



2024-25 Business Plan

Draft Principles & Approach



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**2024-25 Business Plan**  
**Draft Principles and Approach**

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## Message from the CEO



**I am delighted to share with you the context and thinking behind our approach to Xoserve's Business Plan for 2024-25 (BP24). As well as describing our overall approach to the business planning cycle this year, we've outlined the improvements we intend to make. These are extensive, building on progress last year and feedback from our customers. We recognise the difficulty in pleasing everyone all of the time, but we hope you'll appreciate the improvements we've made and share your ideas for further enhancements we can make.**

It's clear from the latest ICS survey that our customers are happy with service delivery, giving us our highest ever score for customer satisfaction. The challenges arise in the commercial space where customers, understandably, want to ensure they're paying a fair amount for the services they receive. Our focus in this business planning cycle will therefore be on value for money. We are working with customer representatives to evidence the value in the current services and with our service providers to improve the business cases for future investments. We also continue to challenge our service providers to identify opportunities for efficiencies/ cost reductions to benefit end consumers and are working with industry to fine tune the commercial governance of Xoserve.

It's easy to understand why value has become such an important driver. As an industry, we face ongoing cost pressures and future uncertainty. The transformation of energy market governance is still being shaped and the end result is far from clear. The energy trilemma continues to challenge, with the clock ticking on Britain's Net Zero targets, global geopolitical considerations constraining the supply of gas and the cost-of-living crisis remaining stubbornly resistant to rising interest rates. We understand the strain this dynamic creates for you, which is why we'd like to understand more about your businesses, where you're experiencing pressures and where your emerging needs might arise.

Two years after our corporate restructure, we also want to change the way we shape the services. Rather than assess the market's needs, identify investments which could help and then include them in the business plan, we want to move towards a more collaborative approach, built on the sharing of investment ideas at an earlier stage and collective decision making on which way forward is in the best interests of consumers.

Such a fundamental shift in approach does not come easily and I'd like to thank the business planning team for their vision and enthusiasm. I hope you'll be as pleased with the changes as I am.

While April 2024 may seem like a long way off, we want to maximise your opportunity to share your thoughts. Our consultation on this draft Principles and Approach therefore opens today and you can [share your feedback](#) as described on page 20 until 21st July 2023. Alternatively, please do participate in our virtual Round Table event on 5th July where my leadership team, members of the Board and I will be on hand to hear your ideas and suggestions first hand.

I very much hope to 'see' you there.

**Stephanie Ward**

CEO, Xoserve



# About this document

**This document sets out the principles and approach that will underpin the development of the Central Data Service Provider (CDSP) Business Plan for 2024-25 (BP24).**

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 Principles and Approach document will provide an understanding of:

- the BP24 timeline - and the opportunities to provide your feedback
- how changes to the Business Plan process will improve your experience
- how BP24 will address your priorities
- the four overarching principles that will guide us throughout each stage of the process

## Structure

The content of this document is split into four sections. Each section takes a deeper look at the four key principles guiding the Business Plan process and sets out our approach and assumptions.

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 Xoserve as an organisation, including its size, structure and evolution, along with other essential statistics that will help market newcomers understand the critical gas industry activities that Xoserve is responsible for.

[Jump to About Xoserve](#)

Jump to

1. Engagement

2. Accessibility

3. Value

4. Uncertainty

## Key Principles

The production of BP24 will be guided by the following four key principles:



### 1. Our plan will be built on engagement

We will be proactive about engagement, facilitate a range of easy feedback options and respond to all feedback appropriately.



### 2. Our plan will be accessible

We will ensure that information is clear and concise, and that it is accessible to all customers and stakeholders equally.



### 3. Our plan will articulate value for money (VfM)

We will provide a clear framework for VfM and explain how each aspect of our plan delivers against this framework.



### 4. Our plan will consider uncertainty

We will be clear about what we don't yet know, and how different future scenarios will affect our investment plans.



# Principle 1

Our plan will be built on engagement



## Approach

Customer feedback is always a precious commodity, and it's absolutely critical to successful business planning. For this reason, the first overarching principle guiding the BP24 process is that the plan will be built on proactive engagement with our customers.



**Dave Turpin**, *Head of External Affairs, Xoserve*

**Here's what you can expect from the BP24 process:**

### We will make it easy for you to provide feedback

We'd like to gather as much of your feedback as possible during the BP24 planning cycle, without placing any undue burden on you; we know you're busy.

In an effort to achieve this, we will provide a variety of different ways for you to share your thoughts, responses and opinions. We simply ask that you choose the feedback mechanism that best suits you.

During the BP23 process we introduced informal **drop-in sessions** and **webinars**, and created a secure online area for the publication of BP23 related news and documents.

For BP24, we will build on this with a series of **customer engagement events** that correspond with our consultation windows. These events are also intended to provide enhanced access to Xoserve board members, our CEO and her senior leadership team.

As well as group sessions, we'll also provide the chance for you to share your ideas and concerns with us one-to-one and in person, or in writing if you prefer, and we'll be enhancing our online information with the evolution of a user-friendly [Business Plan Hub](#).

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This timeline shows how you can engage with the BP24 process:



# Principle 1

## **We will not treat silence as success**

We will make a proactive and determined effort to give every Xoserve customer a chance to have their voice heard during the BP24 process. We will also share all non-confidential customer feedback we receive. We'll do this in formats that cater for varying levels of interest; both through detailed or summarised written communications and verbally during our schedule of customer engagement events.

## **We will explain what action we have taken in response to feedback**

Throughout the BP24 process, we will respond to all customer feedback in a clear and timely manner. Your requests, suggestions and recommendations will be tracked through the process, with outcomes communicated directly to you by email and via our dedicated online platform.



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### We will draw on your past feedback

The feedback we received during the BP23 process was extremely valuable and has not been forgotten. When creating this year's Business Plan, we will be sure to include information you have already told us is valuable to you, such as forecasts of the charge rebate for Y-2 and Y-1, and current performance figures, including Data Services Contract (DSC) Key Performance Metrics and Indicators (KPM/KPIs).

### Assumptions

- Customers will make time to engage with the business planning process, as they have in previous years.
- Engagement opportunities for BP24 should build on rather than replace what was offered for BP23.
- Customers value dedicated Business Plan sessions.

### Questions

- ◆ Are there any ways you would like to engage with Xoserve during the BP24 process that are not mentioned in this document?
- ◆ Are there any specific formats you would like to receive information in?

Answer online now

## Principle 2

### Our plan will be accessible



#### Approach

We want every one of our customers to be able to easily access and understand the BP24 process, and play their part in shaping our future plans. To make this possible, we will ensure that a desire for brevity and clarity drives creation of all BP24 content.



**James Rigby**, Business Plan Manager, Xoserve

**Here's how we intend to make BP24 easier to read, understand and use:**

#### Fewer words, more meaning

We'll provide all of the relevant facts you need but won't repeat ourselves unnecessarily. We will annex information the majority of our customers already know, while making sure those less familiar with our business can still access it.

#### Get straight to what you need

We'll ensure our BP24 documents are easy to navigate, so that whether you're having an initial read through, want to get straight to key information, or are using the documents for reference, everything is well signposted and can be quickly located. We'll also make sure online information complies with accessibility guidelines and is provided in a printable format.



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## Transparency

We want to provide you with more visibility of our day-to-day operational costs, while protecting confidential information relating to our commercial arrangements. We will share a view of Xoserve's current and forecasted headcount and a breakdown our direct costs. We will align terms and language used with the [DSC service documents](#).

## Assumptions

- The majority of Xoserve customers understand the historical evolution of our business.
- Customers value brevity and clarity, and want us to focus on key information.
- Customers use the Business Plan in different ways and at different times, and want the document to be a reference point.

## Questions

- ◆ Do you feel that you have enough information about what Xoserve does within the gas industry?
- ◆ What information do you need from us to inform your budgeting process, and why?
- ◆ Can you provide any insight into how you will use BP24 that could help us to make it as relevant to you as possible?

Answer online now

# Principle 3

Our plan will articulate value for money (VfM)



## Approach

Against the backdrop of an evolving energy landscape and a national cost of living crisis, the requirement for CDSP services to be provided economically, efficiently and effectively, with costs shared equitably between our customers, has never been greater.



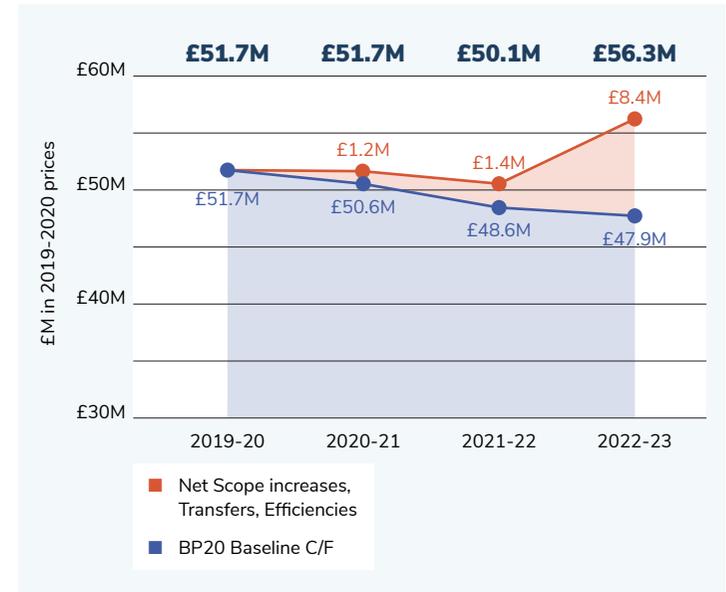
**James Spicer**, Head of Finance, Xoserve

**We will aim to articulate value for money in the following ways:**

### Providing a clear framework to express VfM

VfM will be a central theme running through BP24. We already know that our baseline Service and Operate (S&O) costs are reducing in line with our forecasts. (See graph)

But delivering VfM isn't about simply making something as inexpensive as possible, which can often turn out to be a false economy. To articulate VfM clearly and comprehensively, we will use a framework that goes beyond

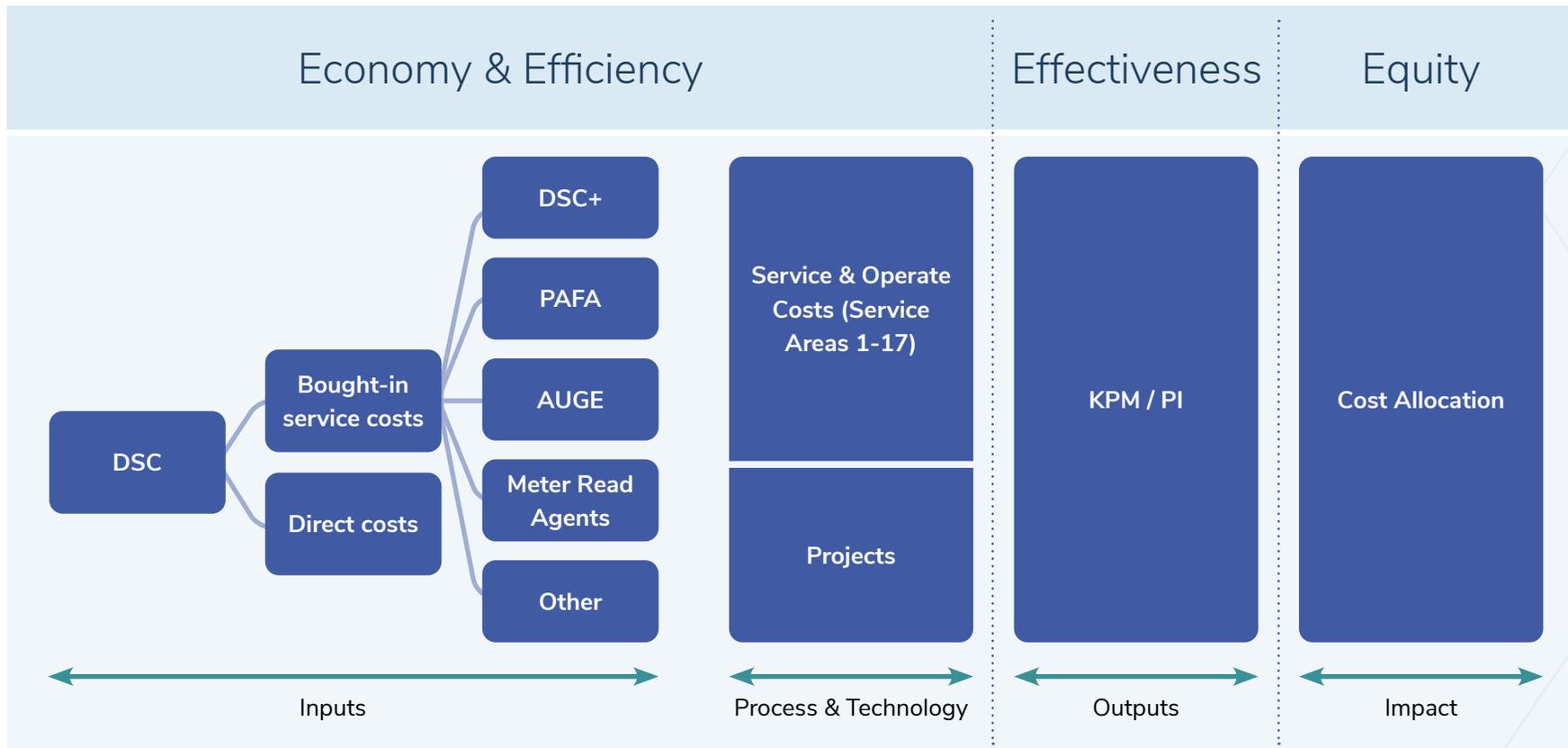


▲ Baseline service and operations costs are reducing in line with forecasts.

considering the **economy** of our services, to also consider **efficiency, effectiveness and equity**.

By balancing the 'four Es' we believe it is possible to deliver real and lasting VfM for the CDSP services. The framework will be applied across all costs.

The four Es explained



The four E framework will be used to express VfM in BP24. We will also assess how it could be refined for future use, with all learnings used in BP25.

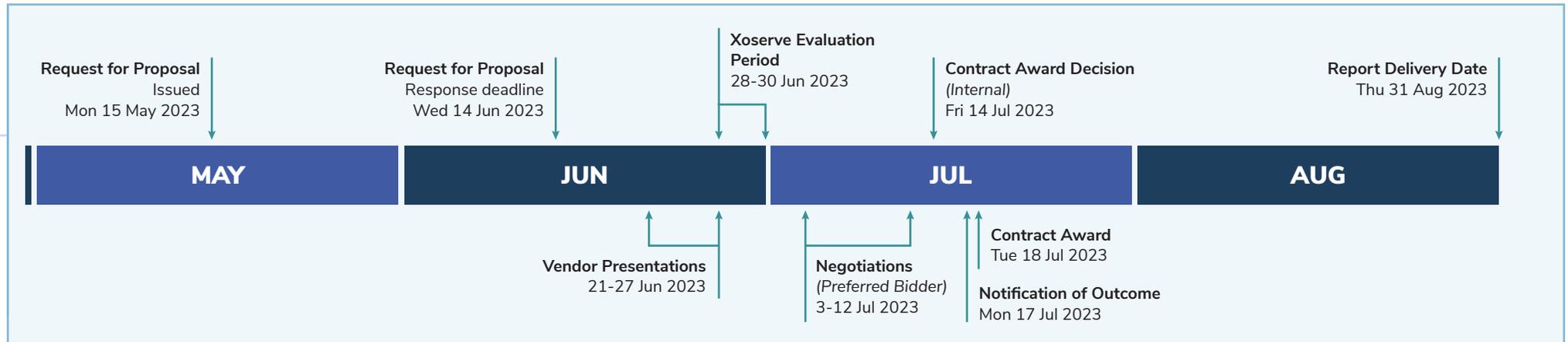
### Undertaking an Efficiency Review

As a part of our effort to ensure VfM, we will undertake an Efficiency Review. This benchmarking exercise will be conducted by an independent third party, based on a specification agreed with customer representatives. We will support the review through to conclusion, with the aim of making the process as straightforward and speedy as possible. We will respond to all output received, aiming to do this within the BP24 cycle.

### Review of Cost Allocation Methodology (CAM)

We will lead a comprehensive CAM review. This will ensure that costs are being equitably shared by customer constituencies. The CAM will be reviewed with our customers via the Contract Management Committee (CoMC). This will build on their valued current involvement in monitoring and reviewing DSC performance.

Efficiency Review - indicative timelines:



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## Assumptions

- Xoserve customers will understand the balance of elements within the VfM framework and know that VfM is about more than making services inexpensive.
- The 4E model will provide customers with a clear framework for articulating VfM.
- Customers understand that they will be consulted about any proposed changes to cost allocation.

## Questions

- ◆ What are your thoughts on the 4E framework as a way to measure VfM? Please provide responses that will help us to consider refinements to the framework.



Answer online now

## Principle 4

Our plan will consider uncertainty



### Approach

The energy market in Great Britain is evolving at pace and there are many questions about the future of our gas infrastructure that remain unanswered. We will continue to use our voice to help policymakers to consider these difficult questions.

For now, we recognise that our plans for the future must always consider political headwinds and marketplace uncertainties if they are to be realistic and achievable.

**Emma Smith**, *Head of Change and Delivery Assurance, Xoserve*



**We will endeavour to consider uncertainty in the following ways:**

**We will describe the future scenarios that BP24 must be resilient to**

Significant uncertainties will affect the creation of BP24 and we are considering the following areas within our Business Planning process:

- the evolving role of hydrogen across the energy mix
- the reducing role of natural gas as a source of energy across both I&C and domestic consumers
- the changing energy mix, now potentially incorporating hydrogen & CCUS (carbon capture utilisation & storage) as well as our current mix of Biomethane, Methane and Electricity

We will assess whether the uncertainties we all face are immediate or long-term concerns, and explain how we plan to adapt to the changes and support our customers.

## Policy milestones

The key Government policy / regulatory milestones that may reduce some uncertainty are:

- **2023** – Final policy decision on hydrogen blending
- **2023** – First hydrogen support contracts allocated
- **2023** – Decision on hydrogen village location
- **2024** - H100 trial to commence
- **2025** – New business models for hydrogen transport and storage infrastructure designed
- **2025** – Hydrogen certification scheme introduced
- **2025** – Hydrogen village trials to commence
- **2025** – Target for reaching 1GW electrolytic hydrogen production capacity and price competitive annual allocation rounds
- **2026** - Final policy decision on whether hydrogen will support domestic heating
- **2030** – New target for creating up to 10GW low carbon hydrogen production
- **2030** – Hydrogen town trial to commence



## Principle 4

### We will explain how planned investments will be influenced by uncertainty

With various different future scenarios to consider, we believe that all planned investment should fall into one of the three below categories:

**Investment is a 'no regret' option in any scenario.**

**Investment is able to deliver benefits in advance of greater certainty.**

**Investment is required to keep future options open.**

We will describe which of these categories planned investment falls into and why, and will also describe how we intend to reduce uncertainty during the BP24 cycle.

### We will be clear about risk

There will inevitably be a level of risk associated with the investments outlined in BP24. We will endeavour to be clear about where this risk lies, what we are doing to minimise it, and what portion of it is carried by Xoserve, our suppliers, and customers.



Inflation is considered when allocating S&O and Infrastructure costs. However, in BP23 inflation was not applied to in-year change investments that were not fully scoped when BP23 was published. We intend to take this approach again for BP24. This will shield our customers from some of the risk associated with uncertainty.

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### We will remain accountable

We will always act in a way that we believe furthers the best interest of our customers and consumers. We will aim to make BP24 acceptable to as many of our stakeholders as possible, while recognising our Board's duties and acknowledging that the responsibility for securing the best possible outcomes remains with us.

### Assumptions

- As in previous Business Plans, we propose only to include projects that we believe are essential to the delivery of CDSP services.

### Questions

- ◆ Do you agree with our approach to the application of inflation to unscoped change budgets?
- ◆ Are there any non-essential but potentially valuable projects that you believe should be included in BP24?

Answer online now

## How to give us your feedback

**This Draft Principles and Approach document is the first step in developing our Business Plan for 2024-25. We welcome your views on the information included and would love to hear from you if you think there is something we've missed.**

The questions included throughout this document can be responded to via the links within each section, through our [online form](#) or by email to: [customerexperience@xoserve.com](mailto:customerexperience@xoserve.com).

**Please respond no later than 21/07/2023.**

Please remember that this is not the only opportunity you will have to provide feedback. Our first key principle is that BP24 will be built on engagement and we look forward to hearing your views in the way most convenient to you.

One key opportunity to provide feedback will be our Customer Engagement Event on 5th July.

➔ [Email customerexperience@xoserve.com to find out how to attend and register for your place.](mailto:customerexperience@xoserve.com)

**Over the coming weeks, your feedback will help us to build and refine a Business Plan that will enable us to support our customers in the best way possible. We truly hope you will be a part of this process.**



As 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.

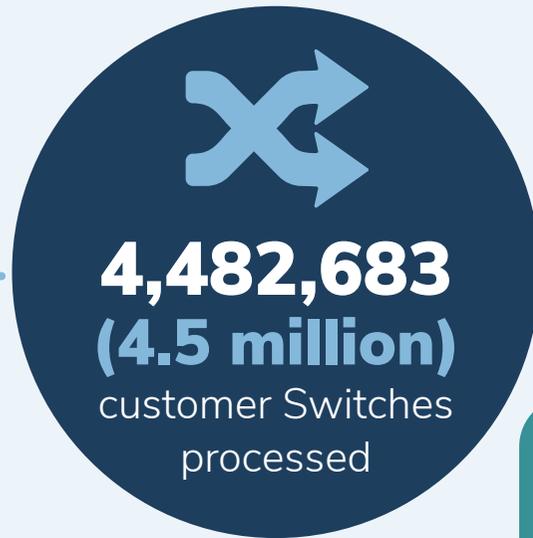
**Gas Transporters** - Distribution networks own and operate the local network of pipes that transport the gas from National Gas' National Transmission System (NTS) to homes and businesses.

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

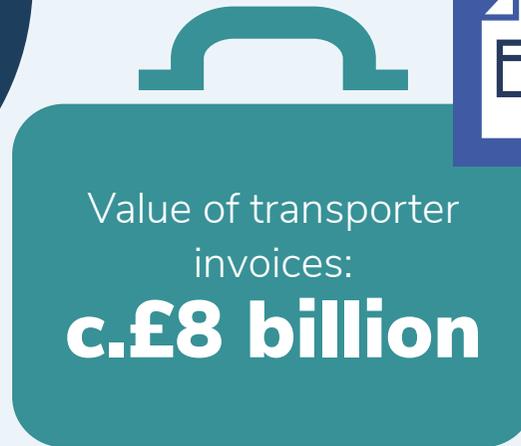
**Other Parties** - Our services are also critical to other industry customers that don't have a direct contractual relationship with us, including Suppliers, Meter Asset Managers (MAMs), Meter Asset Providers (MAPs), industrial and commercial (major energy users), housing associations, meter reading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



Headline statistics



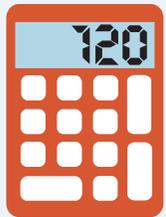
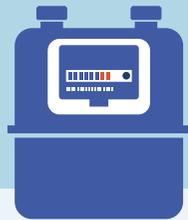
**1,541,524,214**  
**(1.5 billion)**  
meter reads processed



Vol of files processed:  
**c.251,520,000**

Vol of meter details changes:

**3,671,754**  
**(3.7 million)**



**171,440,27**  
**(171 million)**

Rolling AQ  
calculations

Net value of commodity  
charges issued on behalf of DNs:

**c.£307 million**

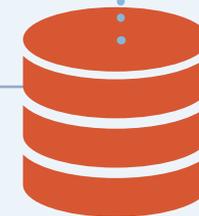


Net value of capacity charges issued  
on behalf of DNs (CAZ invoices only):

**c.£4.3 billion**

Net value of capacity charges issued on behalf  
of DNs (including NTS capacity invoices):

**c.£5.5 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 a period of 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 a period of one year.

- [Credit Management Committee \(CMC\)](#)

The role of the Committee 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 a period of 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 Director
- **David Handley** – Network Director
- **Chris Logue** – Transmission Director
- **Neil Shaw** – Independent Gas Transporter Director
- **Chris Jones** – Shipper Director
- **Mike Hogg** – Shipper Director
- **Yehuda Cohen** – Shipper Director
- **Steve Brittan** – Shipper Director

The Xoserve Board is chaired by **Clare Spottiswoode**, formerly the UK's Gas Regulator between 1993 and 1998.

The Board and its subcommittees work closely with the Xoserve Senior Leadership Team (SLT), to ensure clarity about the scope of their roles and ensure they provide the appropriate level of consideration to relevant matters.

## Our Senior Leadership Team

The Xoserve team is led by our CEO Stephanie Ward and her Senior Leadership Team (SLT).



**Stephanie Ward**  
Chief Executive Officer



**Eve Bradley** – Company Secretary  
Responsible for ensuring good corporate governance.



**Dave Turpin** – Head of External Affairs  
Responsible for Xoserve's relationships with industry participants, business plan development and ensuring that the CDSP services deliver customer satisfaction.



**James Spicer** – Head of Finance and Support Services  
Responsible for robust financial management and reporting, support functions and financial assurance of supply chain and annual Business Plan.



**Emma Smith** – Head of Change and Delivery Assurance  
Responsible for capturing customer requirements, agreeing project arrangements and successful project delivery.



**Chris Dwyer** – Head of Contract Management and Procurement  
Responsible for industry procurement, contract governance and commercial performance of supplier relationships.



## Contract Management and Assurance

Xoserve subcontracts the majority of its obligations as CDSP through an ecosystem of third parties. This provides the benefit of being able to use specialist service providers for industry critical services.



**Chris Dwyer**, *Head of Contract Management and Procurement*

Examples include the services provided by the Performance Assurance Framework Administrator (PAFA) and the Allocation of Unidentified Gas Expert (AUGE), as well as the broad set of technical and data services provided to Xoserve by Correla.

Our operating model delivers benefits to customers in a number of ways, including the assurance of service and change delivery. The independence that Xoserve brings to performance assurance, requirements fulfilment auditing, risk management and quality enables us to act on our customers' behalf without the inherent conflict of also being the organisation doing the delivery.

In effect, we manage third party service delivery on behalf of customers, to ensure the service meets code requirements and the commitments in the DSC. This arrangement is enhanced by the availability of commercial levers in our flow-down contracts, which incentivise performance to customers while allowing Xoserve to take corrective action on their behalf if needed.

We use our in-depth knowledge and experience of the gas marketplace and its systems, regulations and processes to implement formal and structured supplier performance reviews and propagate a culture of continual improvement. Our overarching aim is to ensure that customers receive a reliable, future-proofed service, which meets all code requirements as well as the commitments detailed in the DSC.

## 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 17 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	<b>Meter read/asset processing</b>	<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	<b>Demand estimation obligations</b>	<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	<b>Customer relationship management</b>	<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 Grid 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>

Area	Service Area	Service Description
13	Change management	Development, governance, delivery, and assurance of change outside major change programmes.
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	Services which are wholly funded by Distribution Networks. Costs are associated with delivering the Flow Weighted Average Calorific Value service.

### 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 Grid** – 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 \(gasgovernance.co.uk\)](https://www.gasgovernance.co.uk/dsc-cdsp-documents)
- ➔ Previous Business Plans  
[www.xoserve.com/about-us/about-xoserve/business-plan](https://www.xoserve.com/about-us/about-xoserve/business-plan)
- ➔ Further info about our role and our customers  
[Our role and customers \(xoserve.com\)](https://www.xoserve.com/our-role-and-customers)
- ➔ Business Plan Hub  
[bp24.xoserve.com](https://bp24.xoserve.com)





# xserve

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