www.gasgovernance.co.uk/UNC</a>   |
| <b>VfM</b>              | Value for Money   |
| <b>XET</b>              | Xoserve Executive Team  |
| <b>XLT</b>              | Xoserve Leadership Team   |
| <b>Y, Y+1, Y+2</b>      | Year in question; plus, one year from the year in question; plus, two years from the year in question   |

### Links to further useful info

- ➔ CDSP service documents  
[DSC / CDSP Documents | Joint Office of Gas Transporters \(gasgovernance.co.uk\)](#)
- ➔ Previous Business Plans  
[www.xserve.com/about-us/about-xserve/business-plan](http://www.xserve.com/about-us/about-xserve/business-plan)
- ➔ Further info about our role and our customers  
[Our role and customers \(xserve.com\)](#)
- ➔ Business Plan Hub  
[bp25.xserve.com](http://bp25.xserve.com)









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