

The logo for xserve, featuring a stylized 'x' composed of two arrows pointing towards each other, followed by the word 'serve' in a lowercase, sans-serif font. The logo is white and set against a teal background.

xserve

BUSINESS PLAN 2025-28

A large, stylized graphic with the words 'TRUST', 'INVEST', and 'DELIVER' stacked vertically. Each word is in a different color: 'TRUST' is teal, 'INVEST' is purple, and 'DELIVER' is red. The letters are bold and blocky. The background is a night cityscape with glowing skyscrapers and a network of light trails. The text is overlaid on this background, with some letters appearing to be part of the city's structure.

FINAL DRAFT ANNEXE

This report was published  
in November 2024

TRUST  
→ INNOVATE  
→ DELIVER

# Annexe Contents

## 2025-28 Business Plan - Final Draft Annexe

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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	27/09/2024
Draft 2 CDSP Budget and Supporting Material	N/A	15/11/2024	22/11/2025
Final Draft CDSP Budget and Supporting Material	N/A	13/12/2024	20/12/2024
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
- [Draft 1 Roundtable](#)

The following events will be facilitated

- Draft 2 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 Xoserve'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 Xoserve'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) is 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 provide a service that costs a DSC customer £1, whereas the same service would cost them £2 to deliver in-house etc.</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> <p>Align with the strategic direction set by the board and communicated to customers,</p>
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 serve its customers, particularly on how the CDSP can deliver activities centrally that save their customers money</li> </ul>



**Xoserve Response**

We intend to comply with the new BPPIRs 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 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 more efficient and mature data / digital capabilities, and the means for Xoserve to actively develop CDSP services that benefit all.

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 Xserve in the 2025-2028 Business Plan statement planning principles. As long as such a review does not jeopardise Xserve's core function or create significant costs for industry parties, we agree with Xserve 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.
BP2511	Trident Briefing	SEFE	Cost	What is the split of cost between As Is and To Be?
BP2512	Trident Briefing	SEFE	Cost	What is the level of contingency in the £9.7m
BP2513	Trident Briefing	So Energy	Resources	Is the Project Trident structure new posts or existing headcount assigned to project? How many new roles are being created?
BP2514	Trident Briefing	SEFE	Project management	How do we ensure that each part of Trident is delivered on time and in budget noting Nexus but more current MWHH delays/issues

Xoserve Response	Draft 1 Traceability
<p>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.</p>	<p>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.</p>
<p>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</p>	<p>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.</p>
<p>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.</p>	<p>We have made it clear in Draft 1 that the Equitability Review will not impact the 2025-26 budget.</p>
<p>As we are primarily building a like-for-like model, it will be the same blended team of Business Analysts and Subject Matter Experts working on both as-is and to-be.</p>	<p>n/a</p>
<p>Contingency is built into each of the individual component estimates, rolling up to the £9.7m, but not a set percentage or level of the overall cost. The cost breakdowns is built as an indicative estimate and we will have more certainty as we move through the procurement process to Q4 2025.</p>	<p>n/a</p>
<p>For complex multi-year projects of this scale, it is important to have dedicated resources focused on delivery execution to protect delivery of BAU commitments. We therefore plan to have dedicated resources assigned to Project Trident. For the period FY25, we have c.20 resources internal/external planned to be onboarded. This does not include those resources included from other third-parties for Independent Project Assurance, Delivery Partner and Enterprise Advisory partner. Numbers for the additional third party resources are subject to their proposals.</p> <p>We have compared our numbers and structure against other similar programmes from across the industry, and we believe we are right sized for this stage of the programme.</p>	
<p>In Projects of this scale and complexity there are many unforeseen risks that can emerge during the lifetime of the project, which can result in unplanned changes to timescales and therefore cost.</p> <p>To mitigate this Project Trident has adopted a robust cadence of risk management (identification, impact assessment, mitigation) which is tracked and reported through project governance. We've attached a copy of the Programme Governance framework for reference.</p>	<p>n/a</p>

Reference	Phase	Feedback from	Strategic Dest.	Feedback
BP2515	Trident Briefing	Cadent	Stakeholder Engagement	Please could you explain how customers' views on the question of whether to make further changes/enhancements 'whilst the car bonnet is open' is built into the procurement timelines, strategy, and costs?
BP2516	Trident Briefing	Centrica	Cost	Can you elaborate on the licensing requirements and how this supports the project?
BP2517	Trident Briefing	EON	Stakeholder Engagement	With the hefty budget contribution and the call for stakeholder engagement, how do we make sure we as the customers are not doing the work we are paying you to do?
BP2518	Trident Briefing	Centrica	Governance	Will you be providing details of the governance framework?
BP2519	Trident Briefing	EON	Core services	How do we make sure we get the basics right and have a more reliable day 1 position (without months of bug fixing) to battle?
BP2520	Trident Briefing	Centrica	Governance	How will the spend/balance of the project be updated to Customers?
BP2521	Trident Briefing	Centrica	Core services	What steps are being made to guarantee levels of service for core services?

Xoserve Response	Draft 1 Traceability
<p>As detailed within the Strategic Outline Case, we are not anticipating new functional requirements to UK Link within Project Trident. There are however opportunities to improve processes "whilst the bonnet is up".</p> <p>We will be running workshops with customers to obtain their input into the improvements that they would value over the as-is processes. During these workshops, which we expect to occur in the first half of 2025, we will also be looking to identify opportunities to how we can build flexibility within the future UK Link to adapt to new functional requirements that may occur after the solution build.</p>	n/a
<p>Licensing costs refer to the licenses for tools that we expect to use within the programme for: Project Management, Enterprise Architecture, Requirements Management and Open Data Capability. It is also a provision to cover the enhanced number of licenses for the additional headcount may require to support with the As-Is and To-Be modelling.</p>	n/a
<p>We don't want to underestimate how much stakeholder engagement may be required. We will be using a three-step engagement model; ranging from "Level 1-Inform" to "Level 3- Consult" where there will be a range of information shared and input solicited. Xoserve will be leading on this. With or without customer engagement, the programme management, design and implementation will sit with Xoserve.</p>	n/a
<p>Yes, we will make available a view of the Governance Framework expected for the FY25.</p>	n/a
<p>As with all programmes, extensive focus will be on creating a robust set of detailed requirements as a baseline. With the help of the industry, we anticipate that a code chill will reduce the amount of change that will need to be absorbed during the design and build phases. Comprehensive system, integration, user and market testing phases will be critical to ensuring that the resulting system(s) are fit for purpose and facilitate delivery of 'right first time' business processes.</p>	n/a
<p>This will be through the usual channels such as CoMC as well as through further confidential briefings if/when required.</p>	n/a
<p>Where Project Trident draws on resources, particularly human resources, it is important that we have created required capacity within Xoserve and its third-party providers to ensure that business as usual activities remain a focus and fully resourced. We have therefore included costs for this to be achieved.</p> <p>As we move into later stages of design, build and implementation, we think it will become more important that the usual levels of change activities are slowed to free up further capacity for Xoserve, third party providers and customers alike.</p>	n/a

Reference	Phase	Feedback from	Strategic Dest.	Feedback
BP2522	Draft 1	Multiple	Core services	More focus should be applied to the improvement of CDSP services
BP2523	Draft 1	Multiple	Innovate	The scope presented in the Digital UX Investment Proposal isn't critical for BP25
BP2524	Draft 1	Multiple	Cost	Constituency costs should be included
BP2525	Draft 1	Multiple	Core services	Funding should reflect CDSP scope



**Xoserve Response**

Some customers felt that Draft 1 didn't fully address specific examples where performance has been suboptimal due to incidents that have occurred. Our approach to presenting our 'effectiveness' at providing CDSP services in Draft 1 was to focus on our performance vs the series of 49 Key Performance Metrics and Indicators (Data Service Contract 'KPMs' and 'PIs'). These metrics are wide-ranging, with our performance either being improved or maintained in comparison with the previous Financial Year.

In some cases, incidents that occur with service provision are not directly relatable to, nor impact upon on a KPM or PI. Following customer feedback, we recognise that Draft 1 didn't go far enough in terms of explaining what we intend to do in addressing and mitigating against such incidents from reoccurring in future.

We received feedback as to the timing, scope and criticality of the proposed investment in Digital UX, with multiple respondents stating the need for BP25 to focus on priorities such as CDSP service improvements and Project Trident.

While we believe the benefits set out in the Investment Proposal are tangible and achievable, we also recognise that BP25 should focus on customer priorities at this point time – given the lack of support for this project to proceed in 2025-26, we have reassessed its inclusion in BP25.

Multiple customers shared the requirement for a summary cost breakdown at DSC constituency level.

Respondents sought reassurance that BP25 was solely focused on CDSP scope.

**Draft 1 Traceability**

Draft 2 addresses this by proposing that Xoserve's capacity and capability to perform qualitative assurance at key phases of projects and releases being delivered by 3rd parties is enhanced. We propose to increase direct Xoserve Service and Operate by £0.4m from 2025-26 to fund dedicated enhance qualitative assurance resources.

Root cause analysis of recent incidents suggests that applying a greater degree of qualitative assurance during test phases of releases could have prevented the incidents from occurring. These new resources will be embedded into projects and releases being delivered by 3rd party suppliers, with the intensity of deployment being based on a predetermined set of criteria (e.g. risk, cost) – we will share our approach to each project / release prior to deployment with the DSC committees (ChMC and CoMC) as appropriate. Once resources have been deployed, we will provide customers with regular in-flight project health-checks and the actions we are taking to mitigate future incidents from occurring.

We are also set to facilitate a review of the existing KPMs and PIs with the DSC CoMC, with work commencing before the start of the BP25 period. In addition, we are developing strategic Key Performance Indicators which will allow us to measure progress against the strategic journeys that we set out in the Statement of Planning Principles. We will ensure that we engage customers and stakeholders as this proceeds.

We are withdrawing the Digital UX investment from this Business Plan cycle and will reassess its inclusion in BP26. We will instigate further customer discussion ahead of the BP26 cycle.

The withdrawal of this Investment Proposal reduces the overall investment profile in the 2025/26 budget by £0.9m. The impact on S&O is that the £0.3m 'run' costs associated with a future Digital UX solution have also been removed.

We have included the costs for Shippers, Distribution Networks, National Gas Transmission and Independent Gas Transporters in Draft 2 .

We are clear that the scope of the CDSP Service Development Investment Proposal, is to deliver a CDSP Data and Strategy, explore the potential for a CDSP Open Data solution, and to insulate CDSP services and processes from potential changes that may arise from Code Reform (i.e. following the publication of the inaugural Strategic Direction Statement).

Reference	Phase	Feedback from	Strategic Dest.	Feedback
BP2526	Draft 1	Multiple	BPIRs	Further compliance with the BPIRs could be achieved
BP2527	Draft 2	WWU	CDSP Service Development	Funding should reflect CDSP scope
BP2528	Draft 2	WWU	Core services	The CDSP does not only process large volumes of data, it also provides information to other parties such as the Performance Assurance Framework Administrator. As performance in this area has been poor we suggest that Key Performance Indicators are introduced to cover this and other areas of CDSP activities.
BP2529	Draft 2	EON	BPIRs	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.

**Xoserve Response**

As part of their independent assessment of Draft 1 compliance, the assessor made a series of recommendations. The list below summaries how we have updated BP25 to address these recommendations, and how customer feedback on BPIR compliance has been used to make improvements.

**Draft 1 Traceability**

The following sections of the Annexe document have been updated:

- 1.1 Schedule for the publication of material - updated with new publication dates
- 1.2 Stakeholder engagement – updated with all Draft 1 customer correspondence and Xoserve's responses and non-confidential Project Trident Q&A
- 1.3 Current Performance – updated with a Q2 performance table
- 1.4 Outputs – updated with reference to the inclusion of proposed new Enhanced Qualitative Assurance resources
- 1.5 Investment Proposals – updated with reference to planned activities to address not-fully-compliant BPIRs
- 1.6 Costs and Expenditure – updated with new VfM table
- 1.7 Allocation of costs to customer classes - updated with additional information about cost allocation and the planned Equitability Review activity
- 1.8 Assurance activities – updated with D2 assessment

The scope of the CDSP Service Development Investment Proposal, is to deliver a CDSP Data and Strategy (£0.1m), explore the potential for a CDSP Open Data solution (£0.3m), and to insulate CDSP services and processes from potential changes that may arise from Code Reform - i.e. following the publication of the inaugural Strategic Direction Statement (£0.2m).

Xoserve has responded, and will continue to respond, to Ofgem's consultations and other requests for information in respect of Code Management. We remain of the view that the Code reforms will have an impact on Xoserve's future, especially if a blueprint similar to that in our Code Manager White Paper is adopted.

The Board has directed the Strategy Team to continue this engagement with Ofgem and to be prepared to support the selection process that the regulator decides to use to appoint the Code Manager. However, we see no need for any specific budget to continue this work, and BP25 therefore contains no budget allocation. "

We acknowledge the reporting error that occurred in the production of a report for use in the Performance Assurance Committee.

Thanks for this feedback. We believe the introduction of the BPIRs have added value in the production of BP25. We also regard customer and stakeholder feedback as critical to producing a CDSP Business Plan that reflects customer priorities.

We can provide additional reassurance that this investment is not intended for use to promote Xoserve in any way as future Code Manager. Should there be no impact on CDSP services resulting from Code Reform during 2025/26, the associated funding for this element of scope (£0.2m) will not be used / will be rebated.

We are facilitating a review of DSC KPM/Pis. We will ensure that your suggestion (of including a new PI specifically to cover PAC reporting) is included in this review. We have also proposed new resources to carry out Enhanced Qualitative Assurance at key stages of 3rd party delivery of projects and releases, and our expectation is that this will help to mitigate similar incidents in future.

n/a

Reference	Phase	Feedback from	Strategic Dest.	Feedback
BP2530	Draft 2	EON	Core services	<p>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.</p> <p>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.</p>
BP2531	Draft 2	EON	Project Trident	<p>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 e consumer at a time when cost of living is under pressure.</p> <p>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 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.</p>
BP2532	Draft 2	Cadent	Core services	<p>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.</p> <p>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.</p>

**Xoserve Response**

We acknowledge the reporting error that occurred in the production of a report for use in the Performance Assurance Committee.

**Draft 1 Traceability**

We are facilitating a review of DSC KPM/Pis. We will ensure that PIs specifically to cover PAC reporting is included in this review. We have also proposed new resources to carry out Enhanced Qualitative Assurance at key stages of 3rd party delivery of projects and releases, and our expectation is that this will help to mitigate similar incidents in future.

We are pleased to hear that the need for this change is recognized. We will continue to consider a range of options to deliver the best value for money for our customers and the sector long-term, and ultimately the end consumer.

n/a

The perspectives of our stakeholders and customers will be essential to Project Trident in helping us choose and procure the right solution at the right price. We agree that more representation of the customer voice is required within Project Trident and specifically within our Steering Group, the highest level of Project Trident specific governance. We have had a space within this committee for a Stakeholder Representative since initiation and are actively seeking the right individual or individuals to support in this forum. We are seeking and soliciting input from customers into how we can best do or structure this, and it is likely that this solution will include one or more stakeholder representative on this committee and a supporting customer forum. We are eager to introduce a structure and would welcome feedback on this proposal when it is formally shared early next year. We plan to run this as a consultative process with customers to ensure that this structure is trusted by customers as representing their perspectives and views.

The ultimate oversight and decision-maker for Project Trident is the Xoserve Board, and the customer nominated directors and visibility of Project Trident spending will be provided within the existing structures for CoMC. Please also use these structures to input into the oversight of Project Trident.

With regards to timelines, these are currently indicative dates and we will continue to share updates as dates are clarified through our existing communications channels such as the Project Trident webpage, The Tide newsletter and milestone specific engagements, such as the BP25 Contract Manager briefing. We consider this project to still be a work in progress and welcome suggestions for how we can better share information to help you prepare for inputting into Trident and for the change that it will bring.

We believe that the forthcoming review of DSC KPMs/Pis will be a useful exercise, and look forward to engaging with customers on this topic. In addition to this review, we are also developing a Strategic Scorecard, which will enable us to track the effectiveness of our delivery of strategic initiatives - this will include assurance. We intend to consult with customers on the scorecard during Q4 of 2024-25.

n/a

Reference	Phase	Feedback from	Strategic Dest.	Feedback
BP2533	Draft 2	Cadent	CDSP Service Development	With regards to the fourth area of feedback identified within Draft 2 (page 28), we appreciate Xoserve reiterating its position during webinars and within the Business Plan itself that all investment relates to CDSP services delivery. However, we remain of the position that there is not enough certainty within Ofgem's/DESNZ's policy at this stage to definitively require investment in CDSP services. Policy announcements to date have focussed on code consolidation, code manager license characteristics and selection processes, and we struggle to understand the consequential impacts to the CDSP, and levels of investment required. We would welcome examples from Xoserve on how they perceive energy code reform to impact their CDSP services in the next twelve-months.
BP2534	Draft 2	Centrica	CDSP Remit	Activities that are beyond the scope of the CDSP's current authorised remit should not be undertaken.
BP2535	Draft 2	Centrica	Project Trident	Additional information on Project Trident should be provided.

Xoserve Response	Draft 1 Traceability
<p>The majority of funding in the CDSP Service Development investment proposal (total £0.6m) is for the delivery of a CDSP Data and Digitalisation Strategy document (£0.1m) and the exploration of a CDSP Open Data Solution (£0.3m). The remainder of this budget (£0.2m) is to insulate CDSP services from any changes that may become required as a result of Code Reform - this does not include any Code Management related activity. With the inaugural Strategic Direction Statement being published after our Business Planning cycle concludes, we believe that it prudent to include modest provisions for any impacts on CDSP services, but will not utilise this element of the budget if there are no impacts.</p> <p>Xoserve has responded, and will continue to respond, to Ofgem's consultations and other requests for information in respect of Code Management. We remain of the view that the Code reforms will have an impact on Xoserve's future, especially if a blueprint similar to that in our Code Manager White Paper is adopted.</p> <p>The Board has directed the Strategy Team to continue this engagement with Ofgem and to be prepared to support the selection process that the regulator decides to use to appoint the Code Manager. However, we see no need for any specific budget to continue this work, and BP25 therefore contains no budget allocation.</p>	n/a
<p>The BP25 budget is completely focused on the activities we believe will help us to deliver CDSDP services economically, effectively and efficiently, now and in the future.</p>	n/a
<p>We agree that customer engagement is a critical activity for the success of Project Trident, and you may recall from our launch event in September, we emphasise this as a key principle for successful delivery. Further details are also available on the Project Trident website at Xoserve.com , and in the Strategic Outline Case . There are several forums where we expect customers to be involved:</p>	n/a

Reference	Phase	Feedback from	Strategic Dest.	Feedback
BP2536	Draft 2	Centrica	Current Performance	All aspects of current performance should be presented in the business plan.
BP2537	Draft 2	Centrica	BPIRs	We disagree with some aspects of the independent assessor's view of compliance with the Business Plan Information Rules.



**Xoserve Response**

BP25 provides extensive performance statistics which satisfy the related BPIRs ('Current Performance' and 'Outputs') – this is reflected in the robust and independently calculated 100% compliance score in these areas. These statistics largely focus on where performance is measured via 49 Key Performance Metrics (KPMs) and Indicators (PIs).

Xoserve takes very seriously any incidents that impact customers. Some examples of such incidents have been referenced in customer correspondence, which we have acknowledged and are responding in 3 key initiatives, which are described in the Final Draft:

We have carefully considered your comments related to the independent assessor's view of compliance against the BPIRs, and have provided these to the assessor for consideration. We are satisfied that the independent assessment is therefore an accurate view of compliance.

**Draft 1 Traceability**

BP25 describes our approach to addressing performance incidents:

1. The facilitation of a DSC Contract Management Committee (CoMC) review of the existing DSC KPMs and PIs
  - In discussion and collaboration with CoMC, this activity will enable an assessment of whether the existing KPMs and PIs need to be refined to measure more / different areas of operational performance. We agree with you that this work is important, and as such will be appropriately prioritised.
2. The introduction of new Xoserve resources to undertake Enhanced Qualitative Assurance
  - Root cause analysis of historic incidents that have impacted customers informs that the application of embedded Xoserve resources in projects / releases being delivered by 3rd parties, focussing on qualitative outputs (e.g. test assurance) will help mitigate such occurrences in future. These resources are proposed to be added from the start of the 2025-26 financial year and will then be deployed systematically, based on a pre-determined criteria which will consider risk of customer impact as a top priority.
3. The development of a Strategic Scorecard
  - This will enable customer insight into how Xoserve is performing in the delivery of strategic initiatives (such as Enhanced Qualitative Assurance). We will consult with customers on this soon."

n/a

### 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 BP25.

### 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.

If we were to be fully transparent in a publicly available document, doing so might negatively impact the integrity of future procurement. We shared the cost information confidentially during a private briefing for 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).

**Draft 2 update** - We have included a summary of all Draft 1 feedback and how it has been used to development Draft 2 in the 'Trust' section of BP25. We have also saved all individual letters and Xoserve's response to the dedicated BP25 portal



### 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

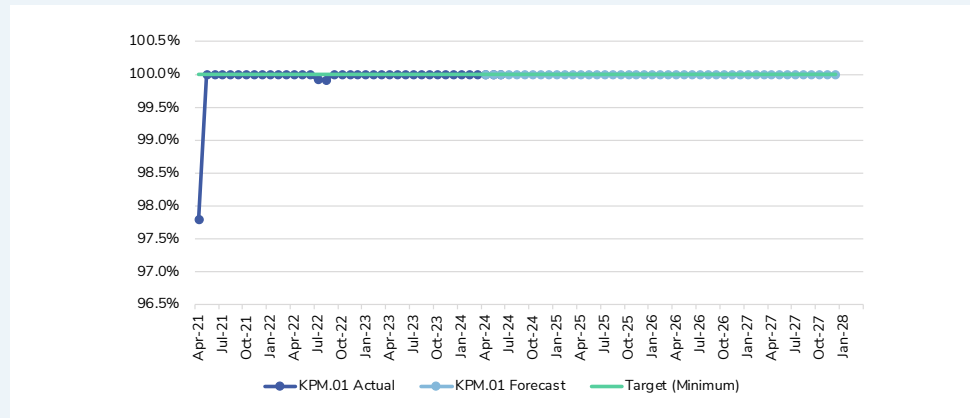
BP25 Draft 1 contains Y-1 Q1 performance. Subsequent drafts will extend this view iteratively, with the final version of BP25 containing Y-1 Q1, 2 and 3.

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

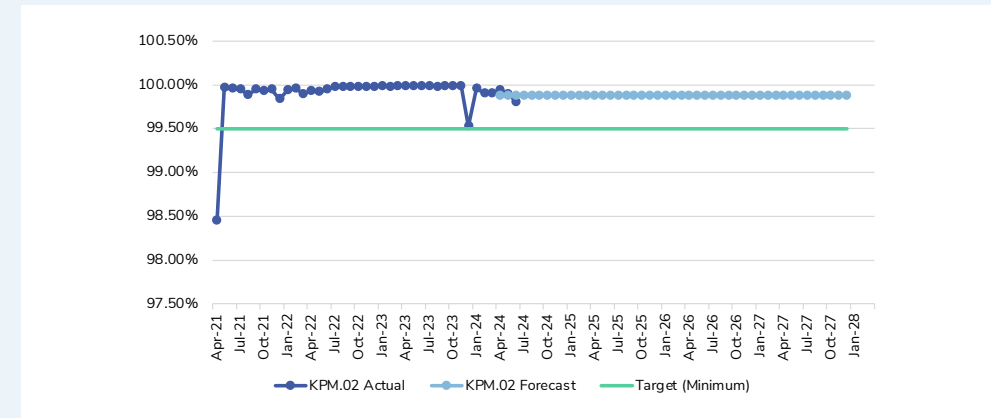
The forecast is based on the previous 6 months' performance. It should be noted that in some cases, the forecast would indicate that we 'expect' to be consistently under target until the end of the Business Plan period (April 2025 – March 2028), however in some cases this is not likely. For example, 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

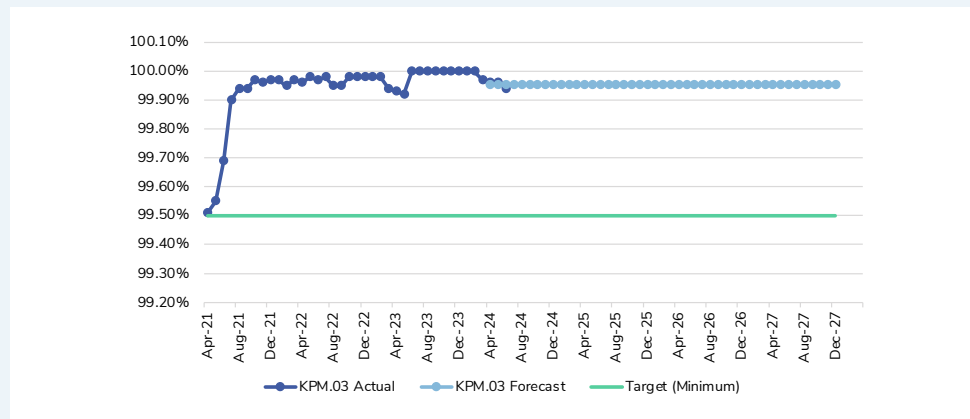
KPM.01 - Percentage of Shipper Transfers processed



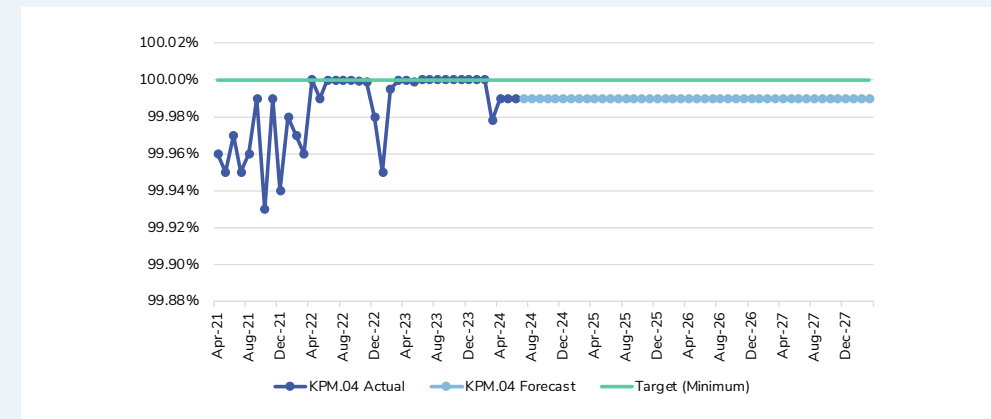
KPM.02 - Percentage of meter reads successfully processed



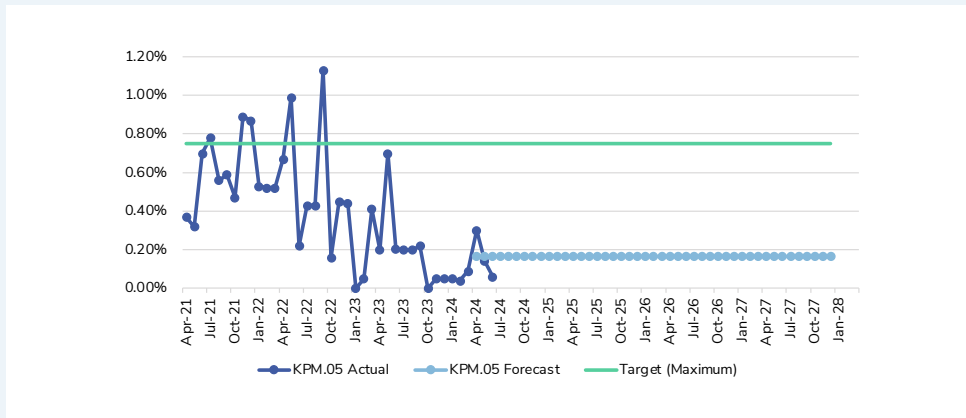
KPM.03 - % of asset updates successfully processed



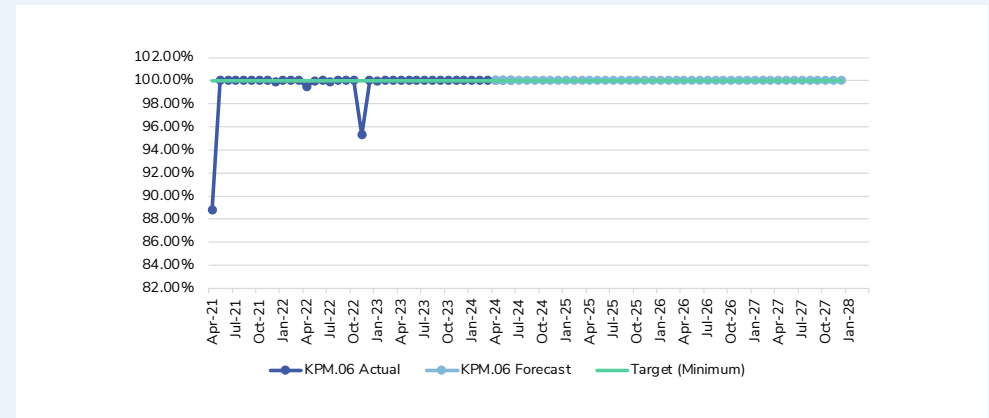
KPM.04 - % of AQs processed successfully



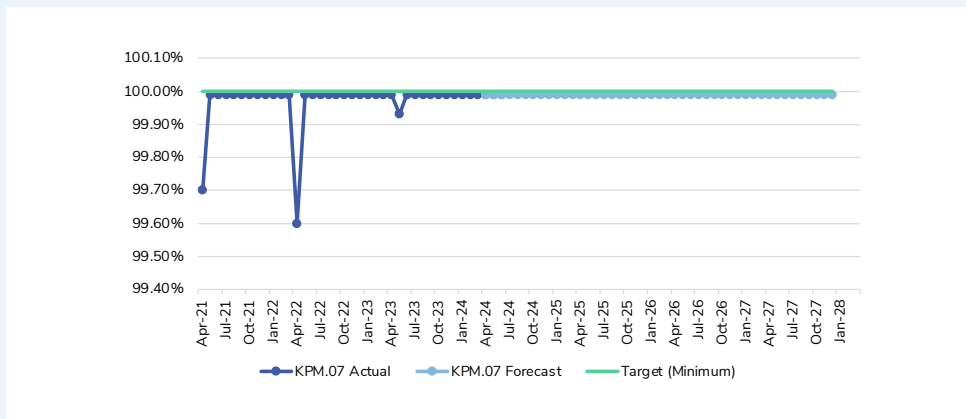
KPM.05 - Percentage of total LDZ AQ energy at risk of being impacted



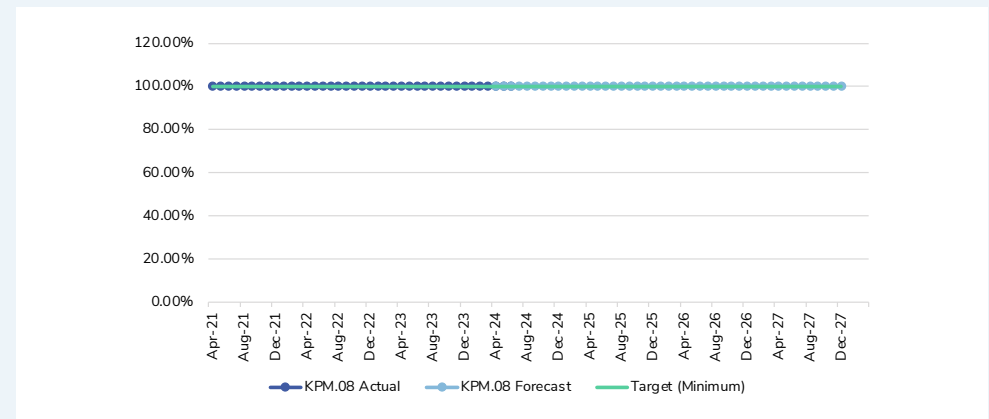
KPM.06 - Percentage processed within the Completion Time Service Level in DSC



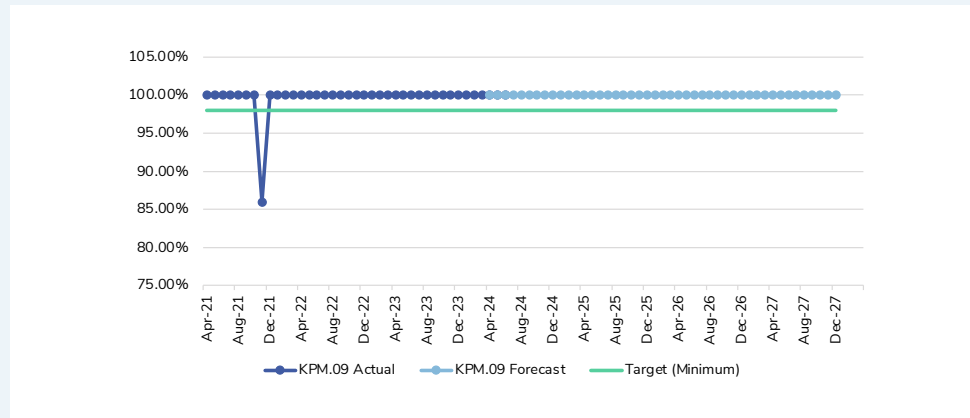
KPM.07 - Percentage of requests processed within the Completion Time Service Level in DSC



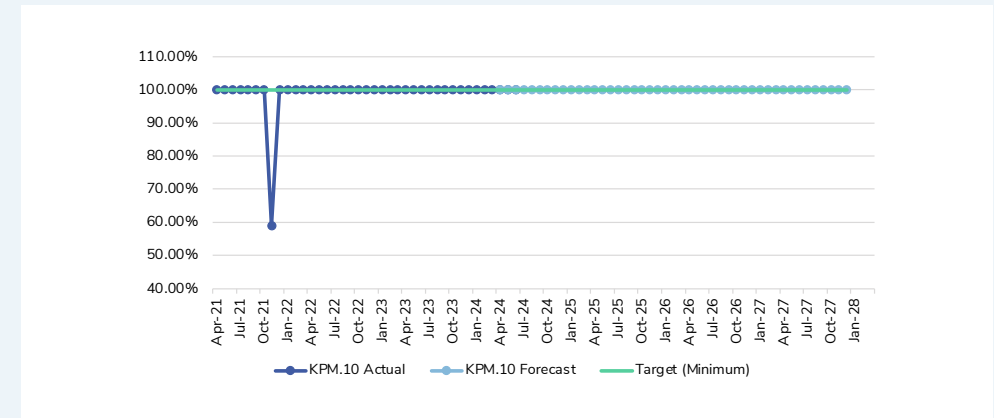
KPM.08 - % Notifications sent by due date



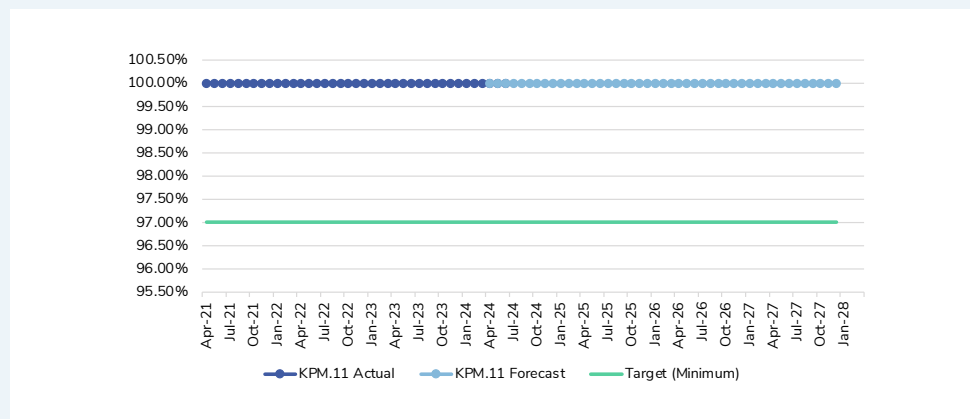
KPM.09 - % of invoices not requiring adjustment post original invoice dispatch



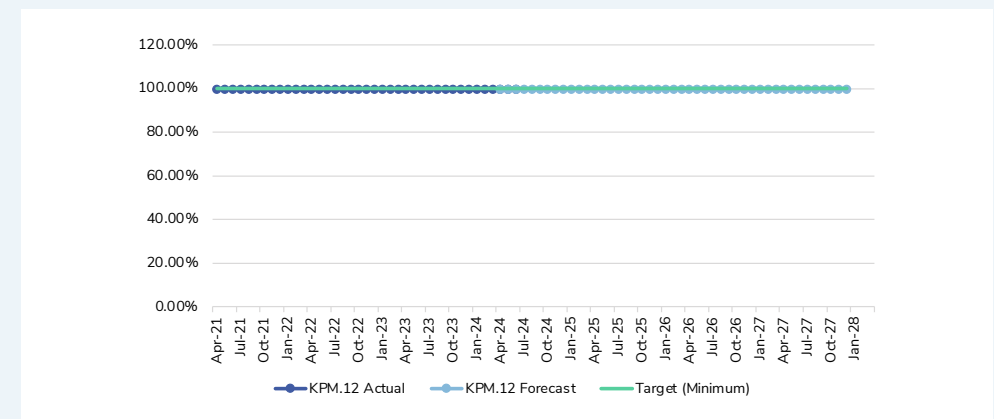
KPM.10 - % of DSC customers that have been invoiced without issues/ exceptions (exc. AMS)



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

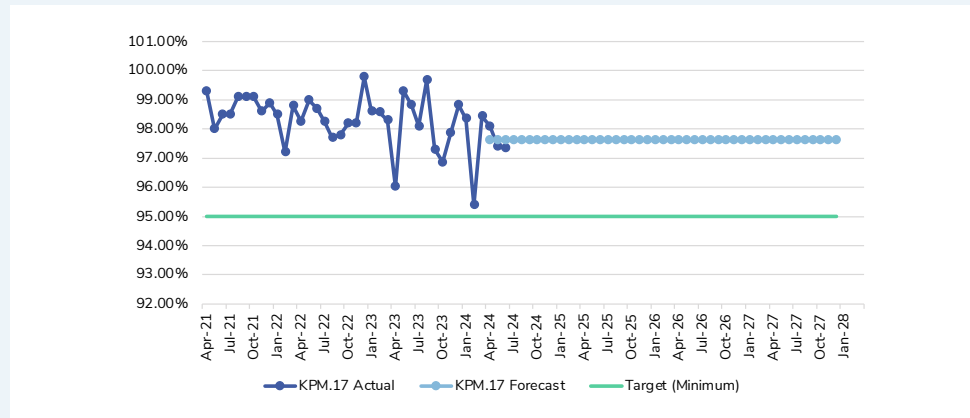


KPM.12 - % of invoices sent on due date

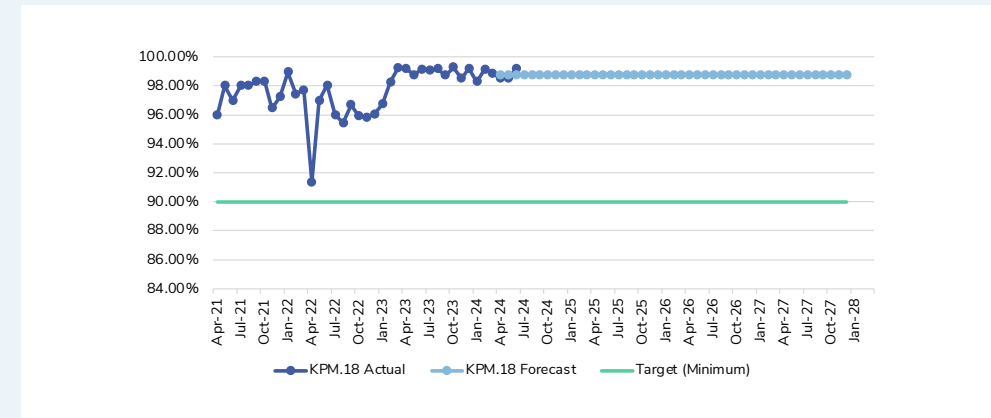




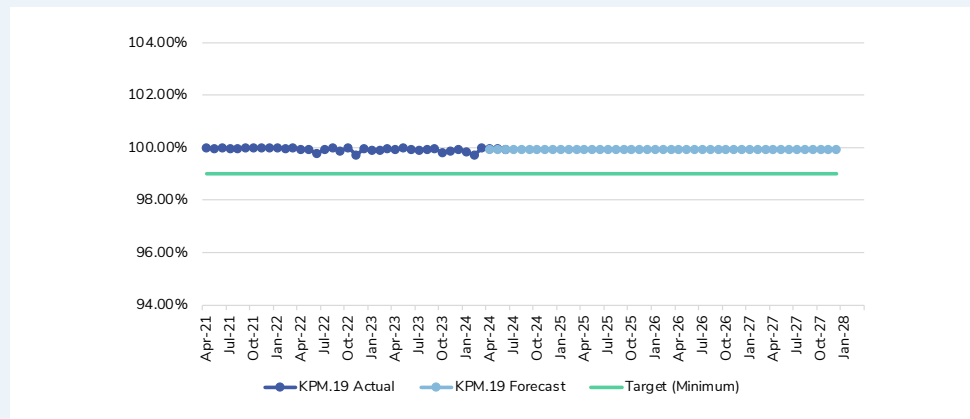
KPM.17 - % of tickets not re-opened within period



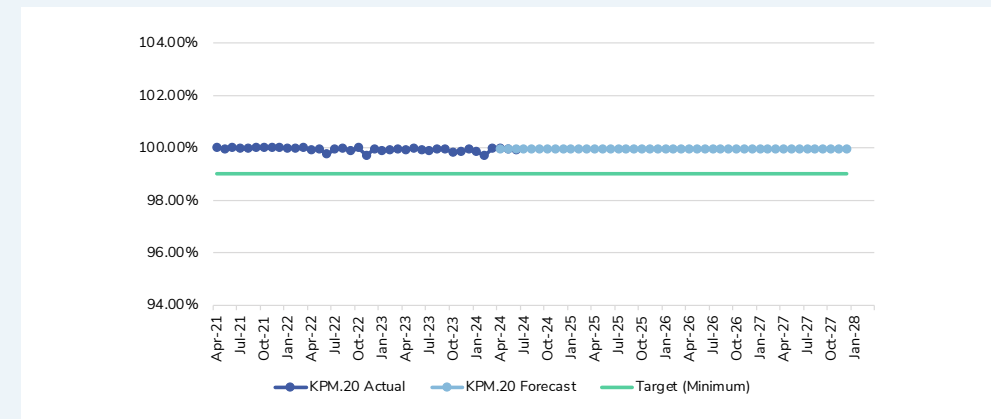
KPM.18 - % of customer tickets (Incidents & Requests) responded to within SLA



KPM.19 - UK Link Core Service Availability

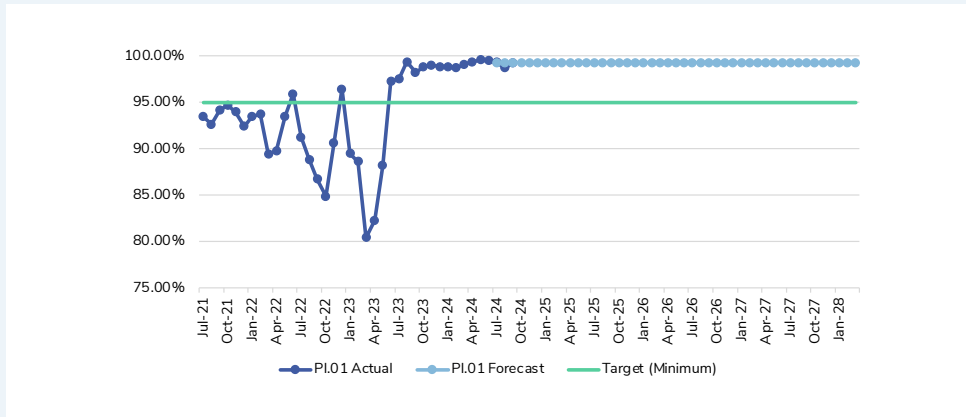


KPM.20 - Gemini Core Service Availability

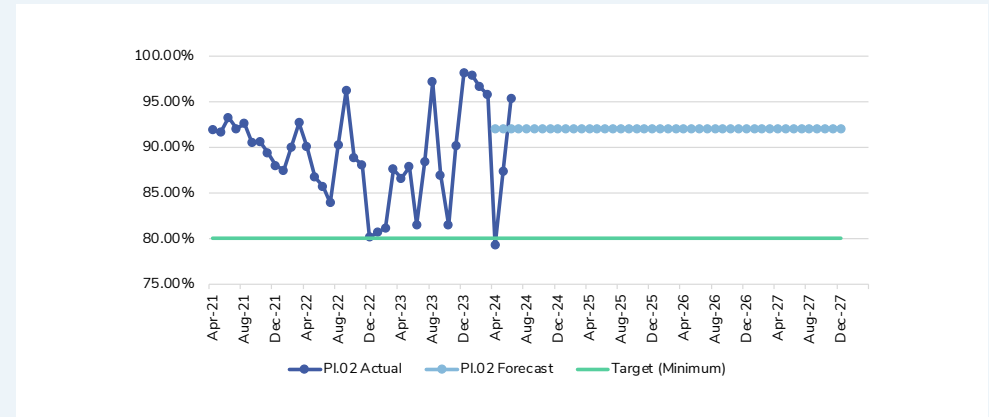


## Performance Indicators 01 - 29

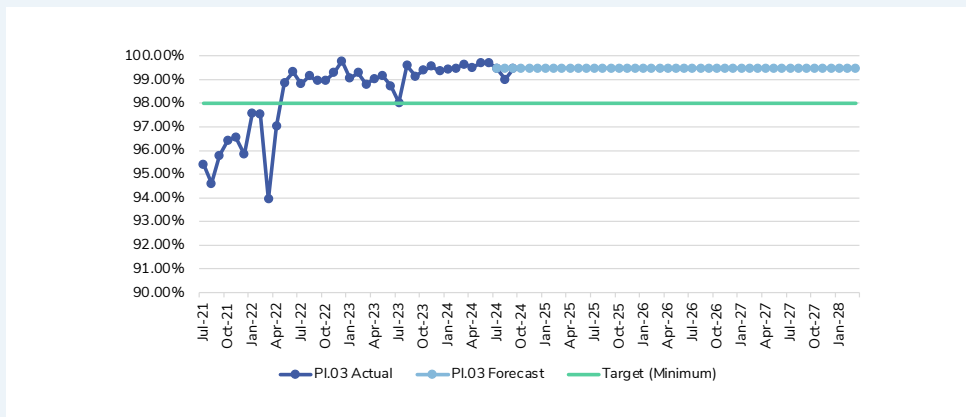
PI.01 - % CMS Contacts processed within SLA (95% in D+10)



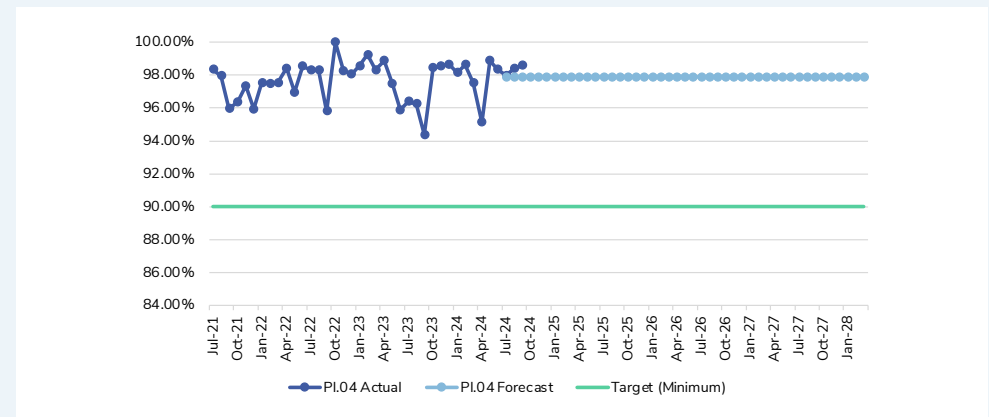
PI.02 - % CMS Contacts processed within SLA (80% in D+4)



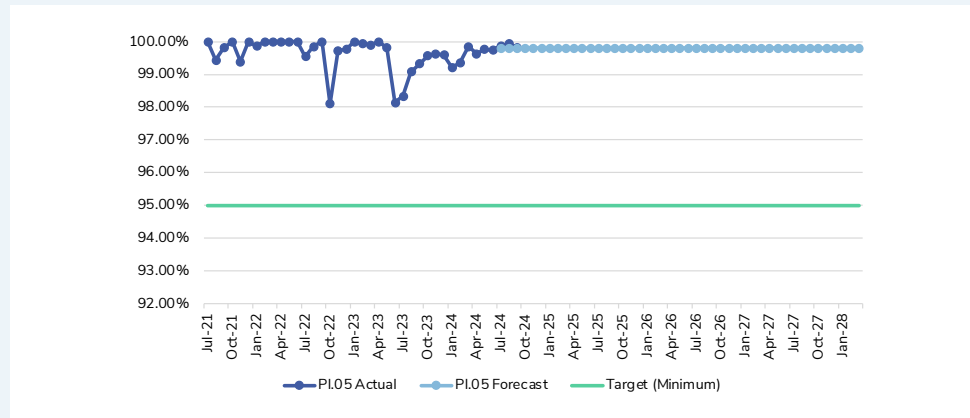
PI.03 - % CMS Contacts processed within SLA (98% in D+20)



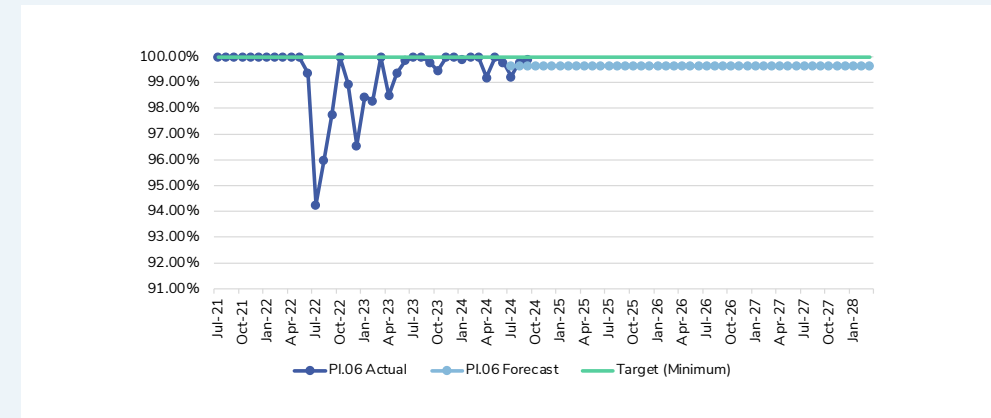
PI.04 - % customer queries responded to within SLA/OLA



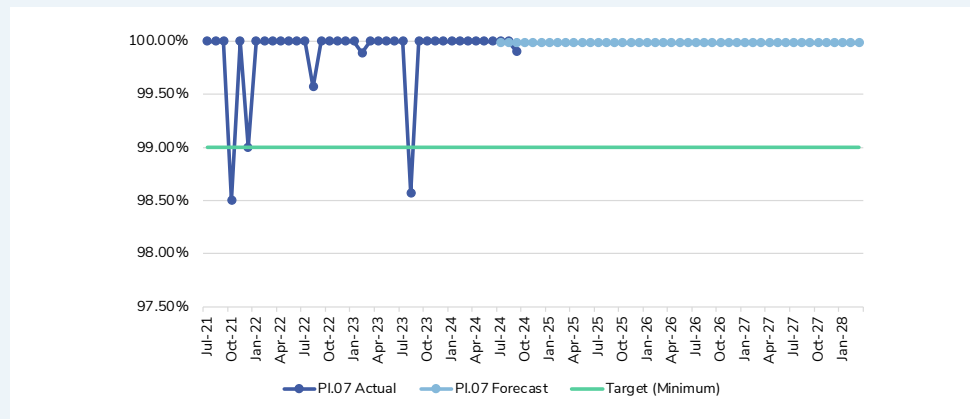
PI.05 - Percentage of queries resolved RFT



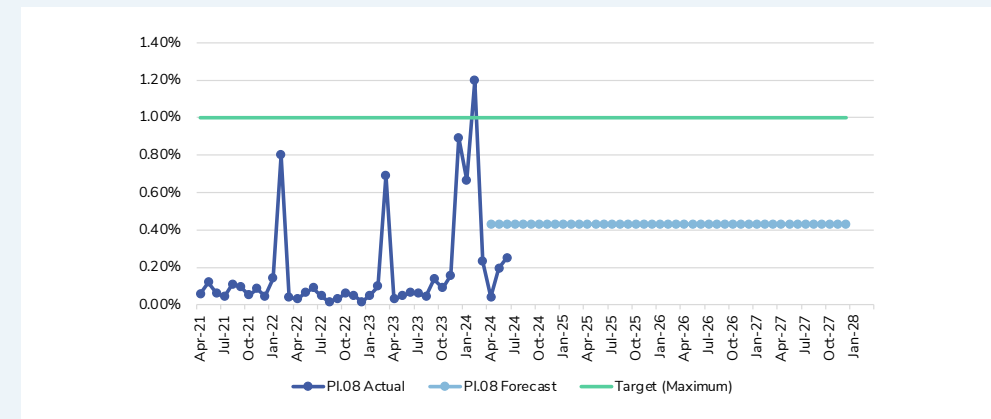
PI.06 - % of reports dispatched on due date against total reports expected



PI.07 - % of RFT against all reports dispatched

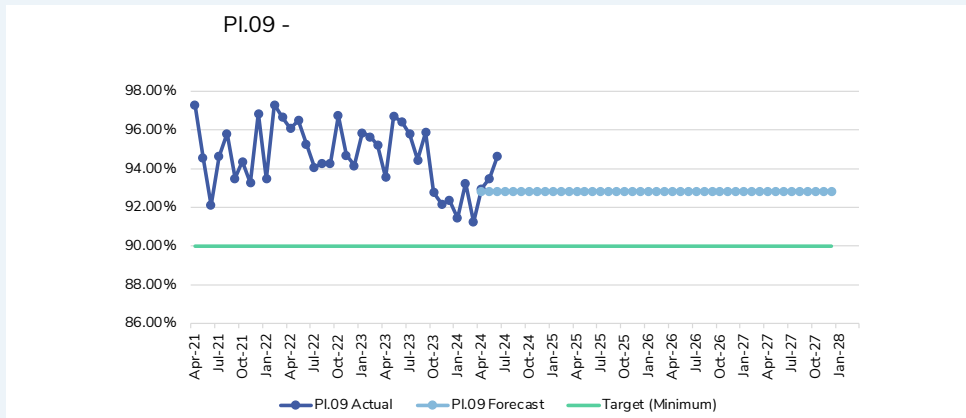


PI.08 - % of valid CMS challenges received (PSCs) (less than 1%)

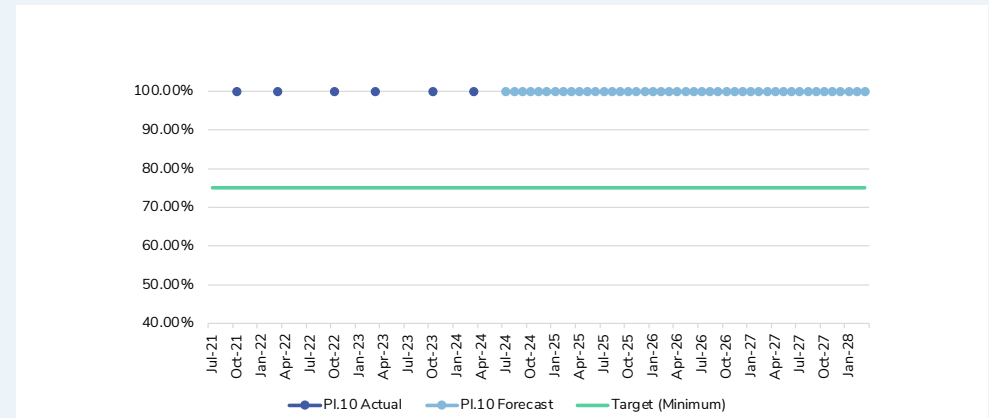




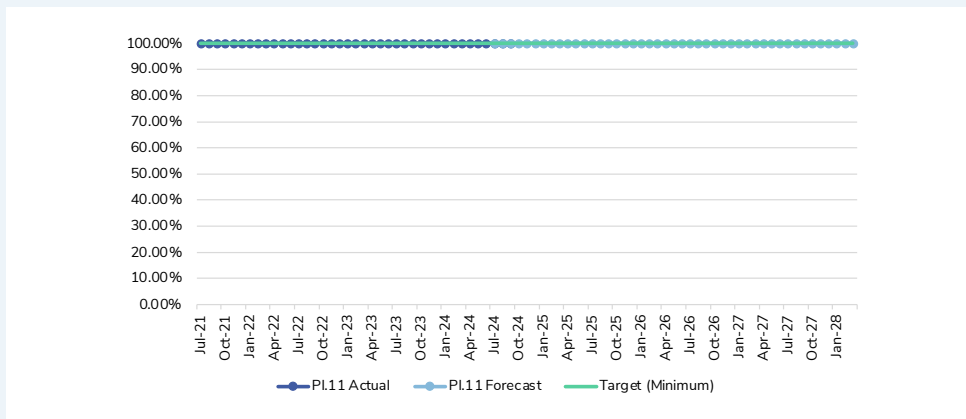
PI.09 - % of Telephone Enquiry Service calls answered within SLA (30 secs)



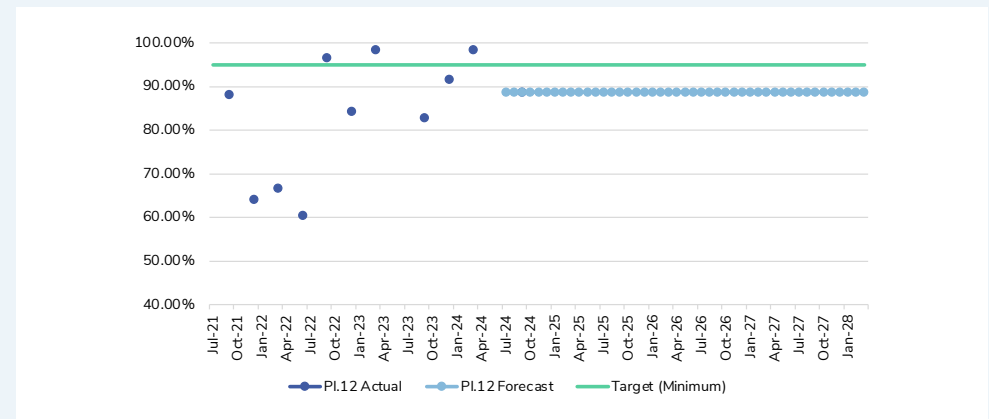
PI.10 - Confidence in DE Team to deliver DESC obligations (via Survey of DESC Members)



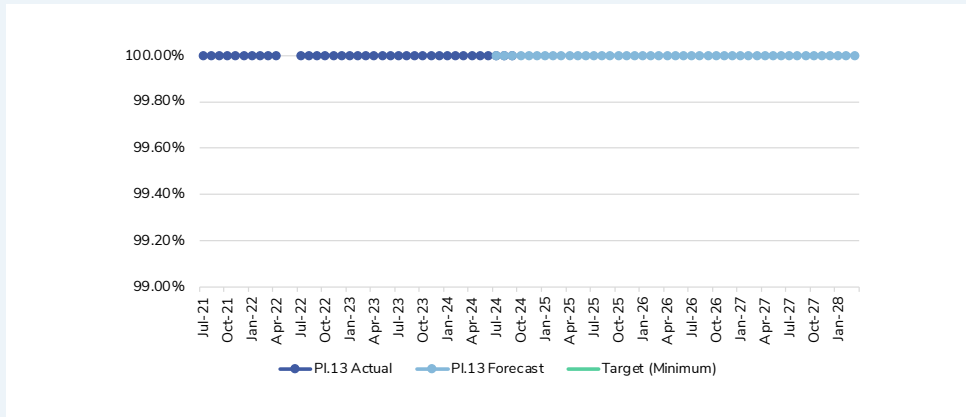
PI.11 - DESC / CDSP DE obligations delivered on time



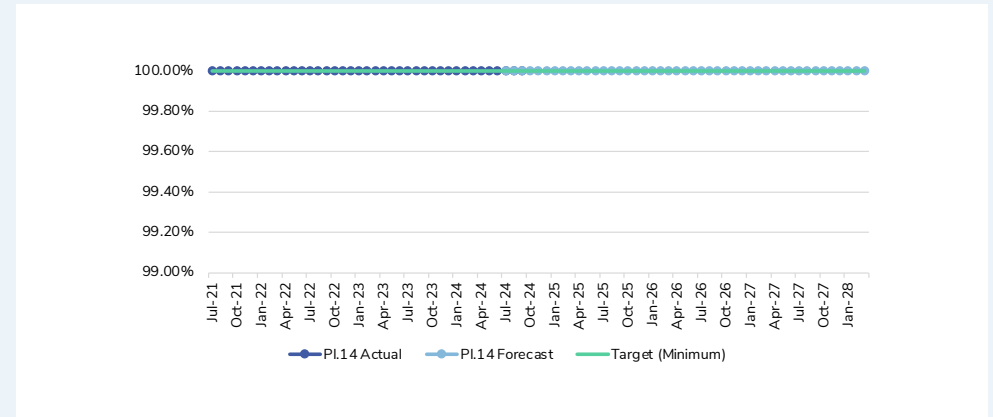
PI.12 - KPM relationship management survey



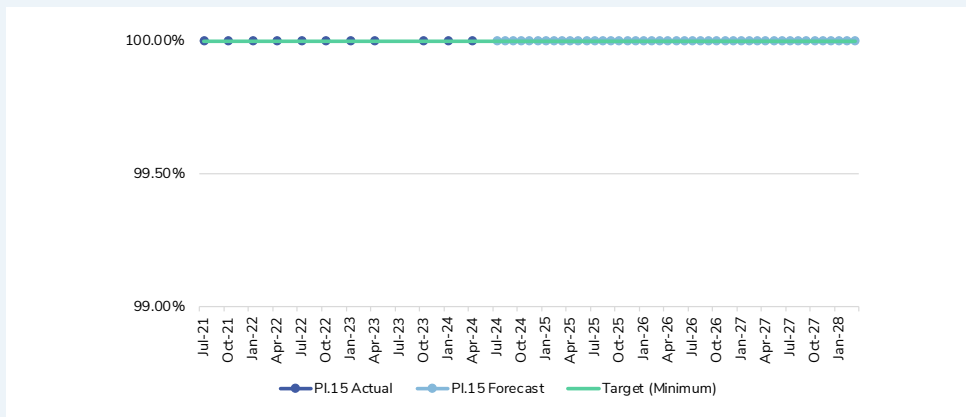
PI.13 - Plan accepted by customers & upheld (Key Milestones Met as agreed by customers)



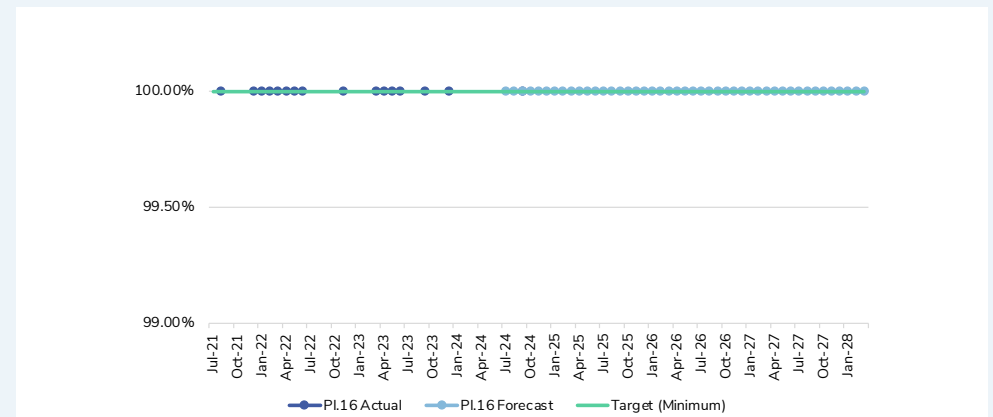
PI.14 - Provision of relevant issue updates to customers accepted at CoMC and no negativity on how the issue is managed



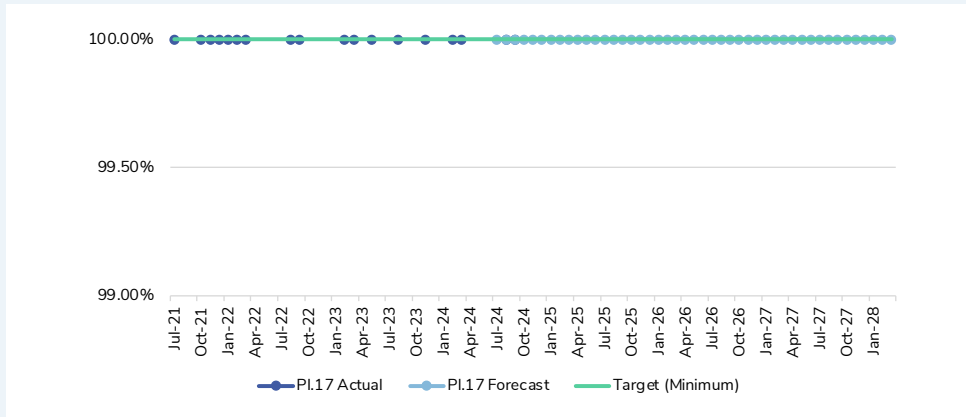
PI.15 - Survey results delivered to CoMC in Month +1



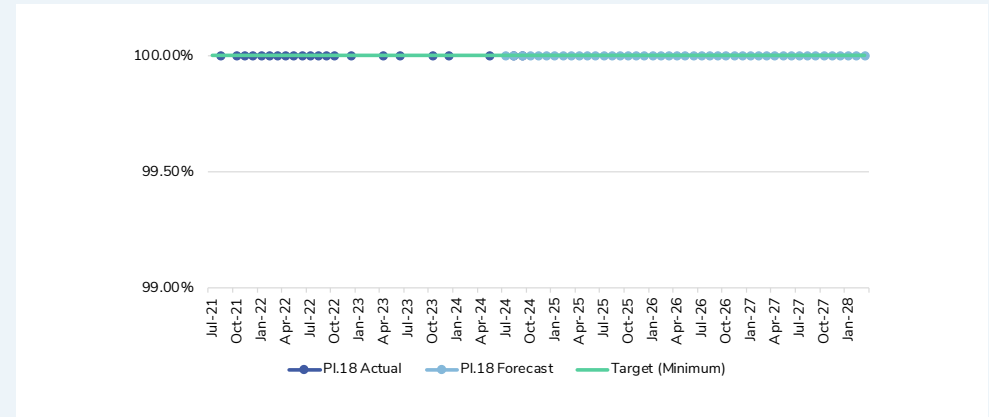
PI.16 - % closure/termination notices issued in line with Service Lines (leave) Shipper



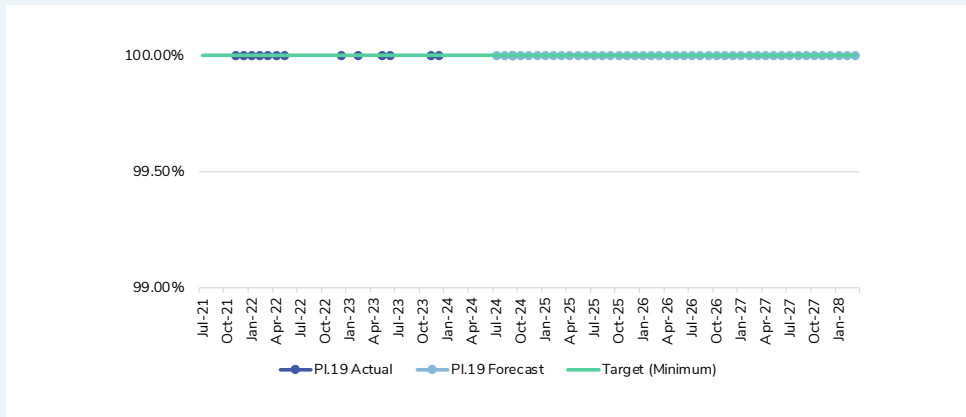
PI.17 - % key milestones met on readiness plan (join) Non Shipper



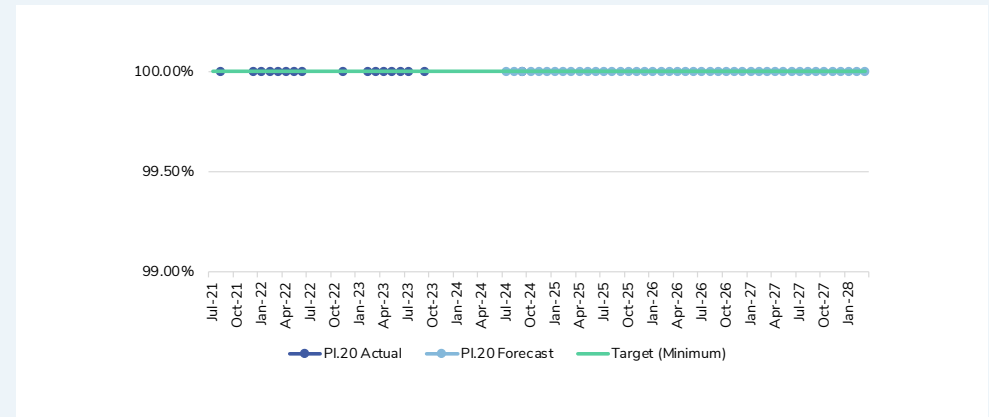
PI.18 - % key milestones met on readiness plan (join) Shipper



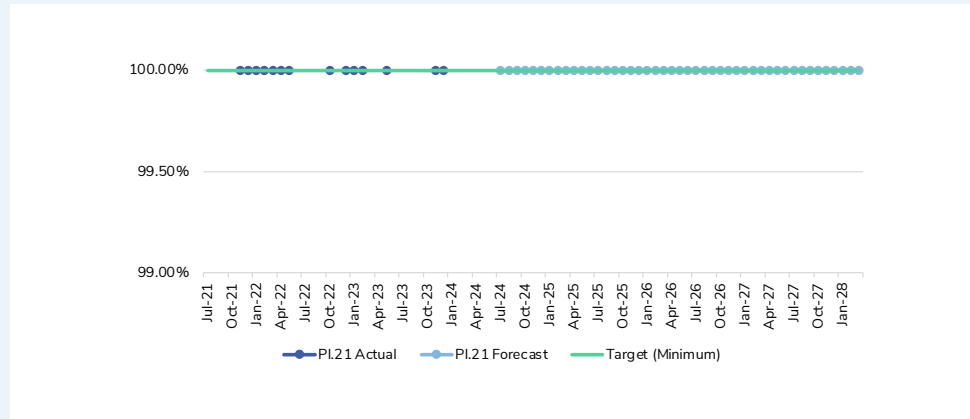
PI.19 - % of closure notices issued within 1 business day following last exit obligation being met (leave) Non Shipper



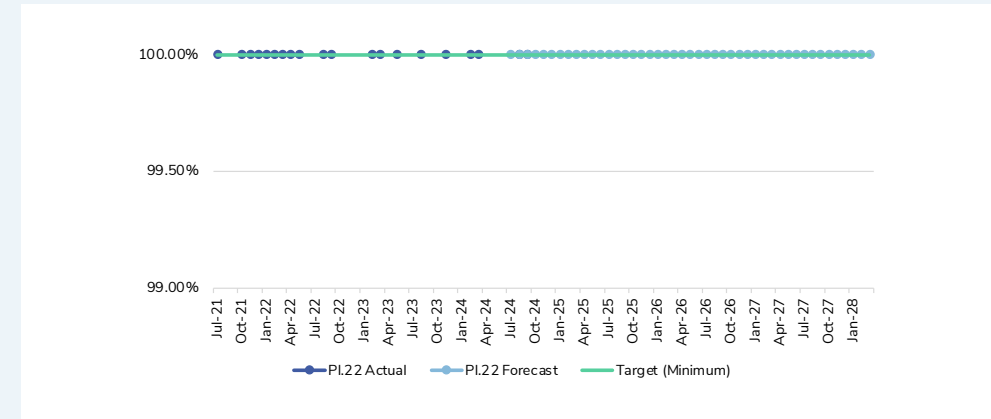
PI.20 - % of exit criteria approved and account deactivated within D+1 of cessation notice being issued (leave) Shippers



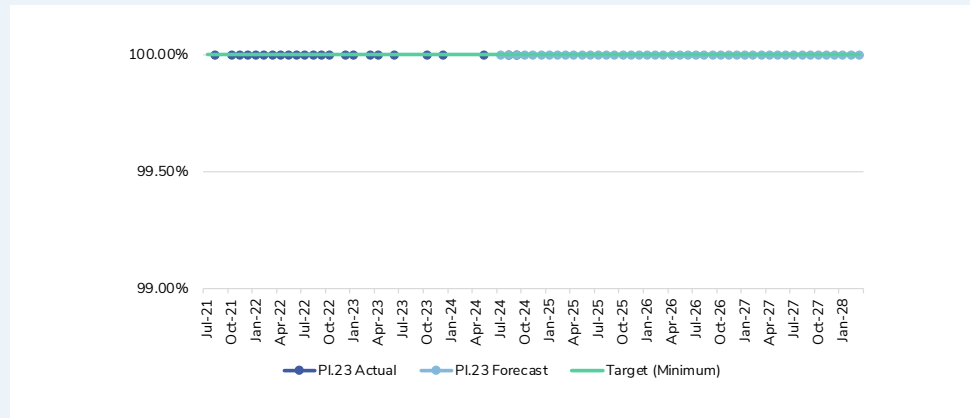
PI.21 - % of exit criteria approved and account deactivated within D+1 of cessation notice being issued. (leave) Non-Shippers



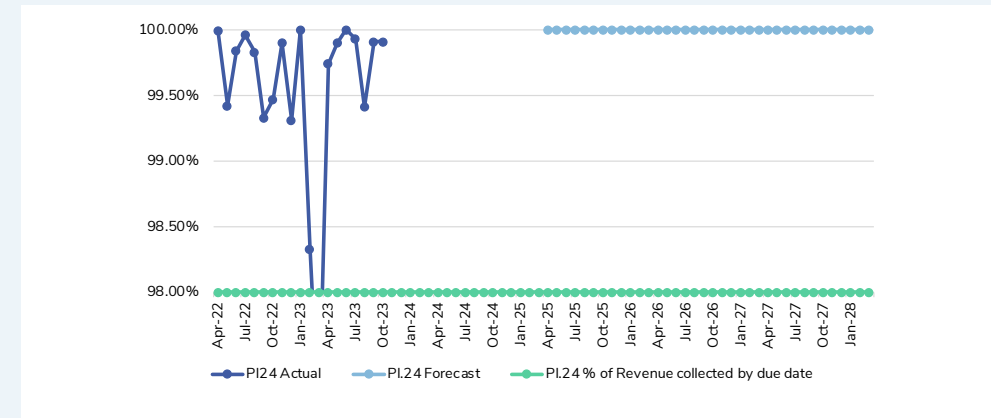
PI.22 - % of readiness criteria approved by customer (join) Non Shippers



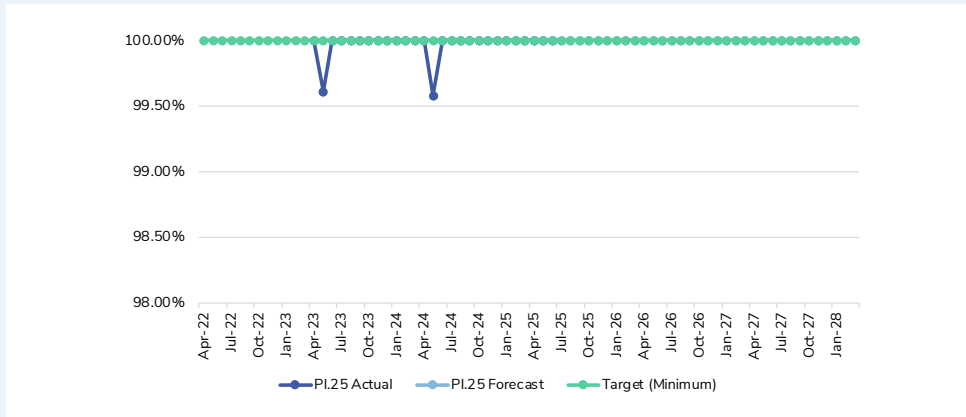
PI.23 - % of readiness criteria approved by customer (join) Shippers



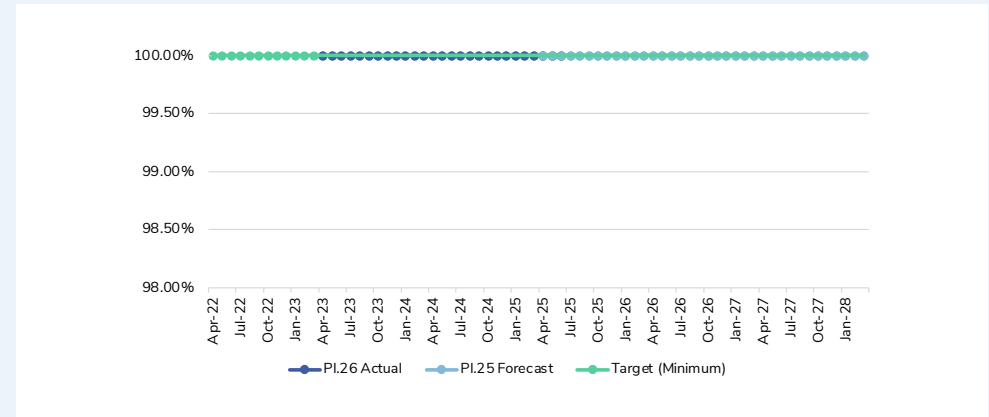
PI.24 - % of revenue collected by due date



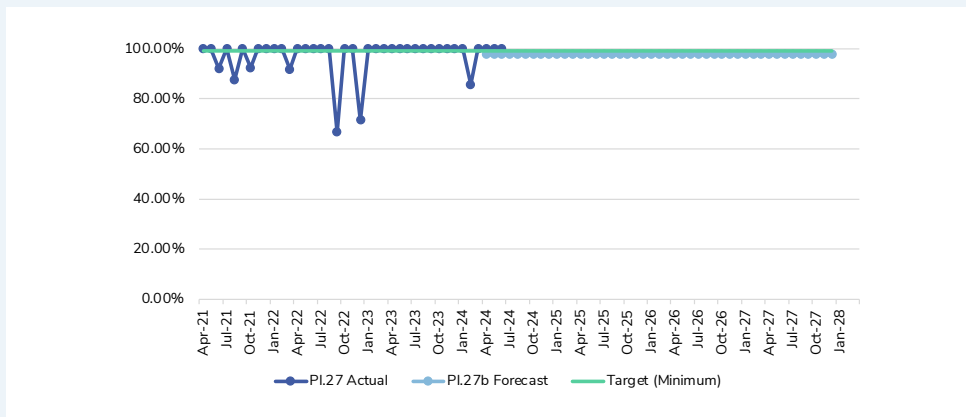
PI.25 - % of revenue collected by due date (+2 days)



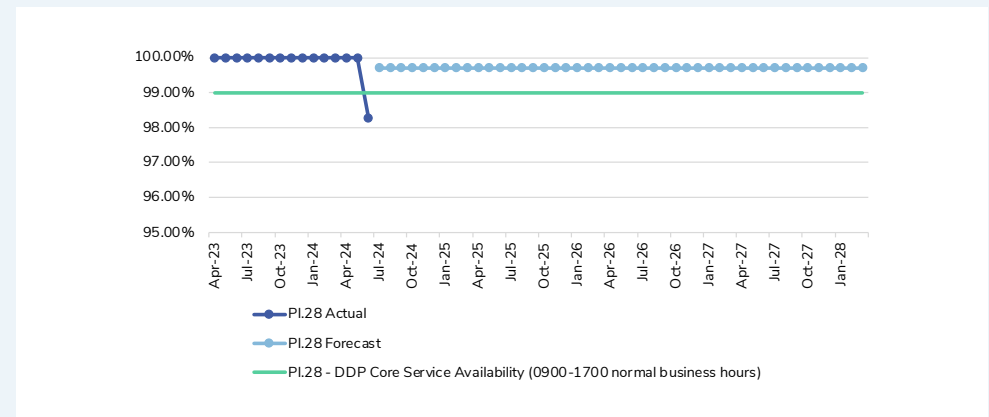
PI.26 - Energy Balancing Credit Rules adhered to, to ensure adequate security in place



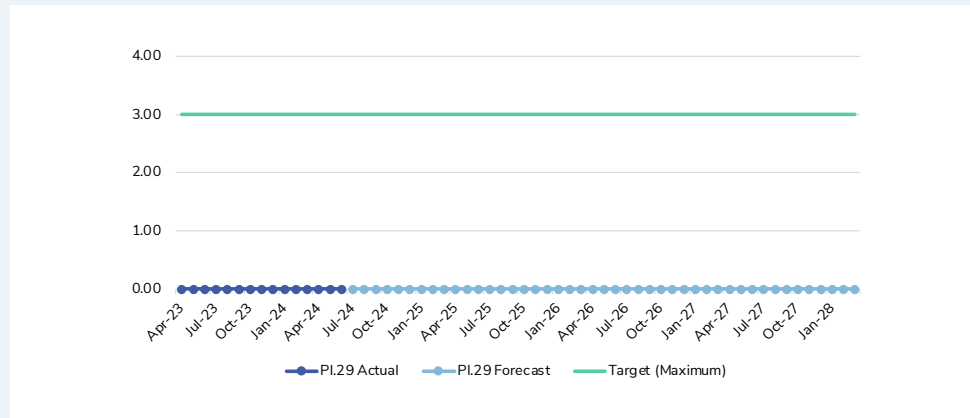
PI.27 - % level 1 milestones met



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.

## Y-1 Q1 Summary

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 making changes to the way we communicate with customers, with a more targeted approach being adopted. We have also proposed funding for new Xoserve resources to perform Strategic Customer Advocacy and Enhanced Qualitative Assurance activities.
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
Pl.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
Pl.29 - Number of valid DDP defects raised per release (Post PIS)	0	Yes	n/a	n/a	Continued monitoring	

**Y-1 Q2 Summary**

Measure	# of months failed in Y-1 Q2	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	2	Yes	During Q1 56,417,979 AQs required processeing. 3046 (0.005% 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. We reached 100% success in September.	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 consistantly 99.99% v the extremely stretching 100% target. This is due exceptions when meter read or asset update are submitted.	As a result of execeptions across the 3 months in Q2, we were not able to process 0.07% of the total 398m process events.	We continue to moninitor exceptions as they arise, reporting back on where organisations receive read / asset exceptions.	It is very likely that performance will remain very slightly below target dud to the impact of exceptions. We do not currently have any plans to propose any investment gthat would directly addres this, due to the fact that exceptions largelyt arise becuae of missing infotmation in files submitted

Measure	# of months failed in Y-1 Q2	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 Q2	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.02 - % CMS Contacts processed within SLA (80% in D+4)	0	Yes	n/a	n/a	Continued monitoring	
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	
PI.05 - Percentage of queries resolved RFT	0	Yes	n/a	n/a	Continued monitoring	



Measure	# of months failed in Y-1 Q2	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.06 - % of reports dispatched on due date against total reports expected	1	No	Each month we issue an average of c.1,000 reports of varying formats and for multiple DSC constituents. We failed to meet the 100% target in July (but succeeded in August and September). 2 reports from a total of 998 failed to be issued on time in July.	Ultimately both reports were received later than the set due date.	<p>1. Duplicate Address Report – Issue identified May-24, analysis identified data was not transferring from new CMS to a UKLink table which feeds the report resulting in the report being blank. Fix was identified and was implemented in August</p> <p>2. NGS DM – Report delivery delayed due to data issues which were reflected in the report output. There was an over-running job which created duplicate values when data loaded into BW. The technical team corrected the values in UK Link, however this wasn't completed in time to meet the SLA date. It was fixed ahead of August reporting run.</p>	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.
PI.07 - % of RFT against all reports dispatched	0	Yes	n/a	n/a	Continued monitoring	
PI.08 - % of valid CMS challenges received (PSCs) (less than 1%)	0	Yes	n/a	n/a	Continued monitoring	
PI.09 - % of Telephone Enquiry Service calls answered within SLA (30 secs)	0	Yes	n/a	n/a	Continued monitoring	

Measure	# of months failed in Y-1 Q2	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.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	
Pl.12 - KPM relationship management survey	1	Yes	This quarter the overall customer satisfaction score is 93.20%, an increase of 4.54% since the previous survey in Jun 24 (Q1 2024/25).	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 making changes to the way we communicate with customers, with a more targeted approach being adopted. We have also proposed funding for new Xserve resources to perform Strategic Customer Advocacy and Enhanced Qualitative Assurance activities.
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	

Measure	# of months failed in Y-1 Q2	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.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	
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	

Measure	# of months failed in Y-1 Q2	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.26 - Energy Balancing Credit Rules adhered to, to ensure adequate security in place	0	Yes	n/a	n/a	Continued monitoring	
PI.27 - % level 1 milestones met	0	Yes	n/a	n/a	Continued monitoring	
PI.28 - DDP Core Service Availability (0900-1700 normal business hours)	0	Yes	n/a	n/a	Continued monitoring	
PI.29 - Number of valid DDP defects raised per release (Post PIS)	0	Yes	n/a	n/a	Continued monitoring	

**Y-1 Q3-to-date performance**

Measure	# of months failed in Y-1 Q3 to date	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	0	Yes	n/a	n/a	Continued monitoring
KPM.02 - Percentage of meter reads successfully processed	0	0	Yes	n/a	n/a	Continued monitoring
KPM.03 - % of asset updates successfully processed	0	0	Yes	n/a	n/a	Continued monitoring

Measure	# of months failed in Y-1 Q3 to date	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.04 - % of AQs processed successfully	1	Yes	16,479,391 AQs were calculated or corrected in UK Link for the month of October '24.  24 AQ Updates were impacted due to exceptions being raised.  These occur when the AQ job runs over the workflow that processes class changes and are flagged for information, these are checked to ensure the AQ has calculated and then closed or are raised requiring a recalculation. "	All AQs were issued correctly and on time.	The impact is that the AQs are checked to ensure the AQ has calculated and are then closed, or are raised requiring a recalculation.	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	2	Yes	Performance in this KPM is constantly 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 Q2, we were not able to process 0.01% of the total 266m 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 very 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
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	

Measure	# of months failed in Y-1 Q3 to date	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.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	2	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	A small number of 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)						
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	
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	

Measure	# of months failed in Y-1 Q3 to date	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.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.02 - % CMS Contacts processed within SLA (80% in D+4)	0	Yes	n/a	n/a	Continued monitoring	
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	
PI.05 - Percentage of queries resolved RFT	0	Yes	n/a	n/a	Continued monitoring	
PI.06 - % of reports dispatched on due date against total reports expected	0	Yes	n/a	n/a	Continued monitoring	
PI.07 - % of RFT against all reports dispatched	0	Yes	n/a	n/a	Continued monitoring	
PI.08 - % of valid CMS challenges received (PSCs) (less than 1%)	0	Yes	n/a	n/a	Continued monitoring	

Measure	# of months failed in Y-1 Q3 to date	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.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	
Pl.12 - KPM relationship management survey	0	Yes	n/a	n/a	Continued monitoring	
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 Q3 to date	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 Q3 to date	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)	0	Yes	n/a	n/a	Continued monitoring	
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.

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.
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
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.	£0.47	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>£2.20</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 4 x Quarterly Shipper Meetings (including Small & Medium, I&C and Large) 24 x IGT Meetings (Two per month: one covering Change and one Operational) 12 x DN Meetings (held monthly (every quarter there is a F2F constituency over 2 days)) c300 individual organisational meetings



Expected output 2 (no. of related DSC Service Lines)	Expected output 3 (no. of corresponding code obligations)	Expected Outcome - related DSC KPM/PI (how the CDSP will measure and report on progress)	How the CDSP will seek feedback on its performance and progress against the commitments	Expected continuous improvement or maintenance during Y	The potential consequences to Customers, consumers and the CDSP of 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 (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 (no. of related DSC Service Lines)	Expected output 3 (no. of corresponding code obligations)	Expected Outcome - related DSC KPM/PI (how the CDSP will measure and report on progress)	How the CDSP will seek feedback on its performance and progress against the commitments	Expected continuous improvement or maintenance during Y	The potential consequences to Customers, consumers and the CDSP of 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 (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% 3837 Invoices 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 Number of FWACV Calculations: 373709 Number of Files Issued related to FWACV: 229742 Number of Reports issued to Authority OFGEM Report: 72 NG Monthly Report: 24 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 60 million records updated each week 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 (no. of related DSC Service Lines)	Expected output 3 (no. of corresponding code obligations)	Expected Outcome - related DSC KPM/PI (how the CDSP will measure and report on progress)	How the CDSP will seek feedback on its performance and progress against the commitments	Expected continuous improvement or maintenance during Y	The potential consequences to Customers, consumers and the CDSP of 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

### Continuous Improvement

The table above includes a column entitled 'Expected continuous improvement or maintenance during Y'. In most cases, performance in the existing suite of KPMs and PIs that relate to each service area is already robust, and so our intention is to maintain this level of performance throughout 2025-26 (the graphs in the 'Current Performance' section of this Annexe provide a forecast of performance levels out until March 2028).

Alongside maintenance of already robust KPM and PI performance, we intend to mitigate future incidents, such as the examples provided in Draft 1 feedback, from reoccurring. These incidents did not impact on existing DSC KPMs or PIs but had an impact on customer organisations. As such, our plan to improve service provision in 2025-26 is threefold:

1. We will facilitate a DSC Contract Management Committee review of the existing DSC KPMs and PIs, with the objective of identifying how the existing suite could be refined
2. We have proposed additional funding (£0.4m) to be added to S&O to build Xoserve's capacity and capability to perform Enhanced Qualitative Assurance (EQA). EQA activity will include embedded assurance in projects

being delivered by 3rd party suppliers, undertaking assurance at key phases, such as testing. We believe that these new resources will allow us to mitigate future customer-impacting incidents and improve service provision, with positive impacts in KPMs 14, 15, 16 (Number of valid P1 and P2 defects raised within the PIS period relating to relevant change) and PI 12 (KPM relationship management survey).

3. During Q4 of 2024-25 we will develop and consult on a new Strategic Scorecard, which will measure and report the impact and progress of Xoserve's delivery / oversight of key strategic initiatives

We also have a requirement to uplift S&O in line with the National Insurance changes as communicated in HM Government's autumn budget. S&O increases by £0.1m in line with this announcement.

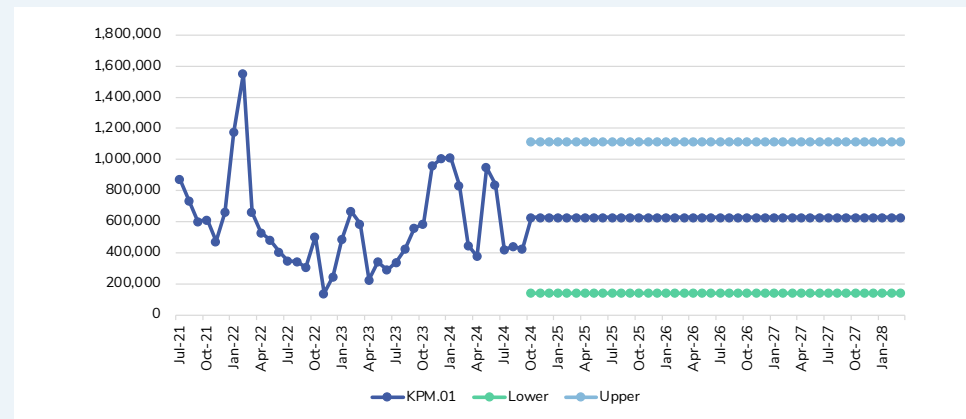
### Volumetric Trends

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.

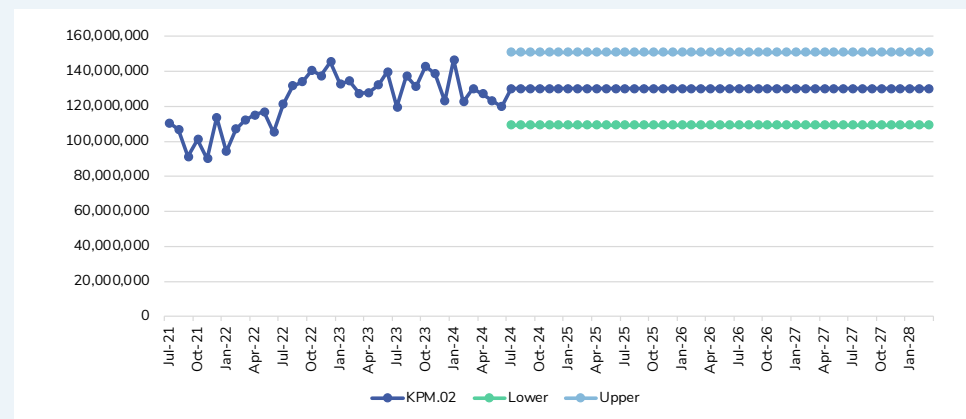




KPM.01 Count of registrations (shipper transfer)

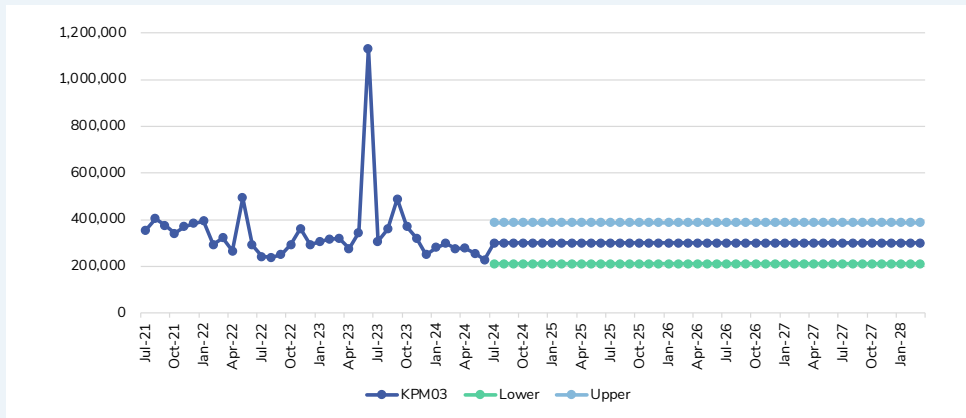


KPM.02 Count of reads

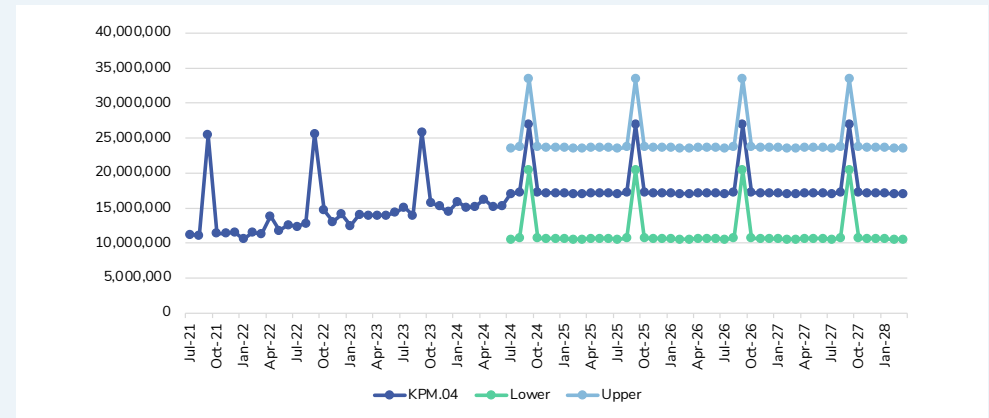




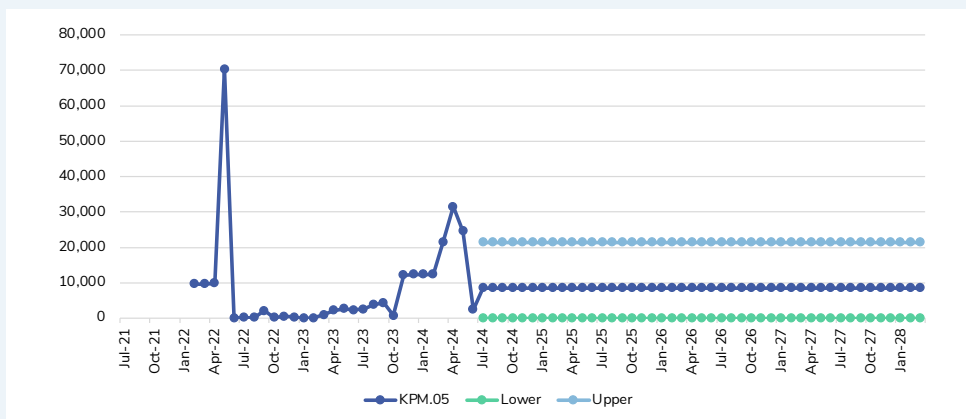
KPM.03 Count of asset updates



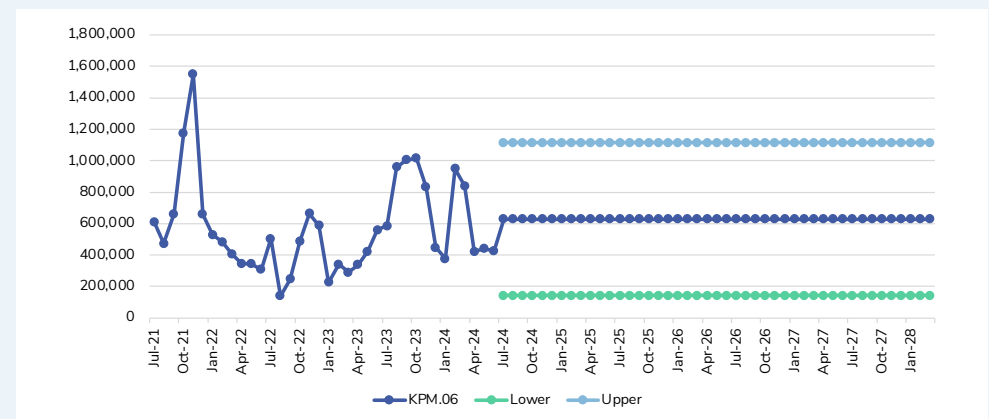
KPM.04 Count of AQs processed



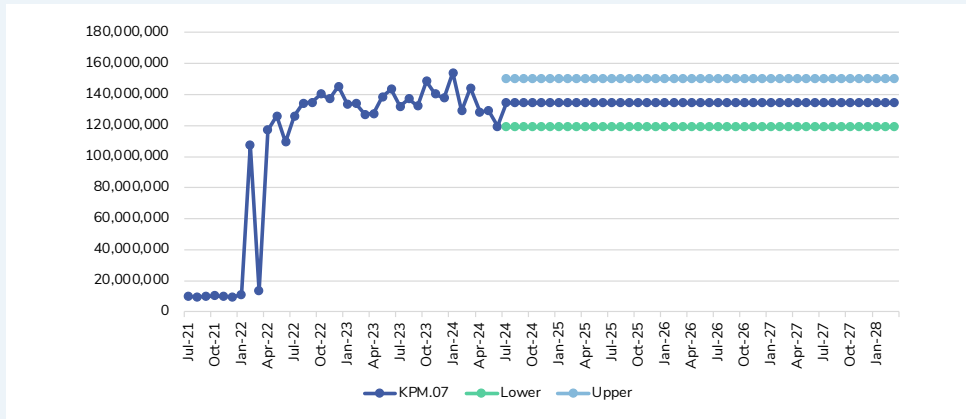
KPM.05 Count of MPRNs impacted



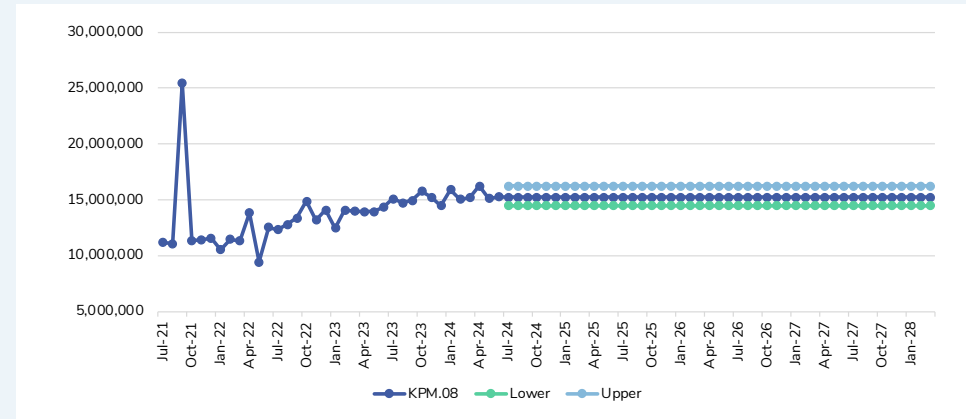
KPM.06 Count of registrations (as KPM.01)



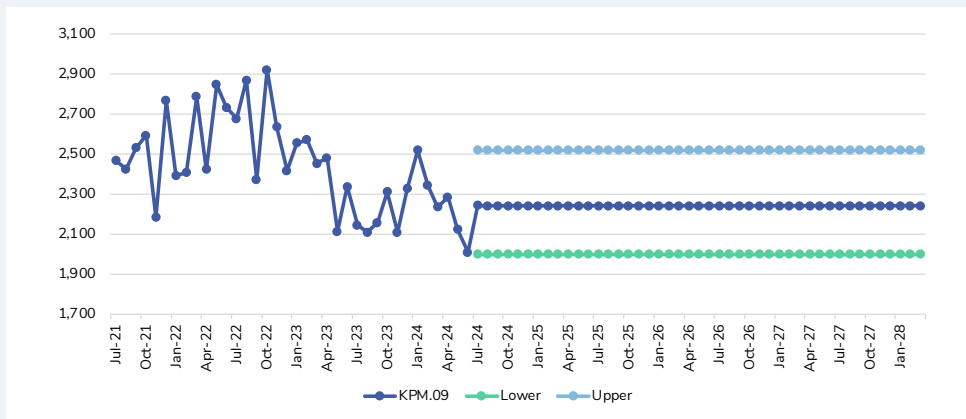
KPM.07 Count of reads/assets processed



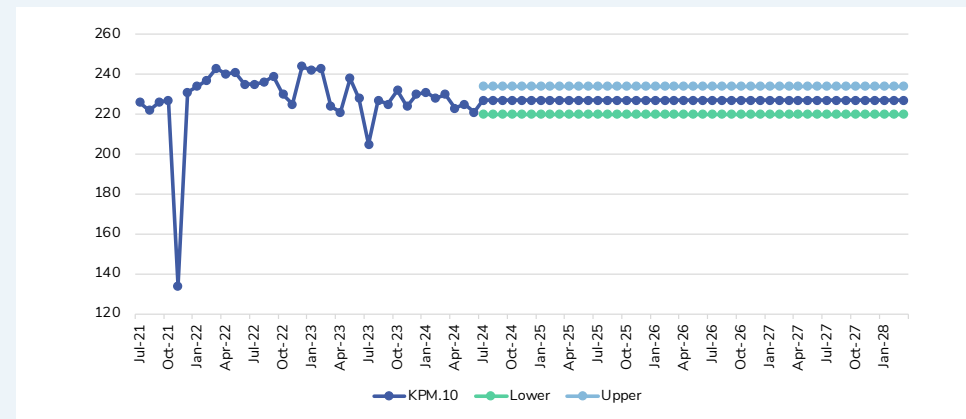
KPM.08 Count of notifications



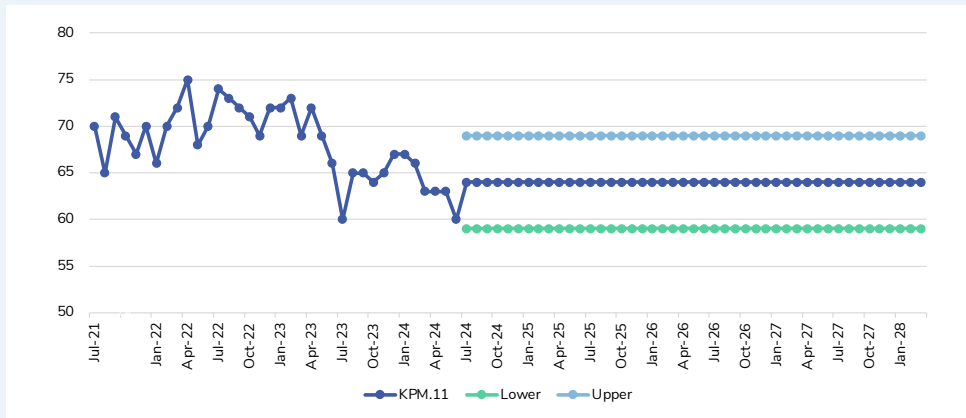
KPM.09 Count of invoices



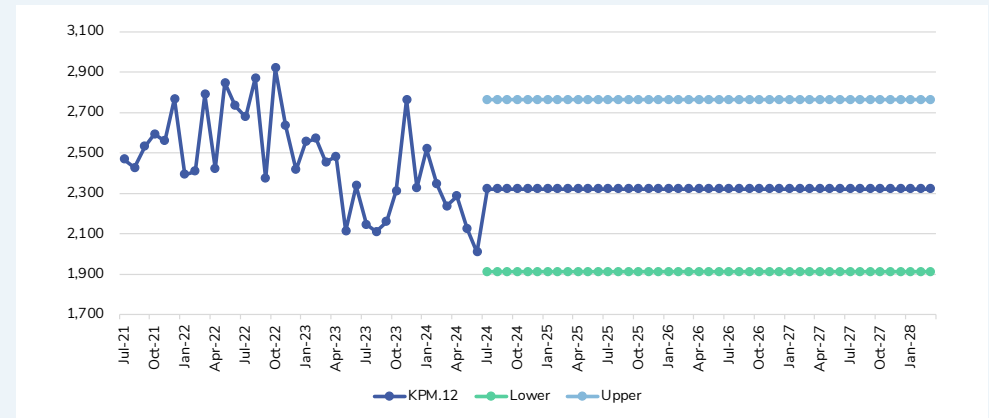
KPM.10 Count of customers invoiced



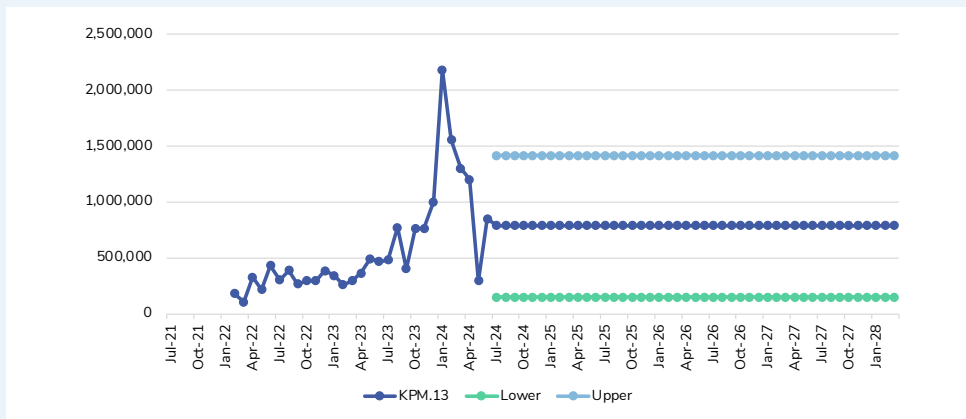
KPM.11 Count of customers



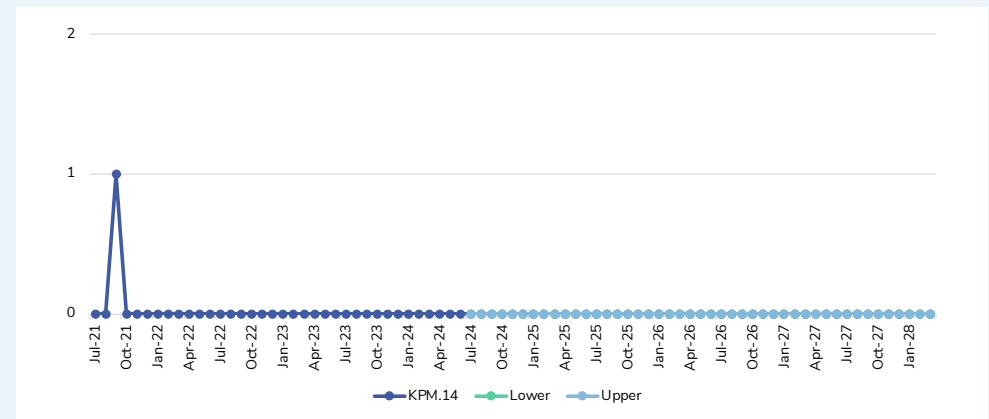
KPM.12 Count of invoices (as KPM.09)



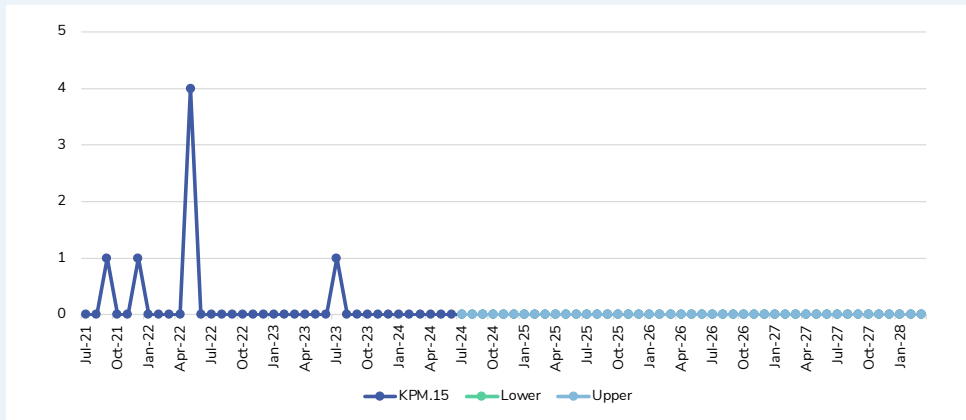
KPM.13 Count of exceptions



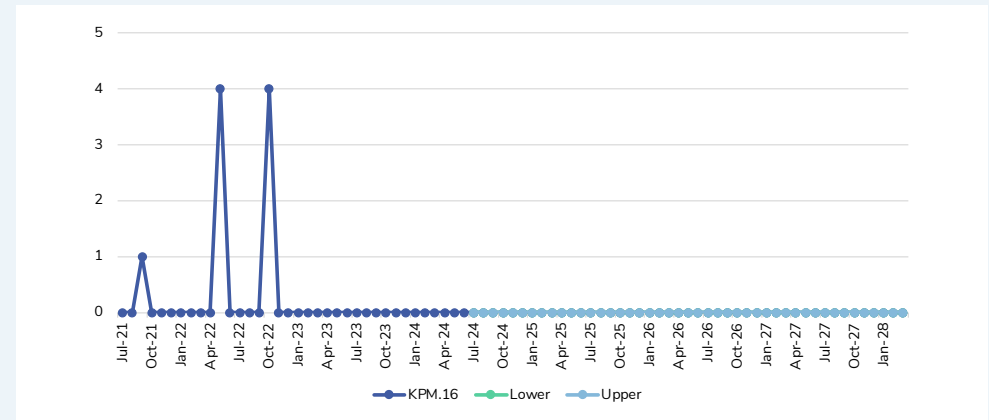
KPM.14 Count of P1 and P2 defects



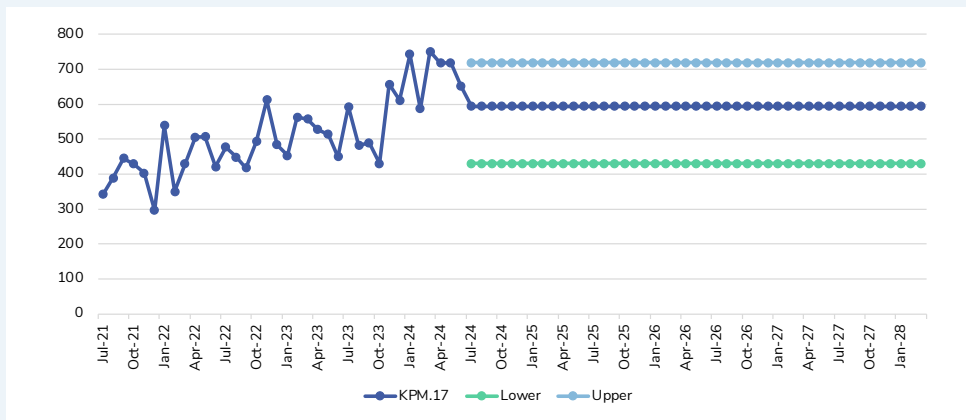
KPM.15 Count of P3 defects



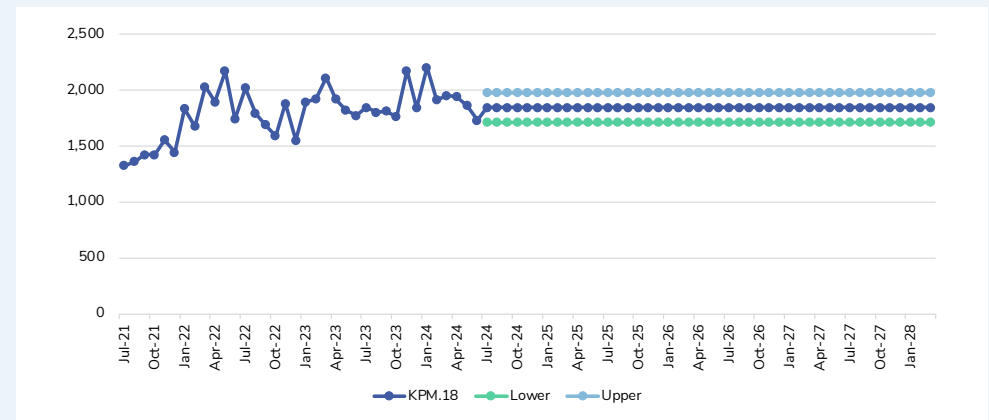
KPM.16 Count of P4 defects



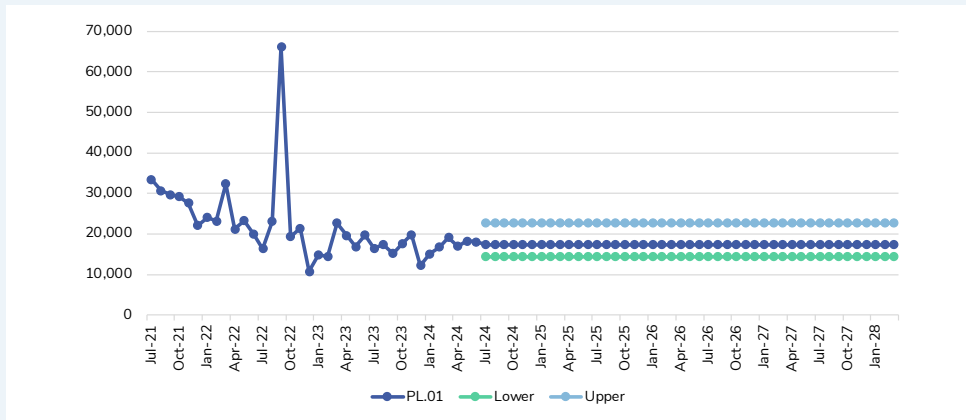
KPM.17 Count of technical tickets



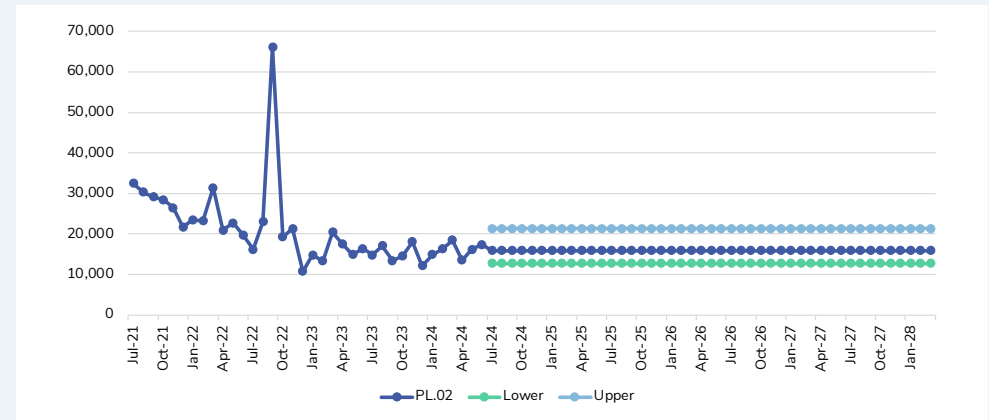
KPM.18 Count of Customer tickets (incidents and requests)



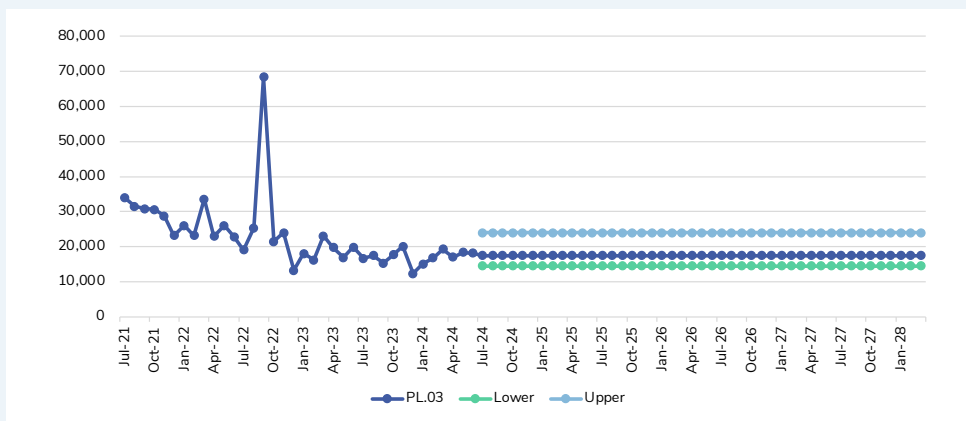
PI.01 Count of closed contacts (D+10)



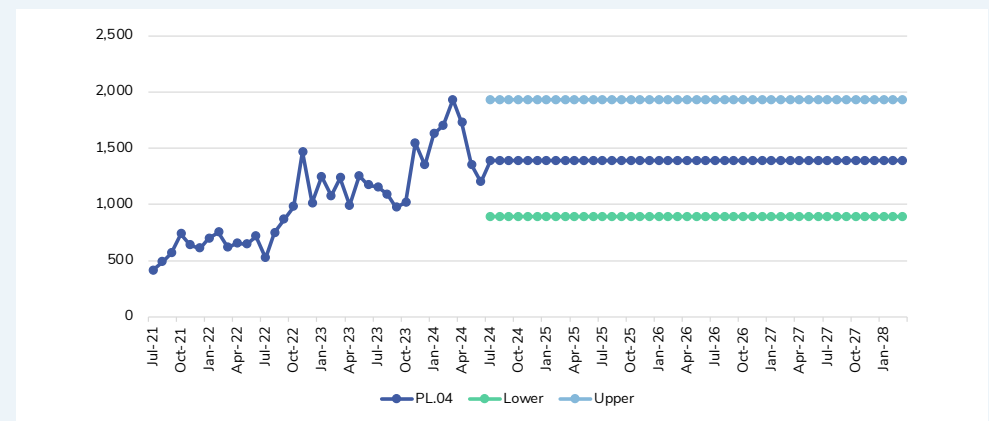
PI.02 Count of closed contacts (D+4)



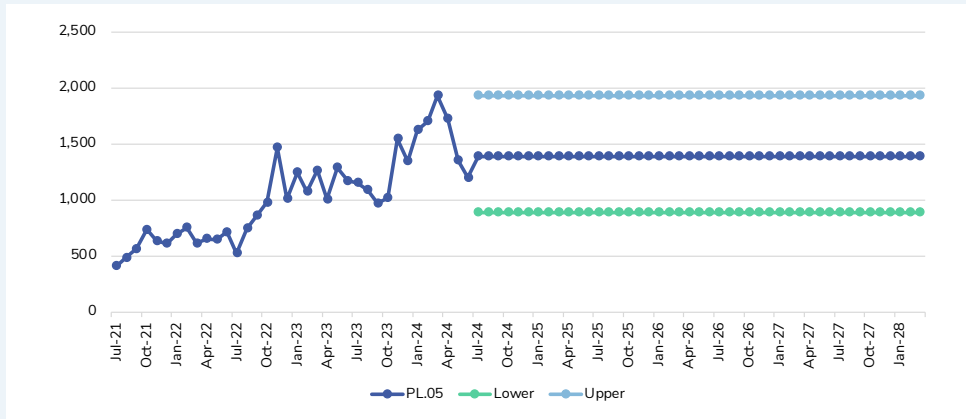
PI.03 Count of closed contacts (D+20)



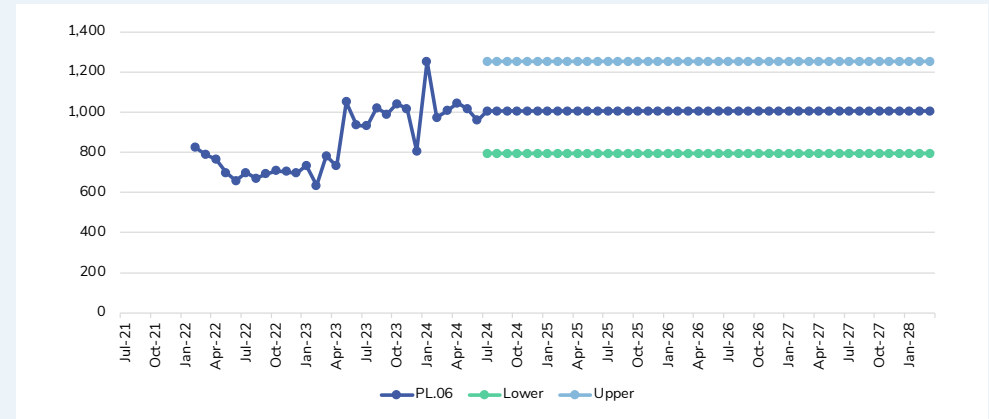
PI.04 Count of customer queries



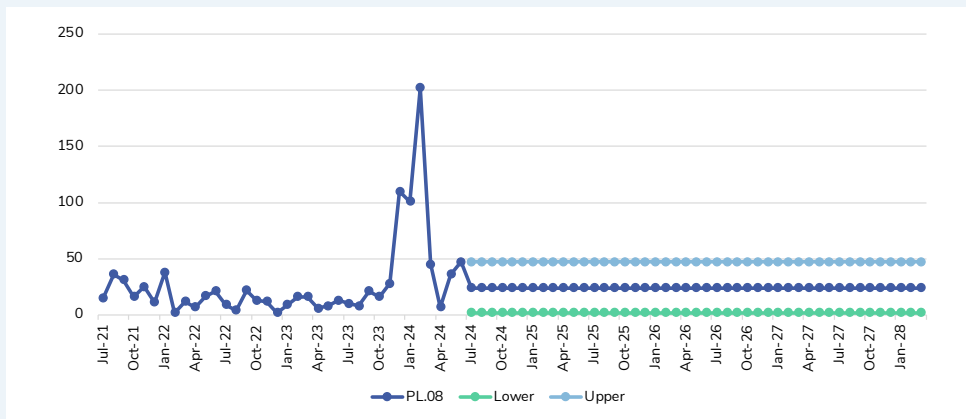
PI.05 Count of queries (as PI.04)



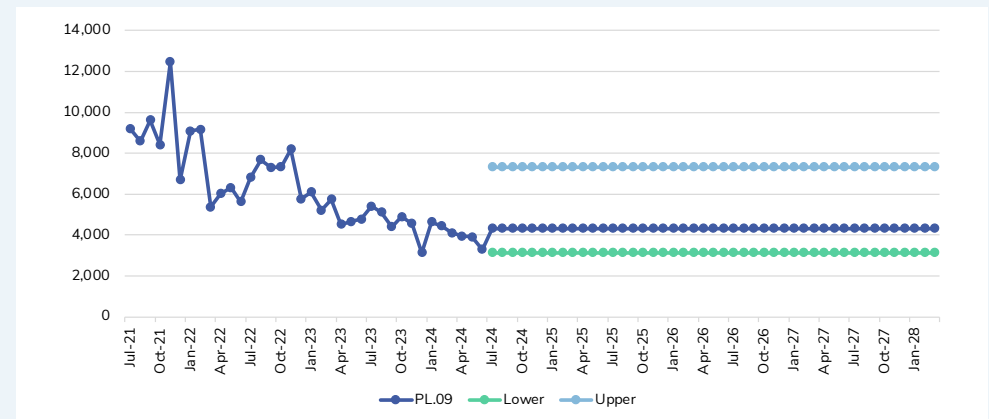
PI.06 Count of reports sent



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 Xoserve.	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.

### 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](#)

**Draft 2 update**

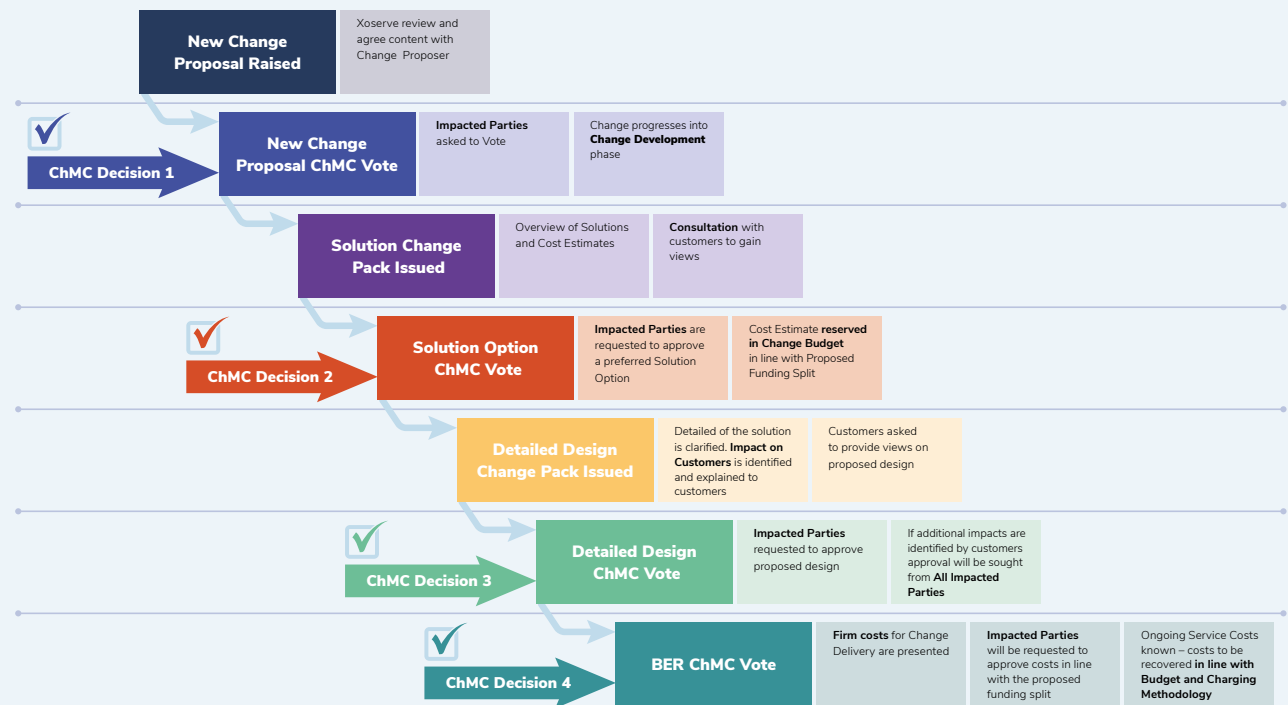
The independent assessment of BPIRs associated with Investment Proposals reported us falling short of full compliance at the Draft 1 stage. This was an expected outcome given that some of the Investment Proposals are holding budgets for as-yet-unscoped projects (e.g. General Change, Gemini Regulatory), with others being at a relatively early (Project Trident) or exploratory (CDSP Service Development) stage.

**Process**

One recommendation was that, where scope or solution is not yet fully clear, we could provide more information as to how the scope would be developed, the solution selected, and / or a 3rd party procured – this would provide assurance as to the process that will be applied.

As such, the following information is provided as a Draft 2 update, in order for us to better “make clear the criteria that will be used to evaluate options before they are applied”, as suggested in the assessors Draft 1 report.

The [Change Management Procedure](#) sets out how customers and Xoserve develop change, including how change is prioritised, funded and governed. A summary of the governance process is as follows:



### Plausible scenarios and sensitivities

There was a consistent failure point across all Investment Proposals in being compliant with providing “the value of each option across a range of plausible scenarios and sensitivities”.

In Draft 1 we referred to the recently published NESO Future Energy Scenario (FES) ‘pathways’ that models how the gas market is predicted to be impacted by Net Zero. Each of the three pathways to achieve Net Zero by 2050 are influenced / impacted by the changing use of gas boilers for domestic heating as the target date becomes closer.

Clearly, Net Zero will impact the scale and therefore cost of CDSP services. We are already utilising the pathways as part of our assessment and development of Investment Proposals given that the FES represent ‘plausible scenarios’. We are assessing how ‘sensitive’ each investment is to each pathway (and the counterfactual).

NESO estimates that across all three Pathways, there will still be 11 million gas boilers in 2040 (and 4m in 2045). The Counterfactual estimate is 23m by 2040 (and 18m by 2045).

Presently, the total number of gas meter points is >24m and increasing month on month, and the NESO prediction is for modest decreases in gas boiler usage well into the next decade. As such, it’s clear that we need to maintain / sustain current platforms such as UKL and Gemini, and to sustain the services that these platform support at the current scale by ensuring that they are supported and modernised appropriately.

We will continue to track the monthly net impact of new connections and disconnections, analysing trends against the NESO forecasts.

The outputs of this analysis will inform future considerations of “the value of each option across a range of plausible scenarios and sensitivities”. As such, when assessing options (for investment solutions and S&O capacity) we will assess the extent to which actual and forecasted changes in the total number of gas meter points:

- Aligns with NESO pathway forecasts
- Impacts the required current and future capacity of CDSP services / platforms

Further to the impacts related to domestic heating, we will continue to develop and support collective thinking about how the use of Hydrogen might impact CDSP services, considering in particular the Hydrogen Evolution pathway.



## 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.

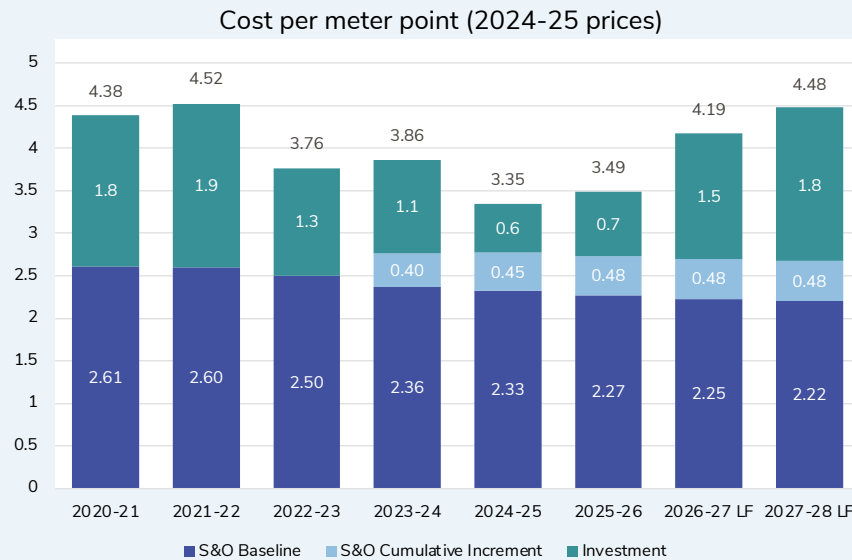
- **explain its Costs, resources and workload forecasts, particularly where these diverge from historical trends;**

## 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	£18.5	£36.8	£45.1
<b>Subtotal Projects</b>	<b>£14.5</b>	<b>£18.5</b>	<b>£36.8</b>	<b>£45.1</b>
S&O Scope Changes & Reclassifications	-	£0.9	-	-
S&O Baseline	£69.9	£68.6	£68.7	£68.1
<b>Subtotal Service &amp; Operate</b>	<b>£69.9</b>	<b>£69.4</b>	<b>£68.7</b>	<b>£68.1</b>
<b>Totex</b>	<b>£84.4</b>	<b>£87.9</b>	<b>£105.5</b>	<b>£113.2</b>
<i>Broken down by:</i>				
DSC	£81.5	£85.0	£102.6	£110.3
Additional Third Party	£0.1	£0.2	£0.2	£0.2
RECCo	£2.8	£2.8	£2.8	£2.8
<b>Totex</b>	<b>£84.4</b>	<b>£87.9</b>	<b>£105.5</b>	<b>£113.2</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

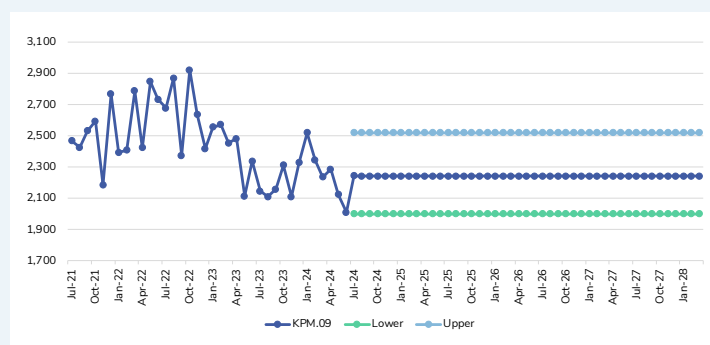
The Deliver section breaks down Xoserve headcount into functional areas, and compares the headcount forecast to previous years. Again, the increasing headcount is influenced by Project Trident.

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	27	27	27
Strategy & Development	-	-	9	23	23	23
<b>Total Headcount</b>	<b>45</b>	<b>58</b>	<b>64</b>	<b>84</b>	<b>84</b>	<b>84</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	9.6	22.6	30.1
		Change Projects	5.6	5.7	5.9
	<b>Total Outsource</b>			<b>77.0</b>	<b>89.5</b>
Direct	S&O	Operate	0.6	0.6	0.6
		Support	5.9	5.8	5.7
		Infrastructure & Change Projects	1.2	1.2	1.2
	Investment	Infrastructure Projects	2.4	6.7	8.9
		Change Projects	0.8	1.8	0.2
	<b>Total Xoserve</b>			<b>10.9</b>	<b>16.0</b>
<b>Total</b>			<b>87.9</b>	<b>105.5</b>	<b>113.2</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	0.0	0.3	0.02	1.8
2	Monthly AQ processes	1.8	0.1	0.4	0.03	1.3
3	Manage updates to customer portfolio	5.5	0.2	1.1	0.1	4.2
4	Meter Read / Asset processing	1.2	0.01	0.1	0.01	1.1
5	Demand Estimation obligations	2.0	0.1	1.1	0.05	0.7
6	Customer Relationship Management	3.8	0.3	2.3	0.1	1.1
7	Customer Joiners/Leavers (UK Gas Market)	1.0	0.1	0.6	0.03	0.3
8	Energy Balancing (Credit Risk Management)	1.3	0.5	0.4	0.04	0.4
9	Customer Reporting (all forms)	2.0	0.1	0.8	0.03	1.0
10	Invoicing customers	8.8	0.5	3.6	0.2	4.4
11	Management of Customer Issues	0.9	0.1	0.5	0.03	0.3
12	Customer Contacts	3.3	0.3	1.8	0.1	1.1
13	Managing Change	17.1	2.1	9.7	0.5	4.8
14	Gemini Services (General)	4.2	0.2	1.5	0.1	2.5
15	Value Added Services (General)	1.6	0.1	1.0	0.04	0.4
16	CSS	3.9	0.2	2.3	0.1	1.3
17	Distribution Network Wholly Funded	0.2	-	-	-	0.2
18	Decarbonisation	1.2	0.1	0.6	0.0	0.4
	<b>Total General Services Charge</b>	<b>61.7</b>	<b>5.2</b>	<b>28.3</b>	<b>1.4</b>	<b>27.2</b>
	<b>Total Specific Services Charge</b>	<b>4.8</b>	<b>0.0</b>	<b>0.5</b>	<b>0.0</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>69.4</b>	<b>5.2</b>	<b>28.8</b>	<b>1.4</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.

**Draft 2 Update - constituency specific budget / forecast breakdown**

Multiple customers requested a constituency specific view of the 2025-26 budget and 2026-27 / 2027-28 forecasted budget to be included. The following tables provide this:

Shipper	2025-26	2026-27	2027-28
S&O	32.2	31.6	31.3
UK Link Sustain	1.2	1.3	1.8
Trident	5.0	13.8	18.3
General Change - DSC	1.5	1.5	1.5
General Change - REC	0.2	0.2	0.2
General Change - DDP	0.2	0.2	0.2
CDSP Service Development	0.3	0.8	0.1
<b>Total</b>	<b>40.7</b>	<b>49.5</b>	<b>53.4</b>

National Gas Transmission	2025-26	2026-27	2027-28
S&O	9.0	8.8	8.7
UK Link Sustain	0.1	0.2	0.2
Trident	0.6	1.6	2.1
Gemini Regulatory Change	2.2	2.0	2.0
Gemini Maintain/Enhance	0.3	0.3	0.3
Gemini Data Provision	-	0.3	0.3
General Change - DSC	0.1	0.1	0.1
CDSP Service Development	0.0	0.1	0.0
<b>Total</b>	<b>12.2</b>	<b>13.1</b>	<b>13.6</b>

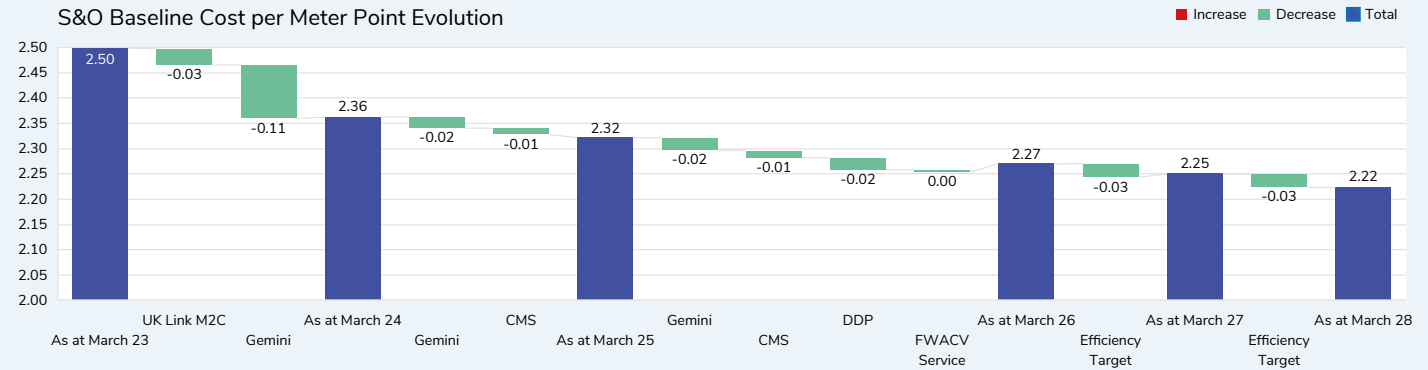
DN	2025-26	2026-27	2027-28
S&O	24.6	24.2	24.0
UK Link Sustain	1.0	1.1	1.4
Trident	4.0	11.0	14.6
General Change - DSC	0.9	0.9	0.9
General Change - REC	0.1	0.1	0.1
General Change - DDP	0.2	0.2	0.2
CDSP Service Development	0.2	0.7	0.1
<b>Total</b>	<b>31.0</b>	<b>38.2</b>	<b>41.4</b>

IGT	2025-26	2026-27	2027-28
S&O	0.70	0.69	0.68
UK Link Sustain	0.03	0.03	0.05
Trident	0.13	0.36	0.47
General Change - DSC	0.14	0.14	0.14
General Change - REC	0.02	0.02	0.02
General Change - DDP	0.01	0.01	0.01
CDSP Service Development	0.01	0.02	0.00
<b>Total</b>	<b>1.04</b>	<b>1.27</b>	<b>1.37</b>

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)

**Draft 2 Update - VfM**

Following the publication of Draft 1, we received correspondence from Centrica requesting further information in this section including:

More information about the VfM of scope that was added to the suite of CDSP services after the period reviewed by an independent third party during 2023. This scope, added after financial year 2022/23, was not assessed in the same way. Draft 1 set out this scope.

We are now including a table that applies the 5E value framework to articulate the various lenses through which VfM is being delivered across the related items of scope.



BP Year	S&O Activity	Business Plan Description	£ per meter point impact	Value for Money Criteria			Reason
				Efficiency	Economy	Effectiveness	
BP23	CSSC Run Cost	S&O costs associated with running the Central Switching Service arrangements	0.17	✓	✓	✓	Faster and more reliable arrangements for consumers to switch their energy supply. BP23 costs were £3.3m, vs BP22 estimate of £3.9m
	New CMS run Cost (Sub. Service)	The subscription costs associated with the replacement CMS	0.07		✓	✓	Business Case presented to CoMC in BP22, with outcome of moving to a SaaS model. This was deemed more economical than the only viable Self Build option. System has improved since April 23, showing greater effectiveness
	DN/NDM	The obligation to provide the DM service under the Uniform Network Code moved to Xoserve. The obligation to provide the NDM service remained with the DNs, some of whom have chose to use Xoserve, (as the CDSP), to discharge those obligations on their behalf	0.07		✓		Awarding of contracts doe DN/NDM via a competitive tender process ensured the meter read service is economical
	FSG	To cover process changes to accommodate faster payments for Failure to Supply Gas (FSG)	0.01	✓		✓	Now accommodates faster payments, providing improved effectiveness and efficiency
	RECCo	As a result of the implementation of the Retail Energy Code, the contract and funding for Gas Enquiry Service has moved from DSC customers to RECCo. The service enhancements required by RECCo have resulted in additional run costs which will be wholly funded by RECCo	0.08	✓		✓	Introduction of the Retail Energy Code (REC) consolidates code requirements relating to retail energy activities and is intended to provide a consistent set of arrangements for gas/electricity suppliers as well as consumers, providing efficiency and effectiveness
	FWACV Service	Run costs to deliver the Flow Weight Average Calorific Value service have risen, reflecting the final scope	0.01			✓	Enhanced scope of the service provides greater effectiveness
BP24	Info Sec	Following the completion of the Security and Privacy Improvement Plan this ongoing cost was been reduced thanks to renegotiations with service providers and a refocus on actual risk reduction	0.04		✓		In previous plans we forecast that we would increase our S&O cost by £2.4m, this has been reduced to £1.4m, giving an economy saving of £1m
	Decarb Resources	Decarbonisation funding is being reclassified from investment into S&O	0.04		✓	✓	Moved to S&O in order to reduce reliance on contract staff and retain in-house decarbonisation expertise, ensuring retained effectiveness and economy
	DN/NDM	Additional costs associated with Specific Service Area SS SA22 94 (Provision of a Managed Non-Daily Metered Sample Read Service)	0.03			✓	Additional costs reflect the new and improved service, providing greater effectiveness
	RECCO	Reduction in RECCO costs as a result of negotiation with service providers	-0.06		✓		Lower costs negotiated
BP25	Infosec	Additional costs associated with SIP / PIP activity	0.004			✓	Increased security from threat of cyber crime
	Strategic Customer Advocacy	Additional layer of customer liaison aimed at enhancing Xoserve's capability and capacity to build strategic relationships and dialogues with customer organisations	0.01	✓		✓	This will make the service more effient by reducing the need for customers to 'have two conversations' (one with our service providers and one with us), and more effective by making clear distinction between the operational and the strategic - we will measure this via a new strategic scorecard which will track the impact of our performance in this area
	Enhanced Assurance	Additional Resources to undertake enhanced, embedded qualitative assurance to mitigate incidents that impact customer organisations	0.02	✓	✓	✓	The introduction of this new capacity and capability will lead to a more effective service with incidents that might impact customer organisations, and theoretically reduce the risk of costs being occurred. Targeting the resolution of incidents before they occur will lead to a reduction in collective post-incident effort

- **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](#).

#### Draft 2 Update - Further information on cost allocation

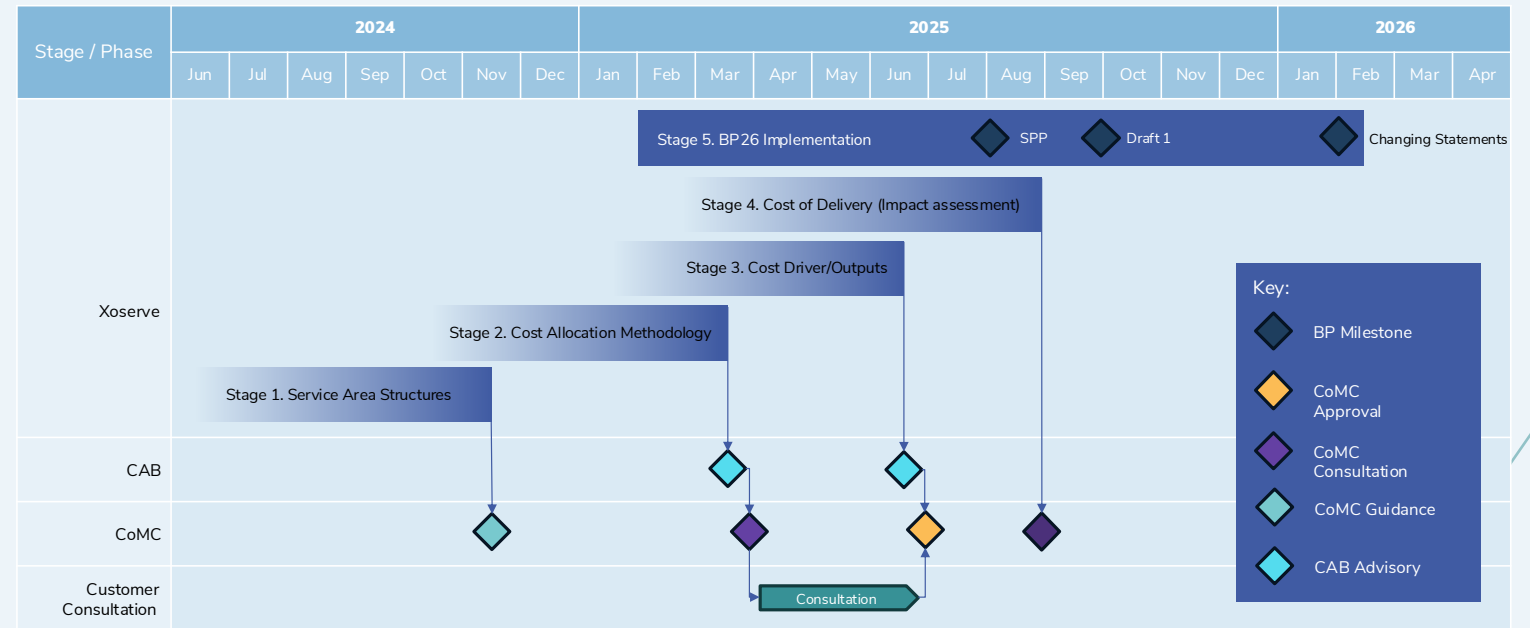
In their response to Draft 1, Centrica requested further information about cost allocation.

Firstly, Centrica felt that the share of costs and benefits associated with the Digital UX Investment Proposal had not been explained in enough detail. This is addressed in Draft 2 with the withdrawal of the proposal, however we will ensure that this feedback is considered when we reassess including the scope in subsequent Business Plans.

Further to this, Centrica requested more information regarding cost allocation between customer classes, expressing a lack of Draft 1 content that would provide “the details of any assumptions and descriptions of the data relied on to derive the allocations are included in the CDSP Budget”.

As described in Draft 1, the Cost Allocation Methodology (CAM) explains the data that drives how S&O costs are shared across Service Areas, and each Investment Proposal describes the means through which Investment Costs are shared also (mostly via a calculation described in the Budget and Charging Methodology, item 7.2.).

**Xoserve Equitability POAP**



The CAM contains how the costs are shared across customer classes. These splits were determined as part of the Funding Governance and Ownership, a multi-year gas industry programme, which culminated in the regulators implementation in 2017.

The % shares across Customer Classes have been reviewed by the DSC Contract Management Committee periodically since then, so have therefore been subject to multiple layers of industry governance.

The in-flight Equitability Review has been instigated to explore whether the Cost Allocation Methodology could be refined. This will include a review of share of costs across the Service Areas and customer classes. The review will not conclude before the end of the BP25 cycle and will not impact the 2025-26 budget.

## 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:

#	BPIR category	Draft 3		Draft 2		Draft 1		Comments
		% Fully compliant	% Adjusted compliant <sup>1</sup>	% Fully compliant	% Adjusted compliant <sup>1</sup>	% Fully compliant	% Adjusted compliant <sup>1</sup>	
	<b>Overall</b>	73%	91%	67%	83%	67%	82%	
1	<b>Publication of material</b>	100%	100%	50%	100%	50%	100%	Full compliance achieved by: <ul style="list-style-type: none"> <li>• Updating date for Final draft</li> <li>• Updating Q&amp;A register"</li> </ul>
2	<b>Stakeholder engagement</b>	100%	100%	71%	100%	71%	100%	
3	<b>Current performance</b>	100%	100%	85%	100%	85%	100%	Y-1 includes Q1, Q2, and Q3-to-date
4	<b>Outputs</b>	100%	100%	89%	89%	89%	89%	Full compliance achieved by explaining performance improvements next year
5.1	<b>Investment proposals – Trident</b>	72%	81%	72%	81%	72%	81%	Digital UX investment proposal removed following feedback on Draft 1 Detail has been added in draft 2 on how Xoserve intends to consider scenarios and sensitivities on investment proposals, but this has not been reflected in an improved score at this point in time Xoserve is developing a CBA methodology report that would be implemented in BP26
5.2	<b>Investment proposals – CDSP Services Developments</b>	50%	82%	50%	82%	50%	82%	
5.3	<b>Investment proposals – Digital UX<sup>2</sup></b>	N/A	N/A	N/A	N/A	67%	75%	
5.4	<b>Investment proposals – UKL Sustain</b>	72%	76%	72%	76%	72%	76%	
5.5	<b>Investment proposals – General Change</b>	44%	57%	44%	57%	44%	57%	
5.6	<b>Investment proposals – Gemini</b>	44%	67%	44%	67%	44%	67%	
6	<b>Costs and expenditure</b>	100%	100%	100%	100%	100%	100%	
7	<b>Allocations of costs to customer classes</b>	100%	100%	100%	100%	100%	100%	

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

2. The lower number of total and adjusted BPIR rules in draft 2 vs. draft 1 reflects the removal of the digital UX investment proposal

## Board Assurance Statement

The Board has been fully engaged throughout the process of developing this Business Plan (BP25), regularly reviewing relevant information and artefacts presented (whether in summary or in full form) by the Xoserve Leadership Team (XLT), including:

- Iterative drafts of BP25 and supporting material
- Progress reports at key milestone intervals
- Written customer feedback / correspondence and the Xoserve response
- Customer / stakeholder inputs at online and in-person events
- Reports on independent third party assessment of adherence to the new Business Plan Information Rules (BPIRs) (as introduced by UNC modification 0841) and of the accuracy and consistency of information related to the 2025-26 budget

The Board is satisfied that the BP25 budget meets the objectives described in the Gas Transporters License (Standard Special Condition A15 Paragraph 6) and has been developed in accordance with the process of setting the annual CDSP Budget as described in the Budget and Charging Methodology (paragraph 4.7.1 to 4.7.4).

## Customer engagement

The Board is satisfied with the efforts made to engage with customers and stakeholders during the development of BP25. The Xoserve team has facilitated multiple opportunities for interested parties to provide feedback at the various stages of the cycle, starting in May 2024 with a well-attended in-person event at which the Business Plan development process was launched some 6 weeks earlier in the cycle than had been done in previous years.

Since the May 2024 launch, customers and stakeholders have been invited to participate in online Round Table events at key stages in the process, provide written feedback during multiple consultation windows, and attend a confidential briefing in order to receive commercially sensitive information relating to Project Trident (as referred to further below). In all the in-person and online events, customers have been invited to provide feedback and ask questions about the content presented, and answers were provided by Xoserve either during the sessions or subsequently in writing.

In addition, where requested, the Xoserve team has engaged directly with various customer and stakeholder organisations during multiple group and bilateral sessions.

**Feedback and related actions**

The Board is confident that customer feedback of whatever nature (whether provided in writing or verbally) has been carefully and properly considered (by the Xoserve Executive Team and, as appropriate, by the Board) during the creation of each iterative draft of this Business Plan.

**CDSP Performance**

We note that some customer feedback has included commentary about Xoserve's performance, and in particular in connection with incidents that have recently come to light which have impacted customer organisations without impacting DSC Key Performance Metrics and / or Indicators. We are assured that, as well as carrying out a thorough investigation of each incident, robust steps are being taken by Xoserve in response to them, including:

1. Facilitation of a customer review of DSC Key Performance Metrics and Indicators
2. Introduction of Xoserve resources to perform Enhanced Qualitative Assurance during key stages of third party project delivery to reduce the likelihood of future incidents arising that could impact customers
3. Introduction of a Strategic Scorecard to enable measurement of Xoserve's progress against the strategic initiatives described in BP25, with customers

to be consulted on the measures before they are introduced

We also are assured that additional Xoserve resources are proposed to perform Strategic Customer Advocacy to enable customers to have a more direct route to the Xoserve Leadership Team with a focus on strategic interactions.

**Project Trident**

Further information on the Project Trident budget was requested following the publication of Draft 1 of BP25 and, in response to this, a confidential briefing was held on 11 November 2024 during which additional details on the project were shared with customers . We believe that this approach to sharing information is prudent, given that the next phase of the project involves competitive / commercial processes and the selection of third party providers.

**CDSP scope**

Some customers have expressed concerns with a perception that Xoserve may be stepping outside of its remit as CDSP and delving into areas such as Code Management. We have been assured that the BP25 budget only contains funding for the delivery, sustenance and development of CDSP services. This includes a modest budget (£0.2m) to monitor and manage the impact of market code reform which may affect the nature or delivery



of CDSP services (such as, for example, the introduction of the inaugural Strategic Direction Statement which is due to be published after this Business Planning cycle closes). We believe that this is a sensible measure and it is intended that funding will not be utilised unless relevant impacts are identified. For the avoidance of doubt, we are assured that there are no funds in BP25 for the movement of Xoserve into the role of Code Management.

### **Digital User Experience**

We support the decision, following customer feedback, to withdraw the 'Digital UX' Investment Proposal from BP25 on the basis that this isn't a customer priority during 2025-26.

### **Business Plan Information Rules (BPIRs)**

The Xoserve Business Plan Manager has embraced the introduction of the BPIRs, which came into effect following Ofgem's approval of UNC Modification 0841. The Board notes that the rules provide a useful framework within which to develop content and welcomes the customer feedback received indicating that the inclusion of the rules in the process has led to a more comprehensive, detailed and transparent Business Plan.

### **Independent Assurance**

An independent third-party was procured to:

- Assess Xoserve's adherence to the BPIRs at each iterative draft publication, and
- Perform sample checks as to the accuracy and consistency of financial information contained within the 2025-26 draft budget

### **Adherence to BPIRs**

We note that the assessment of adherence was split into 2 categories. A 'flat' compliance score (which is a percentage calculated by dividing the fully compliant BPIRs with the total number of BPIRs) and an 'adjusted' score (which removes the BPIRs that the assessor determines are beyond Xoserve's ability to be fully compliant with during the business plan cycle). We believe that the most informative score at the point of writing this statement is the 'adjusted' score as it represents a measure against what is possible at this point in time.

The Final Draft of BP25 has been assessed to be 91% compliant (108 BPIRs are fully compliant vs a total of 119 BPIRs). We note the comment of the independent third-party assessor that "this high score can be attributed to the fact that the BP has been written with the BPIR in mind from the inception, rather than be written and then subsequently evaluated against them". We are assured that

considerable effort has been made to develop a suite of documentation that is as compliant as possible at this time.

#### **BPIRs related to Investment Proposals**

Full compliance has not been achievable in all instances across the 5 investment proposals that are present in BP25. This current status is due to phasing, with the

Business Planning cycle occurring before scope and / or solutions are fully known as the Investment Proposals are budgets to undertake work that in some cases is not yet fully understood. This means that the application of a detailed Cost Benefit Analysis Methodology is not practicable and would not be of much use at this stage.

However, we expect compliance to be achievable as the individual changes and / or solution options associated with these investments become better scoped and understood. We note that the Xoserve team is developing a Cost Benefit Methodology document, which will be shared with customers ahead of the investments in BP25 being delivered. We also note that existing DSC governance allows for information to be shared with customers before individual changes and projects are delivered and while in-flight. As such, where current partial / non-compliance exists, we are assured that compliance will be achieved as investment scope matures.

#### **Budget accuracy / consistency**

We note that the 'accuracy and consistency' assessment of the budget, as required under the BPIRs, was carried out prior to the publication of this Final Draft of BP25. Via a process of sample checking of 14 exhibits, the assessor found there was "accuracy and consistency between the BP25 financials and the financial budget model calculations".

#### **Conclusions**

We are assured that BP25:

- Contains an accurate, consistent fit-for-purpose budget to deliver, sustain and develop CDSP services during 2025-26
- Contains funding solely for the delivery, sustenance and development of CDSP services
- Has been developed with the customer in mind, with ample opportunities for engagement and feedback, and with the new BPIRs as its core
- Is based on the sound strategic principles of continuing to build Trust, Innovating to deliver maximum value, and Delivering CDSP services now and in the future

- Represents customer priorities and enables consideration of the potential effect on CDSP services from unknown impacts of market code reform

Finally, we would like to thank all customers who have engaged in the development of BP25 as this has added value to the process and enabled the enhancement of the plan, which we believe is the most detailed and transparent business plan to date.

Kind Regards

*The Xoserve Chair on behalf of the Board.*



## 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.

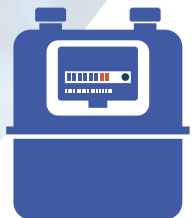
**Other parties** - Our services are also critical to other industry customers that don't have a direct contractual relationship with us, including suppliers, meter asset managers (MAMs), meter asset providers (MAPs), industrial and commercial (major energy users), housing associations, meter reading 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**



**1,590,694,544**  
**(1.6 billion)**

meter reads processed



**7,383,504**  
**(7.4 million)**

Shipper transfers  
processed



**188,879,765**

AQs processed  
successfully



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.

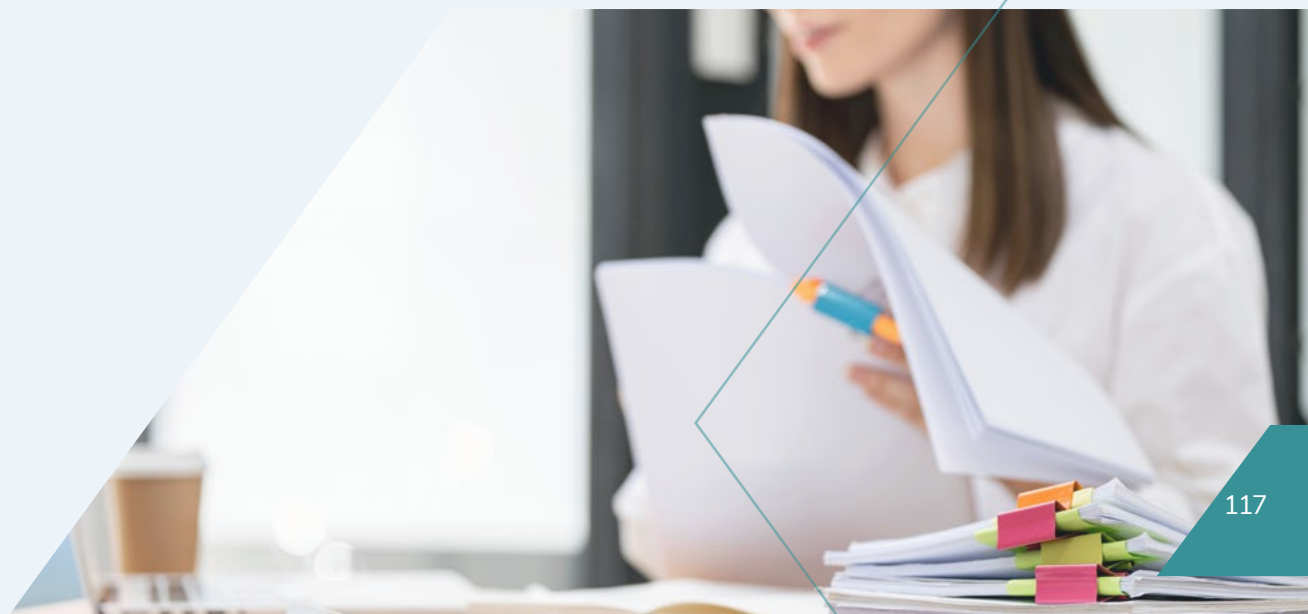
- **Change Management Committee (ChMC)**

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 Gas 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 Xoserve, 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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