

21st October 2024

James Rigby
Xoserve
Lansdowne Gate,
65 New Road,
Solihull,
B91 3DL



Dear James,

Cadent Gas Limited’s response to the Xoserve Business Plan 2025 (BP25) Draft 1

Thank you for facilitating several opportunities to engage with Xoserve on the BP25 to date, both as part of the early Statement of Planning Principles process and the current Draft 1. This letter brings together the key points that we’d value further detail and engagement on in later BP25 stages.

The importance of value for money (VfM) and delivering savings for customers have been key features of our previous engagement with Xoserve. We welcome the inclusion of outputs from the independent efficiency review in the business plan. The targeted savings against the BP22 baseline provide a helpful and transparent measure of Xoserve’s performance in delivering VfM to its customers. In our view, to further improve in this area, we would like information on how the targeted savings were derived, and how they measure against comparable third parties.

This year’s business plan cycle features the first full application of the rules introduced by UNC modification 0841. We consider the additions to BP25 resulting from the UNC modification to be positive. However, we believe improvements are required in order to give customers full confidence in outputs introduced by 0841. Principally, we do not consider there to be sufficient information to support Xoserve’s forecasted performance across a number of Key Performance Metrics. As part of Draft 2, we would encourage Xoserve to include evidence of how it will achieve the level of forecasted performance under each KPM, as well as making direct links between BP investment and improved performance in each area.

Cadent Gas Limited

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The introduction of roles within Xoserve relating to strategic-level customer engagement and contract management are welcome. From Cadent's perspective, a key focus for this year's business plan should be greater assurance and control over services that Xoserve sub-contracts to delivery partners. It would be helpful to understand how the introduction of the contract management and strategic customer engagement roles will support this key focus.

Code management has been a key feature of recent customer engagements and the Draft 1 business plan. We recognise the clear links between code development and CDSP change. However, we think there are key details on the timing and level of DSC impacts that first need to be confirmed before Xoserve can fully understand the extent of BP investment required. We view any investment to support Xoserve's pursuit of the Code Manager role to be outside of the scope of the DSC. We look forward to further dialogue with Xoserve on code reform.

It should be noted that this letter was drafted prior to the confidential engagement on Project Trident referred to by Xoserve in its BP25 webinar. Whilst we are unable to comment on specifics at this stage, we expect to receive information on activities (and how they map to the additional 16 resources) that sit beneath the c.£9.7mil requested BP25 investment prior to final evaluations of the plan.

We would welcome the opportunity to discuss the points contained within this letter in more detail prior to their publishing on the Xoserve website.

Yours sincerely,

Edward Allard
Industry Codes Manager