xoserve

BUSINESS PLAN 2025-28

TRUST
INNOVATE
DELIVER

STATEMENT OF PLANNING PRINCIPLES

This report was published in July 2024

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Message from the CEO

> We welcome feedback and engagement from as many customers as possible.

I was delighted to recently host the Xoserve Stakeholder Day at Lansdowne Gate, our headquarters. More than 50 customers and stakeholders attended, and we presented some of our thoughts on Xoserve's strategy and major initiatives. We have since received a broad range of positive feedback, encouraging us to continue with this broad engagement, and also welcoming the clarity of our future plans and intentions.

We spoke about our five strategic themes, and presented our initial thinking around future Code Management and the UK Link upgrade programme, Project Trident. In this Business Plan, you will find further details of our proposed approach for these themes. There's the chance to bring innovative thinking to all these opportunities. Xoserve is passionate about demonstrating its value to both Data Service Contract customers and the wider energy ecosystem, including the government, our regulator and other central bodies.

I also welcome the recent formation of the National Energy System Operator (NESO). We are working collaboratively with NESO to support and help with the implementation of future changes to our energy system, as the UK decarbonises its energy grids.

Xoserve is also continuing the progress it has made to present our Business Plan in the most accessible and transparent way possible. This helps give our customers confidence that our plan represents excellent value for money. Our plans show a continued real-terms reduction in our core "Service and Operate" costs, continuing a trend that started in 2020.

As we refine our Business Plan in the coming months, we welcome feedback and engagement from as many customers as possible. While we made real progress last year in this respect, we aim to do even better this year, and will never take customer support for granted throughout this process.

To summarise, we will:

- continue to work hard to build and maintain trust with our customers
- aim to demonstrate new innovation to deliver greater value
- retain our focus on delivering the highest levels of reliability and performance, as our customers have rightly come to expect

Steve Brittan
CEO, Xoserve

About this document

This document sets out the strategic principles and planning approach that will underpin the development of the Xoserve Business Plan for 2025-28 (BP25).

As the first formal step in information sharing, this document has been written with our understanding of customer and stakeholder priorities at its core. It is intended to create dialogue, encourage feedback and initiate action.

Objectives

This Statement of Planning Principles document will provide an understanding of:

- the BP25 timeline - and the opportunities to provide your feedback on the plan and budget
- Xoserve's overarching strategy and the strategic journeys that will guide us throughout each stage of the process
- key strategic initiatives, such as Project Trident and our preparations for Code Management, and any associated assumptions

Structure

This document is split into 3 key sections:

- **Trust**
- **Innovate**
- **Deliver**

Each section represents a key strategic principle that will guide the creation of BP25 and enable us to execute our overarching evolutionary strategy. In each case, we set out the journeys that are necessary before we can arrive at our desired strategic destinations, each of which have been informed through customer and stakeholder interactions.

In each section, we also pose related questions that we believe will drive useful engagement.

It's important to note that we do not expect you to limit your feedback to answering these questions; **all feedback is welcomed and encouraged**.

Information for market newcomers

The final section of the document, 'About Xoserve', gives an overview of the organisation, including our role as Central Data Service Provider (CDSP) and our evolution since 2005, when the company was formed. This section provides essential statistics and links to further reading that will help market newcomers understand the critical gas industry activities that Xoserve is responsible for via delivery of the Data Service Contract (DSC).

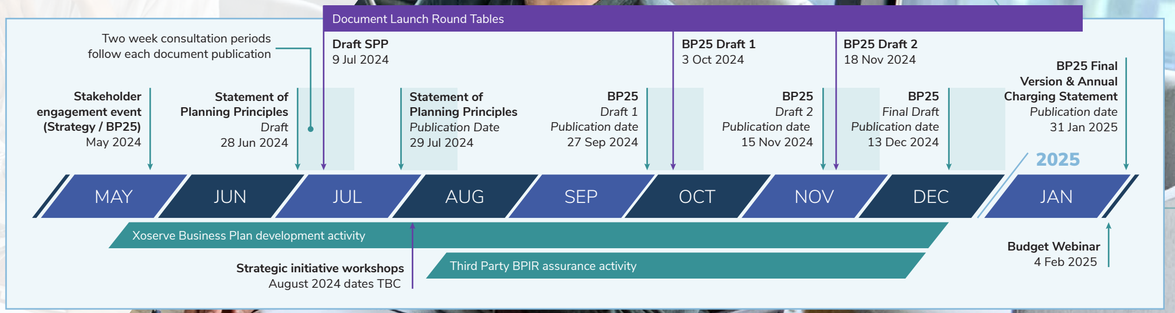
Jump to About Xoserve

BP25 engagement timeline

As we set out in BP24, engagement is central to the creation of our Business Plan. Indeed, customers told us that BP24 represented a step change in terms of engagement, and also in the transparency and clarity of the information we provide in our plan and budget. There was also much focus applied to articulating the degree to which our services represent Value for Money and we introduced a framework for this. The 4E framework allowed us to assess value through various lenses including, Economy, Efficiency, Effectiveness and Equitability. All of the improvements that were introduced last year, are now embedded and will apply to BP25, with our approach to creating this year's plan being to build on these enhancements and deliver an even better experience for all parties. This includes a 5th 'E' representing Xoserve's Evolution, which is another important lens through which our value should be assessed. More on the '5E' Framework here.

We kicked off BP25 engagement earlier than usual this year, with a well-attended in-person event held at the Xoserve HQ in May. The event attracted attendees from across the sector and was a catalyst for invaluable discussion about Xoserve's evolution. All feedback captured on the day has been uploaded onto our dedicated BP25 portal and has been used to inform the creation of this document. Engaging prior to key document publication, as well as afterwards, will be an approach that will be carried forward as we move through the process.

The publication of key BP25 documents and their respective consultation periods follows a similar path to previous business planning cycles.



What's new?

- Even greater engagement
- Stronger alignment with Xoserve's strategy
- Introduction of independent assurance against new Business Plan Information Rules

Strategic principles

"we will continue to deliver everything our customers value today, while accelerating towards future destinations

Clive Nicholas
Director of Strategy and Development at Xoserve

Meeting ever-evolving demands

"In a changing market landscape, our ambition is to drive maximum benefit to customers, stakeholders and consumers. To do this, we recognise that Xoserve must always be evolving.

As the transition to net zero accelerates, this will increasingly impact Xoserve and our customers. As a result, a bold, strategic approach is needed. This encompasses having a proactive stance on the services being delivered, the IT platforms and processes that we maintain and optimise, and the core organisational capabilities we possess, considering how they can evolve to deliver the best outcomes.

At the same time, it's critical robust CDSP performance is maintained and our customers stay satisfied.

As such, we will continue to deliver everything our customers value today, while accelerating towards future destinations."

3 strategic principles

We have identified three key principles that encapsulate how we must approach our evolution. We must continue to cultivate the **trust** our customers and stakeholders have in our capabilities, **innovate** to supply value-adding, flexible, scalable and integrable solutions fit for future scenarios, and **deliver** robust CDSP services. All the while, we must develop and augment the skills and capabilities required to provide maximum future value.

5 journeys

In support of the above principles, we recognise five interlinked journeys that must be taken to ensure our evolution drives maximum value in the current and future gas industry.

Each strategic journey presents the pathway towards an enhanced future state – be that an attribute or a capability that we believe to be crucial to our growth.

	TRUST		INNOVATE	DELIVER	
Strategic Journey	**Transparency** to **trust**	**Assurance** to **confidence**	**System custodian** to **transition facilitator**	**Stakeholder servants** to **serving stakeholders**	**Code delivery** to **code management**
Current location	Information is transparently provided upon request.	Existing CDSP scope is delivered consistently and securely. Services are managed and assured so that performance is demonstrably robust and offers value for money. Incremental services are added upon request.	Infrastructure is sustained so that industry-critical processes are delivered consistently and securely, and compliance with code obligations is maintained.	Committed Xoserve team with a wealth of gas industry expertise, focused on the assurance of robust CDSP services.	Xoserve helps facilitate code change by offering expert central system / process advice during modification development, and leading DSC contract and change governance. We ensure that the codes are delivered via the central systems we are responsible for.
Future destination	Trust is the bedrock of our strategy. This is evidenced in repeated, proactive and consistent transparency, creating space for value-adding discussions and requests for our assistance.	Additional activities, both new and existing, are proactively identified as candidates for central undertaking / funding, with the confidence of customers and stakeholders. New services are implemented seamlessly and lead to value for money outcomes that benefit all.	Development and delivery of Project Trident and other key transformation projects, which will lead to value-adding, flexible, scalable and integrable solutions fit for future scenarios.	Xoserve's people proactively seek out opportunities for the provision of assistance, and embody the behaviours that nurture trust and confidence.	Assuming the role of Code Manager of the forthcoming Gas Network Code, bringing coherence between code and digital systems development.
Route Map	Sharing big picture and strategic thinking early, and collaborating with customers and key stakeholders. Demonstrating compliance with Business Plan Information Rules.	Exploring with customers (e.g. via the ERIX programme) ways that Xoserve can proactively leverage the CDSP model. Producing compelling investment proposals and a robust plan for delivery across our entire portfolio.	Presenting BP25 investment proposals for Project Trident phases, and other key data and digital and customer experience strategic initiatives. These will drive customer value and align with industry and net zero priorities.	Developing and augmenting Xoserve's most important resource by identifying and developing the capabilities required to reach our strategic destinations.	Producing a white paper that further sets out the case for Xoserve to assume the role of Code Manager, and an investment proposal covering the expansion of capabilities where gaps currently exist.

Principle 1: **Trust**

Clive Nicholas
Director of Strategy and Development at Xoserve

Our strategy's foundation

"**Trust** is the foundation of our strategy. It involves information sharing as standard, leaving room for value-adding conversations and requests for our assistance, which are based on the confidence in us to deliver."

From **transparency** to **trust**

Transparency remains a key principle, both in our approach to information sharing and in our engagement with customers and stakeholders. BP24 represented a step change in terms of the presentation of detailed information, and the degree to which we engaged. This change resulted from requests for information, and we responded by clarifying our cost base and our contractual arrangements. We also published the output of a detailed independent review of the Value for Money (VfM) that our service provision delivered. Customer feedback throughout the BP24 cycle assured us this approach was both recognised and valued.

Trust comes from an expectation of transparency: unrequested, repeated transparency, as standard. We believe we are firmly on course towards this destination - not just in terms of information sharing via our budget and Business Plan, but also because of results seen in trust-related ICS survey scores. These have improved by 17% over the last four years. For example, the statement, 'You trust Xoserve', scored 6.7 in 2020 and 8.1 in 2024. But we recognise there's more to do.

We also acknowledge the need for Xoserve to share its strategic aims and big picture thinking, so that customers and stakeholders can understand and interact with our strategy as early as possible. That's why, earlier this year, we declared our intention to build the case for Xoserve to assume Code Management responsibilities, and why we started BP25 interactions earlier in the annual process than ever before, with a well-attended in-person event held at our HQ in May.

Customer and stakeholder trust is critical to the successful fulfilment of the other elements of our strategy. As such, it's a big priority for BP25. Our course is set for a destination where we are no longer asked for information, but are trusted to assist instead.

Assumptions

Customers and stakeholders recognise and value the engagement approach and steps taken over the previous 18 months to introduce transparency to our communications, including business planning.

How does this impact BP25?

During BP25 engagement we will:

- use customer feedback during BP25 to gauge trust levels
- actively encourage engagement on this subject, as we move through the iterative drafting process
- track compliance with new Business Plan information rules as per UNC modification 0841 throughout the process – this will be assured by a suitable independent third party.

QUESTION 1

Transparency to **trust**

How would you like to see us develop BP25 to build trust?

"Just like any insurance policy, you don't see the value of assurance until things go wrong. That doesn't diminish its value, and we will continue to ensure services are provided robustly. But we want to go further and seek out ways in which we can do more as the CDSP. To do this, we need customer and stake-holder **confidence**."

James Spicer
Head of Finance at Xoserve

From **assurance** to **confidence**

Since transitioning into a contract management and assurance organisation in 2021, Xoserve has been refining the competencies required to ensure customers receive robust, secure CDSP services.

Our deep understanding of industry-critical processes, developed over two decades of expert oversight, enables us to understand what is required to maintain effectiveness throughout our supply chain. This is evidenced via consistent performance across a wide range of contractual key performance metrics (KPMs) and indicators (KPIs). We know our performance matters to customers and consumers, so maintaining - and where required, improving - operational standards will always be a top priority, as will foreseeing and fixing issues swiftly when they arise.

Many of the services we are responsible for, such as settlements, balancing and invoicing, have been in place since the CDSP role was created in 2017. However, we have also incrementally added scope to core CDSP activities. In recent years, this has included taking on activities that were previously being provided elsewhere, such as daily / non-daily read and flow weighted average calorific value services, as well as new activities, such as the facilitation of the Energy Price Guarantee scheme at the request of the Government in 2022 and 2023. This demonstrates an existing confidence in our ability to widen CDSP scope, and we want to further explore growth opportunities, proactively seeking out new ways for us to leverage the centrally-funded CDSP model to the benefit of all.

What is the ERIX programme?

The **Efficiency Review Implementation in Xoserve (ERIX)** was introduced after 2023's review of VfM. Conducted by an independent third party, the review concluded the majority of services benchmarked well against similar organisations, but also identified some potential opportunities that Xoserve could explore to make certain services more economic and efficient.

The ERIX programme was introduced to explore these potential opportunities. A customer group nominated by the DSC Contract Management Committee assists via a customer advisory board, which meets periodically to discuss progress.

Our value framework

Amending and deepening the CDSP footprint has to be managed consistently and responsibly, ultimately with the aim of driving common value. That's why we have adapted Xoserve's value framework, first introduced in 2024/25, to align with this strategic principle.

Our need to **Evolve** adds a fifth 'E' to the value framework we established during BP24, and joins **Economic**, **Efficient**, **Effective** and **Equitable** as lenses through which we articulate and measure the value we deliver.

The framework is balanced so that each element is considered when assessing a new investment or a change to how we deliver services. We ask whether it:

- reduces costs
- makes an activity or service more efficient
- makes us more effective at delivering against KPMs or KPIs
- leads to an equitable sharing of costs
- supports one or more of our strategic journeys

We will continue to work with customers (via the ERIX programme and beyond) to establish how current services could be refined to create value.

Enhancing the customer experience

We are exploring options to improve the user experience, by enhancing our customers' digital experience and our communications capabilities. As we accelerate towards net zero, it is incumbent upon all parties to explore how interactions between industry participants can be streamlined and made more effective. As such, we are identifying ways in which interactions with Xoserve - digital or otherwise - can be more intuitive and less time-consuming. We will make investment proposals in draft 1 of BP25 that make the case for investment in this area.

Assumptions

Customers and stakeholders will value a proactive approach to widening CDSP scope where it is clear that doing so will make an existing service (being carried out elsewhere) more economical, efficient, effective and/or equitable.

How does this impact BP25?

In draft 1 of BP25, we will:

- use the value framework for assessing investments, as well as new and refined CDSP activities, incorporating 'evolve' as the fifth E in our value framework
- cultivate confidence in our capacity to expand the CDSP footprint via a strategic initiative delivery roadmap
- present an investment proposal to help enhance Xoserve's digital experience

QUESTION 2

Assurance to **confidence**

How would you like to be engaged in the proactive development of proposals to widen CDSP activity?

Principle 2: **Innovate**

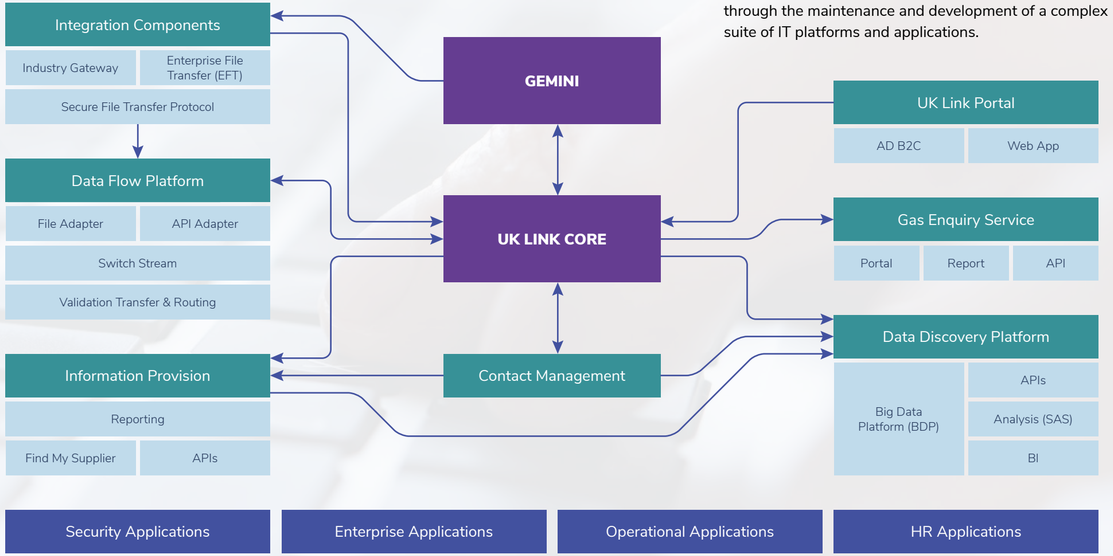
Dave Turpin
Director of Programmes and Service Delivery at Xoserve

"**Innovation** has a key role to play in the move towards net zero. To drive the delivery of value-adding, flexible, scalable and integrable solutions fit for future scenarios, change must be embraced. In Project Trident, we have a powerful vehicle to modernise central infrastructure and facilitate the transition required."

INNOVATE

From **system custodian** to **transition facilitator**

As the CDSP, Xoserve is responsible for the delivery of industry-critical services and processes. This is achieved through the maintenance and development of a complex suite of IT platforms and applications.



Project Trident

Central system performance is mission-critical for the gas industry, and our custodianship of the IT estate is paramount to what we do. This involves sustaining current assets, such as UK Link and Gemini, ensuring that infrastructure remains compliant with code and cultivating a development strategy in collaboration with customers and stakeholders.

With technology forever in flux, policy headwinds uncertain, and important net zero milestones on the horizon, it is crucial technological roadmaps are carefully planned. This helps make sure they're fit for the future, across a range of plausible scenarios. This continues to be our approach to assessing options ahead of a mandated upgrade of the UK Link platform, as support for the current version expires at the end of this decade. We have called this 'Project Trident'.

UK Link connects the complex information, technology and communications systems that are essential to the successful competitive retail gas market in Britain. This suite ensures the industry operates smoothly, effectively and efficiently, and in accordance with the Uniform Network Code and its IGT equivalent.

UK Link will need to be upgraded (from SAP ISU to SAP S4/HANA) or replaced before the end of the decade, as support for the existing version expires. The new solution will need to support and facilitate key gas industry processes as they exist today. It will also need to incorporate any changes that are required between now and implementation, while maximising efficiencies that are possible via more modern infrastructure.

Project Trident is so-called as it represents three elements of the UK Link platform. Each of these needs to be considered in the context of the transformation ahead:

- **'Core'** – a bespoke configuration of SAP ISU ECC6 and SAP BW
- **'VCO'** - a collection of systems which validate, convert, and orchestrate data into and out of Core, with the objective of maintaining data quality and integrity of Core
- **'Customer Edge'** – customer-facing systems that DSC parties use every day to engage with Xoserve and ultimately Core

Assumptions - considering future requirements

As we assess options through an extensive, independently assured discovery exercise, some key assumptions are being used to guide our thought process.

Firstly, the new solution will be required for many years to come (2040 and beyond), but strategic decisions around network infrastructure are likely to be some time away from being made. The use of natural gas will decline in line with net zero targets. However, the existing arrangements will persist in parallel with other means of energy production, transmission and distribution, as the energy transition takes place over the coming decades.

We believe that the new version of UK Link might need to be able to support blended gas arrangements. This will, therefore, be a requirement of the new solution. Conversely, we believe that it is less likely the new solution will need to support 100% hydrogen data.

We will consider other large scale strategic programmes being delivered across the sector to derive best practice and deliver the best outcomes.

New opportunities

When assessing all available options, we need to view them through the lens of our customers, who rely on UK Link to operate, as well as stakeholders and consumers. Our centrally-funded model promotes this approach and we will leverage it wherever possible.

We are assessing whether a SAP upgrade is the best available path, or if another solution could deliver a more flexible, scalable and integrable option, and better meet future demands.

The modernisation of infrastructure will present opportunities to make service delivery more efficient and economic. As such, we are assessing how our IT suite can be simplified and optimised ahead of producing an investment proposal in BP25.

Our experience of delivering large-scale replacement programmes provides a rich source of lessons learned – we understand the risks ahead and the steps we can take to mitigate them. For example, it's important that the project has strong foundations. This is why we have invited a partner with a strong track record in assuring large infrastructure programmes to help set us up for success. But we also recognise the wealth of expertise and experience that customer organisations and industry stakeholders possess. We intend to fully harness this as we move forward at pace with this project.

Potential risks

As with any large-scale technological transformation programme, timing and smart planning is crucial. We are currently building the development and delivery plan for Project Trident, with the new solution needing to be implemented before extended support expires towards the end of this decade..

We are conscious that code changes and reviews might have an impact on our future solution. Therefore, anticipating and prioritising these will be key to mitigating scope risk during the lifecycle of the programme.

We are also aware that many other organisations will be anticipating the end of support for SAP ISU, and so securing the required SAP expertise will be a key focus.

How does this impact BP25?

Before draft 1 of BP25, we will:

- collaborate with customers and stakeholders that will be impacted by Project Trident, and set out how this will continue through each phase of the programme

The Investment Proposal for Project Trident will evolve across Drafts of the BP25 and into BP26. The structure will adopt the 'Green Book' approach that is used in HM Treasury to appraise policy, projects and programmes.

We will also present investment proposals associated with General UNC Change, Gemini Change and UK Link Sustain in Draft 1.

Detail maturity

~25%
~50%
~75%
~100%

	Strategic Outline Investment Proposal	Outline Investment Proposal	Full Investment Proposal
Strategic	• Strategic context • Case for change • Programme objectives/ outcomes/ benefits • Programme scope	• Revisions and updates • Market consultation (stakeholders)	• Revisions and updates • Market consultation (stakeholders)
Economic	• Long list options • Preferred way forward	• Short list options • Impact assessment • Risk assessment	• Finalised options • Impact assessment • Risk assessment
Commercial	• Procurement principles	• RFI/ market engagement (potential suppliers) • Intended procurement process • High-level requirements • Risk apportionment	• Procurement executed- suppliers appointed and costs finalised
Financial	• High-level cost ranges • Funding arrangements	• Elaborated costs & funding/ financial approach	• Final costs & funding/ financial approach • Economic and financial appraisal
Management	• Programme management considerations • Indicative schedule • Indicative governance structure • Stakeholder engagement approach	• High level delivery approach • Updated schedule, governance, stake-holder approach	• Detailed delivery approach and schedule, inc. suppliers construct, benefits realisation, risk management • Updated schedule, governance, stakeholder approach
Inputs to	**BP25 Draft 1**	**BP25 Draft 2**	**BP26+**

QUESTION 3

System custodian to **transition facilitator**

What are the most important factors Xoserve should consider when assessing potential Trident solutions, and why? Your responses might address cost, durability, scalability and integrability.

Principle 3: **Deliver**

Steve Brittan
CEO of Xoserve

Delivering excellence now, and 'future-fit' evolved services and capabilities

"We will develop and augment the skills and capabilities required to provide maximum value. Our team is passionate about **delivering** robust CDSP services and assured gas industry expertise."

From **stakeholder servants** to **serving stakeholders**

As we enter our 20th anniversary as a unique not-for-profit entity at the heart of the gas industry, Xoserve's people remain its most important asset. We have a committed team with a wealth of gas industry expertise, who care passionately about doing the right thing for our customers and stakeholders. This is reflected in customer satisfaction surveys, with the helpfulness and competence of our people being rated consistently high.

Naturally, our people and their capabilities are critical to Xoserve's evolution.

Earlier this year, we reorganised the company. This intends to develop existing capabilities and create the space for additional expert resources to be onboarded at key stages in our development. In line with Xoserve's strategy, our new structure allows us to concentrate resources where they're most valuable, while not losing focus on critical day-to-day activities.

In order to serve stakeholders to our maximum potential, our people will consistently embody the behaviours expected of transition facilitators and get us prepared for code management. To help us embed these behaviours and competencies, the strategic journeys will be incorporated into performance reviews.

Assumptions

Customers and stakeholders value the interactions they have with Xoserve employees, and would like to see us develop our capabilities further so that we can deliver even more in a changing industry environment.

Our route map

In draft 1 of BP25, we will:

- set out how we intend to develop and augment Xoserve's workforce, ensuring it's fit for the future
- make clear how our strategy will be linked to performance

QUESTION 4

Stakeholder servants to **serving stakeholders**

What behaviours would you like to see us develop in order to help us deliver your objectives?

"Coherence between code and digital systems development is crucial as the era of **code management** approaches."

Naomi Anderson
Head of Industry Projects at Xoserve

DELIVER

From **code delivery** to **code management**

As key net zero milestones draw ever closer, interactions between industry participants must become smarter and more coherent. There's a huge amount of collective expertise and experience in the industry, but with so much to do, we need to move together with clarity and decisiveness. With the era of code management on the horizon, we will need to work together to address changes, specifically on how the gas industry interacts with a consolidated gas network code.

This will impact everyone, including Xoserve. As the gas code delivery body, we ensure the rules and obligations set out in the Uniform Network Code and its IGT equivalent are executed in central systems and related processes. The incoming code manager will, amongst other things, oversee the maintenance and development of the code, identify and take proactive action to resolve issues, manage the code change process, and make decisions that support the Ofgem Forward Work Plan and Strategic Direction Statement.

We believe closer integration between code delivery and code management is best, and will lead to efficiencies and economies that would otherwise not be possible. We also see potential ways such synergies could be harnessed to take a more streamlined and coherent approach to code management and its digital delivery. As such, we intend to make the case for how an evolved Xoserve, harnessing expertise across the industry, could become the Code Manager for the Gas Network Code.

Assumptions

There will be a strong appetite for the customer and stakeholder collaboration required to transform the code landscape. This will lead to meaningful opportunities for digitalisation, data sharing and working collectively towards a future state where Xoserve's value is maximised.

How does this impact BP25?

In draft 1 of BP25, we will:

- set out proposals that will enable us to augment existing capabilities and skills, as well as the additional competencies required, for code management

This won't be limited to key resources, but will also include digital solutions and data initiatives designed to facilitate code management, including digitising the codes and decarbonisation.

QUESTION 5

Code delivery to **code management**

Are there any digital or data initiatives you would like to see in BP25 that would support code management?

How to give your feedback

We would love to hear your thoughts about the strategic journeys set out in this document.

The following questions are designed to stimulate discussion, but please don't limit feedback to these topics – we love feedback of all kinds.

You can either use the dedicated portal to provide feedback, or if you prefer, you can email us at business.planning@xoserve.com

As a reminder, here are the questions from each strategic journey section.

1 From **transparency** to **trust**

How would you like to see us develop BP25 to build trust?

2 From **assurance** to **confidence**

How would you like to be engaged in the proactive development of proposals to widen CDSP activity?

3 From **system custodian** to **transition facilitator**

What are the most important factors Xoserve should consider when assessing potential Trident solutions, and why? Your responses might address cost, durability, scalability and integrability.

4 From **stakeholder servants** to **serving stakeholders**

What behaviours would you like to see us develop in order to help us deliver your objectives?

5 From **code delivery** to **code management**

Are there any digital or data initiatives you would like to see in BP25 that would support code management?

About Xoserve

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

Who uses our services?

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

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

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

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

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

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

Vol of files processed:
Inbound: **1,060,902,514**
Outbound: **1,613,469,476**

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

188,879,765
AQs processed successfully

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

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

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

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

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

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.

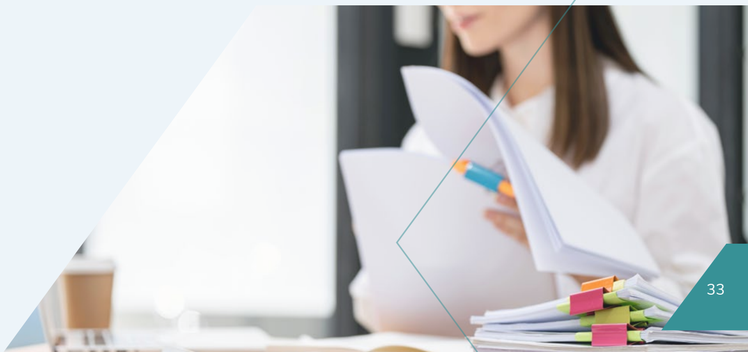
The rules that dictate how costs are shared by customers are described in the CDSP Budget and Charging Methodology.

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 growth.

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
Head 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**	UK Link automated processing of file flows associated with end consumer registrations, switching and supply point data. Contracting with, and management of the services provided by PAFA and AUGE. 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. Provision of insights into industry performance through reporting channels.
2	**Monthly AQ processes**	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.
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.

Area	Service Area	Service Description
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: • exchanges or updates to records for traditional meters, smart meters, automatic meter reading equipment, and datalogger equipment. • updates to the metering conversion factors that are used to calculate meter volume and energy. • meter readings for all classes of meter points. • read replacement processes inclusive of daily read error notices. • generation and notification of estimated opening and transfer readings. • 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.
5	**Demand estimation obligations**	Demand activities: • Develop end-to-end methodology to determine gas demand profiles. • Manage sampling, collection and validation of daily gas consumption for several thousand meter points. • 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. • Industry consultation and engagement with Demand Estimation Sub Committee (DESC). • 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. 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.
6	**Customer relationship management**	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.

Area	Service Area	Service Description
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.
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**	Issue of invoices for: • Gas transportation on behalf of National Grid Transmission and the distribution networks • DSC services provided by Xoserve. 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.
11	**Management of customer issues**	Management and communication of customer issues including: • Incident Management • Defects which become apparent through the normal course of business where the functionality implemented does not result in the expected outcome. • Data security incidents (including potential data breaches) • Process issues and other, non-system issue management to identify underlying causes and prevent recurrence.
12	**Customer contacts**	Service desk operation. Telephony service for the domestic enquiry telephone service line.

Area	Service Area	Service Description
13	**Change management**	Development, governance, delivery, and assurance of change outside major change programmes.
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.
15	**Value added services**	The DDP platform is a data visualisation tool, used to access reporting information. It enables customers to: • securely query their organisation's data • create bespoke reports via a personalised dashboard • visualise data using a range of chart tools and comparison screens to gain insights on and evaluate responses to industry changes and trends • use trend analysis to identify opportunities for improving data accuracy or process performance • access the detail sitting between high-level key performance indicators to support decision making
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.
17	**Distribution Network funded services**	Services which are wholly funded by Distribution Networks. Costs are associated with delivering the Flow Weighted Average Calorific Value service.
18	**Decarbonisation**	Planning, design, coordination and support for decarbonisation projects and cross industry engagement, and the management of a pipeline of related development work.

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.

Links to further useful info

- CDSP service documents
  DSC / CDSP Documents | Joint Office of Gas Transporters (gasgovernance.co.uk)

- Previous Business Plans
  www.xoserve.com/about-us/about-xoserve/business-plan

- Further info about our role and our customers
  Our role and customers (xoserve.com)

- Business Plan Hub
  bp25.xoserve.com

Lansdowne Gate, 65 New Rd, Solihull B91 3DL | 0121 229 2000

www.xoserve.com