

9th December 2024

Cadent Gas Limited
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James Rigby
Xoserve
Lansdowne Gate,
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Dear James,

Cadent Gas Limited's response to the Xoserve Business Plan 2025 (BP25) Draft 2

Thank you for the opportunity to engage in the next phase of the 2025 Business Plan consultation process. This non-confidential response is made on behalf of Cadent and follows the representation we made to Draft 1 on 21st October 2024.

At an overarching level, we support Xoserve's identification of the areas of the Draft 1 Business Plan where amendments have been prioritised in Draft 2.

For instance, we appreciate Xoserve's recognition that although general scores across DSC KPMs support a strong forecast for future levels of performance, material issues that have occurred within the last year do not fall under these metrics. A reduction in the likelihood and severity of these material performance issues is important to customers, and we support the introduction of the proposed qualitative assurance activities and associated investment.

However, we would encourage Xoserve to benchmark their current levels of performance in this area and consider how to report against this baseline in the future following the implementation of the qualitative assurance activities. This comparison will aid customers' understanding on the effectiveness of the investment and interventions.

We also support Xoserve's intention to facilitate a review of the existing KPMs and PIs through the DSC Contract Management Committee. Whilst we acknowledge the limitations on Xoserve sharing information on the DSC+ contract with customers due to commercial sensitivities, we believe there should be alignment between the areas of CDSP performance that customers place the most value upon (identified

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through the review of the KPMs and PIs) and the way in which performance is managed through the DSC+.

In terms of the wider amendments to the Business Plan following the Draft 1 consultation process, we support the removal of the Digital UX from the scope of Business Plan 2025 and the rationale within Draft 2 resonates with Cadent (e.g. CDSP bandwidth and resource should be directed at improvements to core services and Trident preparations).

With regards to the fourth area of feedback identified within Draft 2 (page 28), we appreciate Xoserve reiterating its position at webinars and within the Business Plan itself that all investment relates to CDSP services delivery. However, we struggle to make the connection between the investment required as part of Business Plan 2025 and the level of certainty on the elements energy code reform that stand to impact Xoserve in its role as the CDSP in 2025-2026. We would welcome examples from Xoserve on how they perceive energy code reform to impact their CDSP services in the next twelve-months.

Finally, Business Plan 2025 forecasts a fairly flat profile in terms of expected S&O costs and resource over the next three years. This may be a sensible estimate upon which to base forecasted costs at an overall DSC-level. However, we have observed a number of changes which we believe could create pressure on certain areas of Xoserve's resource. For instance, several UNC workgroups now span multiple days due to the volume of live modifications, and there is growing interest from parties in gas quality, new gas system entry points, and supply point capacity/class management. There may be greater demand on CDSP expertise to advise on regulatory impacts to central systems if these trends continue. We think there is a case for reviewing the existing levels of subject matter expertise within Xoserve (particularly in the regulatory and change functions), against the anticipated levels of future demand to ensure Xoserve is equipped to manage customers' requests.

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

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