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By email only: james.rigby@xoserve.com, business.planning@xoserve.com

6th December 2024

Dear James,

We write in regard to your request for feedback on Draft 2 of BP25.

We welcome the improvement in transparency and quality of information, and Xoserve's proactive approach over the past two years to embrace the BPIRs introduced under UNC modification 0841. We also are pleased to see some feedback was taken on board from those who responded to Draft 1, with changes implemented in Draft 2.

Our first chief interest is in Xoserve delivering its core services in a cost-effective way, reliably. Amongst other failures in 2023-24, the failure of DDP and of PAC reporting was grave. It led to real reputational harm to customers, and has had a serious impact on trust in Xoserve to deliver its primary functions and assure the services provided by its contractors.

Though we welcome the recent engagement on these incidents and the work being undertaken to improve DDP, it was disappointing to see that inclusion of actions to strengthen assurance was included only after customer feedback to Draft 1. We feel this still strikes as an afterthought, and would welcome further detail to provide reassurance as to the adequacy of these actions and the tangible improvements customers can expect.

We note it is indicated Xoserve will look at where there might be savings or improvements by bringing functions directly under Xoserve control. We welcome greater clarity over whether this is a more strategic direction being considered or a more piecemeal selection of activities. Additional resource needs to be fully costed and acquired at competitive rates, particularly if using third parties or sub-contractors.

We recognise the need for Project Trident, and are pleased to see Xoserve approaching the project with an open mind, considering a range of options which takes account of the long term future of the role of gas post energy transition. This is a significant investment, ultimately funded by the end consumer at a time when cost of living is under pressure.

Our second chief interest is therefore ensuring value for money for Project Trident, and a focus on delivery of a product which provides long term benefit to the industry. We believe currently there is no formal incentive for costs to be kept down, and therefore oversight from customers is needed to ensure visibility and supervision of Project Trident spending. We propose a customer oversight board should be established to this end.

The Project Trident timeline shows design, test, and build activities starting as early as mid 2025. This is close on the horizon, so greater clarity on what that means should be provided as soon as can be accommodated. Xoserve needs to be alert to the major industry changes in plan, for example MHHS and those to come via CP2030. Shipper and supplier resources are not limitless so the earlier we have sight of future resource requirements, the better.

We hope these comments are constructive, and look forward to future engagement on these topics.

Yours sincerely,

Andrew Eisenberg Regulation Lead