XOSERVE

Draft 1

Business Plan 2027-30 (BP27)

Making **Energy** Data **Work**

Contents

CEO introduction

“Transforming Together reflects our shared commitment to deliver the gas industry’s digital heartbeat while building the capabilities, services and partnerships required for the future.”

Steve Brittan, CEO

Transforming Together

Over the past year, the pace of change across the gas industry has continued to accelerate. In our Statement of Planning Principles for Business Plan 2027-30 (BP27), we introduced the theme ‘Transforming Together’ to reflect a belief that the scale of change facing our industry can only be successfully delivered through genuine collaboration between Xoserve, our Customers, industry stakeholders, regulators and strategic partners. Today, that principle is more important than ever.

The gas industry is entering a period where several major transformation programmes are progressing simultaneously. Project Trident is moving from procurement into mobilisation and delivery preparation. Energy Code Reform continues to reshape industry governance arrangements. The future Gas Code Manager arrangements are becoming clearer. At the same time, we must prepare for the replacement of DSC+ and the evolution of Xoserve’s operating model to support a more complex, multi-supplier future. Individually, each of these initiatives is significant. Taken together, they represent the most substantial period of change for Xoserve and the wider gas industry.

As the Central Data Services Provider (CDSP), our responsibility is two-fold. We must continue to provide the reliable and trusted services that keep the gas market operating every day, whilst simultaneously enabling the transformation required for the future. Millions of consumers, hundreds of industry participants and critical national infrastructure depend on the services and data that we provide. Maintaining that stability while delivering change remains our highest priority.

Project Trident is central to our strategy. During the past year we have made significant progress through procurement, solution definition and market engagement activities. We have worked closely with Customers and potential partners to ensure the future UK Link platform will remain secure and supported, as well as provide the flexibility, resilience and agility required to support the energy market to at least 2040. The next phase of the programme will represent a major milestone as we mobilise our selected delivery partners and begin the transition towards implementation.

Alongside major system transformation, we continue to focus on improving existing services. Through the CDSP Service Enhancements Programme, Customer feedback is being translated into tangible improvements that address pain points, enhance user experience and strengthen the effectiveness of our services. We have heard clearly that Customers want us to combine operational excellence with innovation, and BP27 reflects that ambition.

We also continue to see growing opportunities arising from digitalisation, data stewardship and Artificial Intelligence. As custodians of one of the most important data estates in the energy sector, we have a responsibility to ensure data is governed, managed and utilised effectively. The investments proposed within BP27 will help prepare Xoserve and the wider industry for emerging data obligations while exploring how technology can create better outcomes for Customers and consumers.

Throughout this period, collaboration remains fundamental. I am grateful for the engagement, challenge and support that Customers and stakeholders have provided during the development of BP27. The quality of discussion during consultations, forums and workshops has helped shape this plan and reinforces the value of working together to solve shared challenges.

As we look ahead, transformation is no longer something we are preparing for; it is something we are actively delivering. BP27 sets out how we will continue to provide trusted and reliable core services, whilst investing in the capabilities, platforms and partnerships needed for the future. By transforming together, we can create a more resilient, efficient and future-ready gas market for Customers, stakeholders and consumers alike.

Executive Summary

The Xoserve 2027-30 Business Plan (BP27) sets out the required scope and budget for the provision of Central Data Services Provider (CDSP) services during the 2027-28 financial year. It also provides a forecast for the financial years 2028-29 and 2029-30.

This Business Plan describes how we will continue to procure, manage, deliver, enhance and assure the critical gas industry services which our Customers rely on to be able to securely and consistently operate in the market.

During BP27, Xoserve will continue to deliver safe, secure and reliable CDSP services whilst progressing several significant strategic initiatives. Core delivery activity will include sustaining and enhancing UK Link and Gemini, delivering industry-driven change through the General Change portfolio, and progressing Customer-led improvements through the CDSP Service Enhancements Programme.

Alongside operational delivery, BP27 will support major strategic activities including Project Trident mobilisation and procurement, Data Best Practice and Digitalisation Readiness, controlled adoption of Artificial Intelligence, development of enterprise architecture capability, and the design of the future Gas Code Manager operating model and organisational readiness activities.

Together, these activities will help ensure CDSP services remain resilient, compliant, Customer-focused and prepared for future industry, regulatory and digital transformation requirements.

Our Strategic Foundation

OUR VISION:

Delivering the gas industry's digital heartbeat, using data for consumer benefit and accelerating net zero progress

	TRUST	INNOVATE	DELIVER
Vision and Customer Commitment	Xoserve builds trust by strengthening Customer relationships, transparency, and accountability across the organisation. This is achieved through structured Customer engagement, clear communication, independent assurance, and strong governance led by the XLT. Dedicated roles such as Service Managers and Customer Engagement ensure consistent ownership, while improved access to expertise and open feedback channels reinforce confidence in both decision making and delivery.	Innovation is driven through strategic insight, transformation capability, and a forward-looking approach to technology, data, and the energy landscape. Functions such as Enterprise Architecture, Strategy Development, and the Finance & Transformation Directorate enable Xoserve to anticipate change, shape future solutions, and support new opportunities. Investment in skills, digitalisation, and decarbonisation ensures the organisation continues to evolve and adapt to emerging industry needs.	Delivery is enabled through a coordinated, structured, and accountable operating model that brings together people, processes, and partners. Strengthened commercial, financial, and transformation capabilities ensure effective prioritisation, governance, and execution of both BAU services and major change. Clear ownership, improved planning discipline and a focus on value for money underpin consistent, reliable delivery of outcomes for Customers.

	TRUST	INNOVATE	DELIVER
Core Service Delivery	Core Service Delivery builds trust by ensuring the safe, reliable, and consistent operation of critical CDSP services that the gas market depends on every day. Through a focus on stability, resilience, and transparent engagement with Customers, Xoserve demonstrates accountability while maintaining strong governance and responsiveness to operational and regulatory demand.	Innovation is embedded through the continuous improvement of core platforms and services, ensuring they evolve alongside changing market, regulatory, and Customer needs. By modernising systems such as UK Link and Gemini, reducing technical risk, and enabling more flexible approaches to change delivery, Xoserve creates a foundation that supports future capabilities and industry evolution.	Delivery is achieved by maintaining high performing, resilient services today while systematically enhancing them for the future. Through structured investment, proactive maintenance, and coordinated change delivery, Xoserve ensures that core platforms remain secure, compliant, and fit for purpose, enabling dependable day-to-day operations alongside the efficient implementation of ongoing Service Enhancements.
Strategic Delivery	Strategic Delivery builds trust by providing clear direction, governance, and oversight of complex, large-scale change across Xoserve and its partners. By strengthening commercial capability, establishing more robust multi-supplier arrangements, and ensuring alignment with regulatory priorities such as Code Reform, the organisation demonstrates control, transparency, and accountability in how major programmes are shaped and delivered.	Innovation is driven through the orchestration of transformation programmes that respond to evolving industry, regulatory, and market demands. By integrating strategic initiatives such as transformation partnerships, future service models, and emerging roles like Code Manager, Xoserve is positioning itself to enable new capabilities, embrace new technologies, and support the transition to a more dynamic, data-driven and sustainable energy system.	Delivery is achieved through a coordinated, portfolio-led approach that brings together commercial, technical, and operational change into a single, aligned roadmap. By strengthening governance, supplier management, and programme execution, Strategic Delivery ensures that complex initiatives, such as major system transformation and new market arrangements, are delivered in a controlled, sequenced, and outcome-focused way, balancing risk while enabling long-term value for Customers and the wider industry.

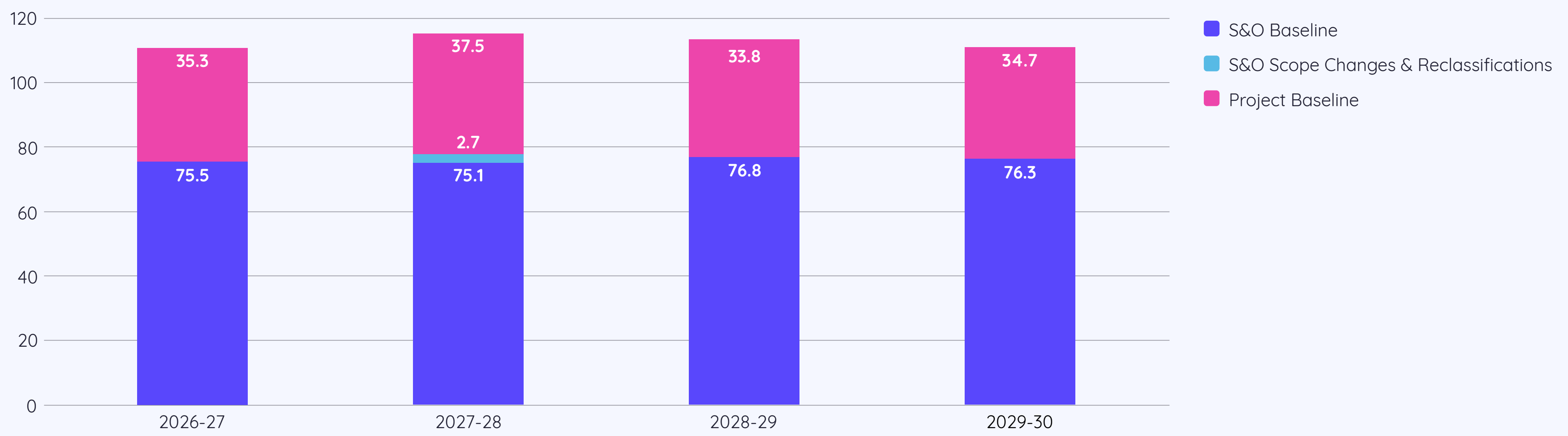
Budget and forecast

The proposed total budget to deliver CDSP services in 2027-28 is £115.3m. This is an increase of £4.5m from the 2026-27 budget, resulting in the net impact of a £2.35m increase in Service and Operate (S&O) costs and a £2.15m increase in investment costs.

This increase is slightly higher than the BP26 forecast of the 2027-28 budget but includes the new Project Juno investment proposal.

The budget is made up of £77.8m S&O and £37.5m proposed investment. The bar graph shows how total expenditure (Totex) is evolving (in 2026-27 prices) in comparison with the 2026-27 budget.

Totex Evolution £m (at 2026-27 prices)



Figures have been rounded to one decimal place.

Investment proposals

BP27 proposes a total investment of £37.5m.

These investments build on BP26 with the addition of one new investment, Project Juno, ensuring readiness for any future role within the new Code Manager framework. We expect BP27 Draft 2 to change more than previous years as more is understood about Code Manager, and the expected new investment needed by Xoserve to deliver against any data provision requirements to support RECCo's appointment of a new Gas Enquiry Service (GES) provider.

The table on the right presents the three-year budget with a high-level summary of each investment outlined on pages 10 and 11. Please use the link if you would like to review a more detailed summary of each investment proposal, which includes the scope and focus for BP27 alongside key success measures and targets.

Investment Proposal	2027-28 £m Budget	2028-29 £m Budget	2029-30 £m Budget
Project Trident Detailed Summary	£16.4m	£21.4m	£25.9m
UK Link Sustain Detailed Summary	£5.0m	£2.7m	£2.2m
Gemini Change Detailed Summary	£2.4m	£2.4m	£2.4m
General Change Detailed Summary	£3.6m	£3.0m	£3.0m
CDSP Service Enhancements Programme (CDSP SEP) Detailed Summary	£3.0m	£3.0m	n/a
CDSP Service Development Detailed Summary	£0.8m	£0.7m	£0.7m
DSC Contract Budget Detailed Summary	£0.4m	£0.4m	£0.4m
Project Juno Detailed Summary	£5.9m	n/a	n/a
Total	**£37.5m**	**£33.8m**	**£34.7m**

Figures have been rounded to one decimal place.

Project Trident

Project Trident will modernise the UK Link platform, ensuring it remains secure, supported and fit for purpose through to at least 2040. BP27 funding will support completion of procurement activity, mobilisation of the selected Core Services Partner and commencement of Design, Build, Test and Migrate (DBTM) activities. The programme will continue to follow HM Treasury Green Book principles and deliver a future-ready platform that balances resilience, flexibility and value for money for Customers.

UK Link Sustain

UK Link Sustain maintains the security, stability and performance of the current UK Link estate while preparing for its future replacement through Project Trident. Investment will ensure that critical components remain within vendor support, reduce technical and operational risk, and deliver essential upgrades and maintenance activities. The proposal enables reliable service delivery whilst supporting a smooth and cost-effective transition to the future platform.

Gemini Change

The Gemini Change investment ensures the platform remains secure, resilient and compliant with evolving market and regulatory requirements. Funding will support regulatory change delivery, ongoing sustainment and enhancement activity, and improved data provision capabilities. The investment will enable Gemini to continue supporting critical gas market processes while responding effectively to increasing volumes of industry change.

General Change

General Change provides funding for the design and delivery of changes to UK Link systems and processes resulting from industry Code Modifications and regulatory requirements. The budget supports three major UK Link releases each year, alongside ad hoc change activity, reporting enhancements and emerging industry requirements. It ensures the CDSP can respond efficiently to market change whilst maintaining compliance and service continuity.

CDSP Service Enhancements Programme

The CDSP Service Enhancements Programme (CDSP SEP) delivers Customer-led improvements across CDSP services by addressing validated service pain points and enhancing the overall Customer experience. Building on work undertaken through Enhanced Assurance and Customer engagement, the programme will deliver tactical improvements, progress functional enhancements and maintain extensive stakeholder collaboration, ensuring future service development remains aligned to Customer priorities.

CDSP Service Development

CDSP Service Development prepares Xoserve for future data, digitalisation and regulatory requirements. Investment will support readiness for Data Best Practice, digitalisation initiatives, improved data governance and data access processes.

It will also enable AI capabilities through targeted proof-of-concept (POC) development and support future open-data capabilities.

The proposal ensures Xoserve can respond proactively to industry transformation while strengthening the accessibility, governance and value of CDSP-held data.

DSC Contract Budget

The DSC Contract Budget provides a ring-fenced fund for ad hoc, non-technical assurance, contract management and governance activities requested by DSC Customers. It enables work to be delivered flexibly and efficiently throughout the year without relying on technical change budgets, ensuring appropriate governance and responsiveness to emerging Customer and industry requirements.

Project Juno

This investment supports activities that may be required as Ofgem progresses the Gas Code Manager licensing process. For business planning purposes, BP27 assumes a 1 April 2028 go-live date for the new Gas Code Manager arrangements. However, delivery remains dependent upon Ofgem's licensing assessment, minded-to decision, implementation timetable and broader industry decisions. As these dependencies mature, the scope, phasing, budget and charging allocation associated with Project Juno will be further developed and refined within future Business Plan iterations.

Transforming Together

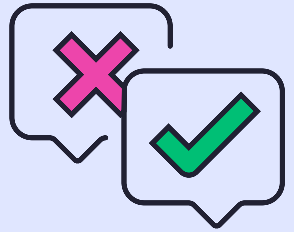
In the Final BP27 Statement of Planning Principles (SPP), we proposed a new Transforming Together investment to fund the design and implementation of Xoserve's future operating model, while preparing the organisation for DSC+ Replacement, Project Trident delivery, and an increasingly complex multi-supplier environment.

Following publication of the Final SPP, an internal review was undertaken to determine whether the objectives of the proposed investment could be achieved through existing BP27 investments or within S&O. The review concluded that the Transforming Together investment would not be progressed within BP27.

Instead, activities relating to the future operating model will be delivered through other investments and an enduring Enterprise Portfolio Office (PMO) function would be created and delivered through S&O. This is described in the S&O increases section within the Financial Summary.

This approach reduces potential duplication of investment and activity, improving the efficiency and value derived from existing programmes, and enables resources and expertise to be concentrated within established governance and delivery frameworks.

PROMPTING YOUR FEEDBACK



Delivering value for money (VfM) requires continued innovation. We aim to identify and act on opportunities to make CDSP Services, both current and future, more efficient and effective. The list of proposed investments in BP27 will enable a joined-up approach to maintaining and modernising critical IT platforms, developing our use of Artificial Intelligence, independently assessing VfM and collaborating with Customers to ensure our systems and processes remain compliant with industry and deliver outcomes that align with Customer and stakeholder priorities.

What additional investments should we be considering now, to ensure BP27 remains fit for the future?

Vision and Customer Commitment

BP27 is founded on Xoserve's vision of delivering the gas industry's digital heartbeat, using data for consumer benefit and accelerating net zero progress. To achieve this, Xoserve will continue to strengthen trust, drive innovation and deliver reliable outcomes through a more collaborative, transparent and Customer-focused approach.

Through BP27, Xoserve will focus on enhancing the way it engages with Customers, ensuring that industry priorities help shape both strategic direction and investment decisions. Through structured engagement, open communication, independent assurance and clear governance, we will provide greater transparency, accountability and confidence in our plans and delivery. Customer feedback will remain central to decision making, supported by a range of engagement channels, accessible information and opportunities to shape outcomes throughout the business planning cycle.

As the industry navigates significant change through initiatives such as Project Trident, Code Reform, DSC+ Replacement and wider digitalisation, Xoserve is continuing to evolve its capabilities, skills and operating model to meet future needs.

Investment in leadership, commercial capability, transformation management, enterprise architecture, data, digitalisation and emerging technologies will ensure the organisation remains well positioned to deliver both today's essential services and tomorrow's strategic change.

Underlying this approach is a commitment to building an organisation that is resilient, adaptable and aligned to Customer outcomes. By combining strong governance, effective financial stewardship, proactive stakeholder engagement and a coordinated approach to delivery, Xoserve aims to provide Customers with confidence that investments are prioritised appropriately, risks are managed effectively, and value for money is delivered across all areas of the business.

Together, these commitments will help ensure that Xoserve remains a trusted delivery partner for the gas industry, enabling successful transformation while maintaining the stability, reliability and performance of the critical services upon which Customers depend.

For further details on the teams and functions operating across Xoserve, please see pages 11 to 14 of the Final BP27 Statement of Planning Principles.

The Xoserve Team

In BP26 we presented the historic and end-of-current-period headcount, including a forecast for the BP26 period.

As Xoserve has evolved its operating model and increased capability requirements, with functions restructured and investment-funded capacity increased to deliver a broader portfolio of strategic transformation and change activity, the tables below present the headcount view from BP26 and for the BP27 period.

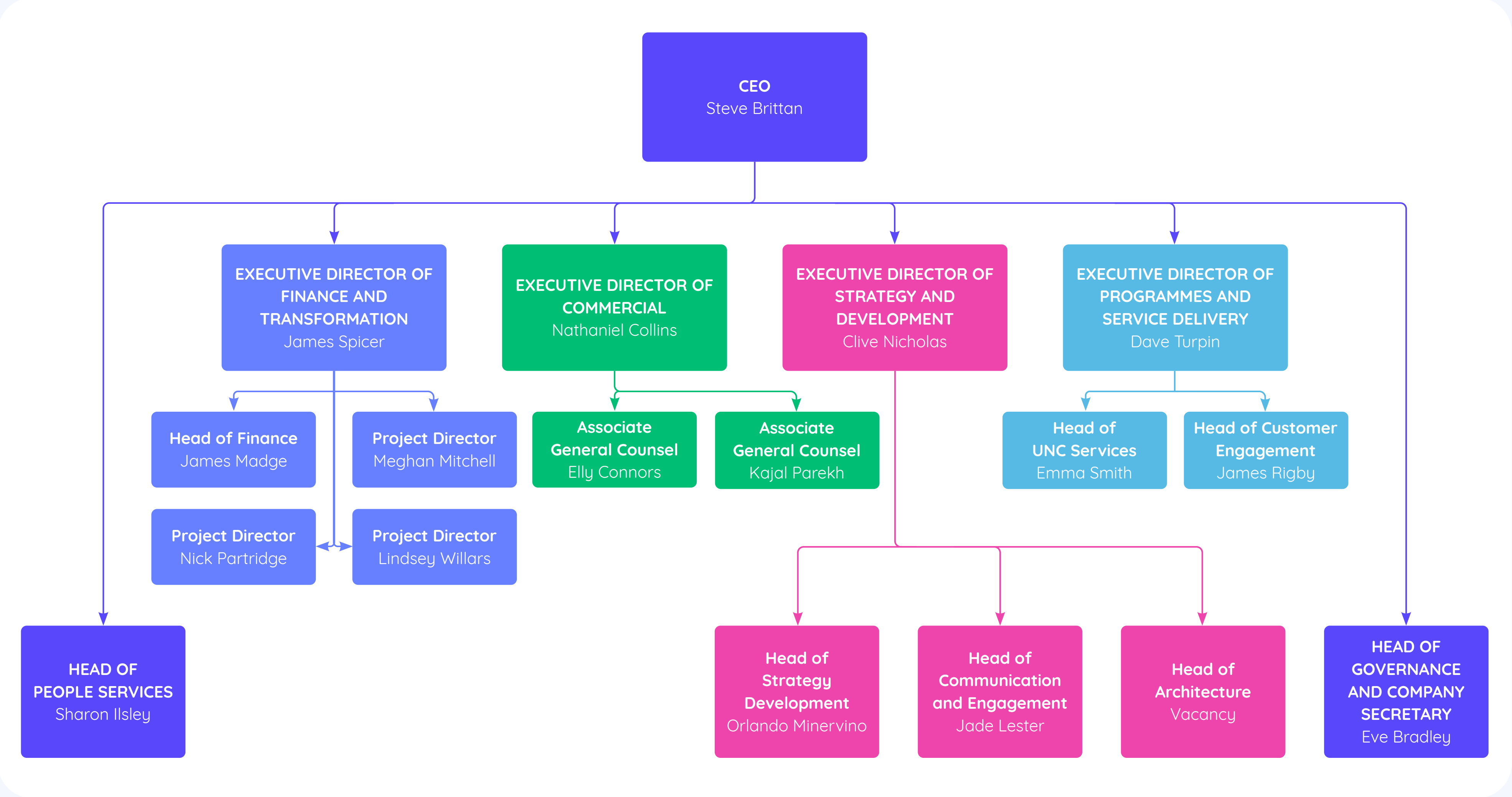
Xoserve Area (BP26)	2026-27	2027-28	2028-29
Executive Team	7	7	7
Finance & Shared Services	35	35	35
Programmes & Service Delivery	28	28	28
Strategy & Development	21	21	21
Investment-funded*	13	13	13
Total Headcount	**104**	**104**	**104**

Xoserve Area (BP27)	2027-28	2028-29	2029-30
Executive Team	7	7	7
CEO	10	10	10
Commercial	9	9	9
Finance & Transformation	10	10	10
Programmes & Service Delivery	24	24	24
Strategy & Development	12	12	12
Investment-funded*	61	61	61
Total Headcount	**133**	**133**	**133**

* Headcount funded from multi-year investment only.

Xoserve's approach in relation to recruiting multi-year investment resources is to maximise Value for Money. We do this by strengthening the team with permanent resources where appropriate. As such, we have included a view of the Investment-funded human resources. It should be noted however, that this doesn't preclude bringing in shorter-term resources if required or where more appropriate.

Xoserve XLT



Communication and Customer Engagement

"Trust is built through openness, consistency and action. Our commitment throughout BP27 is to provide clear, accessible information and demonstrate how Customer feedback directly influences the decisions we make and the plans we deliver."

Jade Lester, Head of Communications and Engagement

Our commitment to Customer engagement

Approach

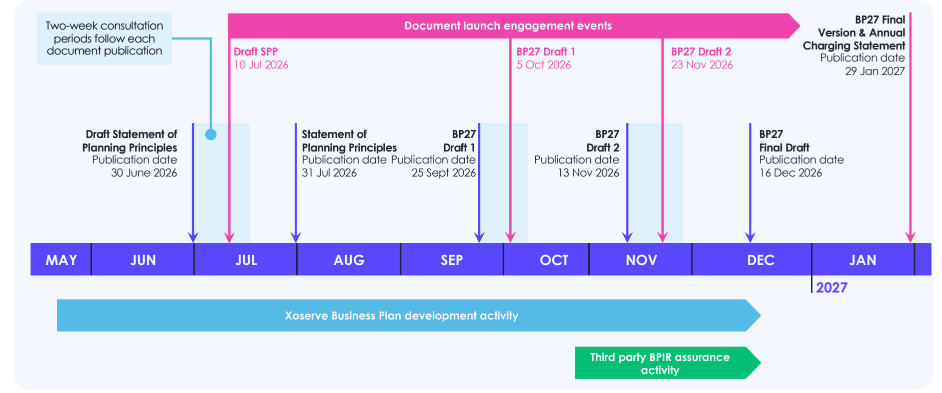
Effective engagement with Customers is fundamental to the successful development and delivery of BP27. Xoserve is committed to creating an open, transparent and collaborative planning process that enables Customers to meaningfully inform priorities, shape investment decisions and provide challenge throughout the business planning cycle.

Our approach is centred on building stronger relationships, improving accessibility to information and ensuring that Customer insight directly informs decision making. Through a combination of structured engagement, regular communications, targeted workshops, bilateral discussions and opportunities to engage with subject matter experts and senior leaders, we have created a more connected and inclusive planning process that supports informed participation and constructive dialogue.

Engagement so far

Development of BP27 has already been shaped through early engagement with Customers and stakeholders. During Xoserve's 2026 Stakeholder Engagement Day, discussions focused on the changing industry landscape, strategic priorities, transformation initiatives and emerging challenges facing the gas market. The event, held in June 2026, provided valuable insight into Customer expectations and future industry needs, helping to inform the development of BP27 and refine areas of strategic focus.

BP27 Milestone Plan



Following publication of the BP27 Draft Statement of Planning Principles (SPP) on 30 June, Customers were invited to provide feedback on Xoserve's proposed direction, investment priorities and ambition for the BP27 period. This engagement was supported by consultation activities and a dedicated webinar, which provided an overview of the proposed strategy and key investment themes. Feedback received to date has been constructive and supportive, highlighting opportunities to further strengthen areas such as innovation, future readiness, delivery confidence and the industry's ability to respond to emerging challenges. This feedback will continue to inform the development of BP27 as it progresses through subsequent draft iterations.

Our commitment

Transparency remains a key priority. We will continue to provide clear visibility of how Customer feedback is considered and reflected within Business Plan development, supported by accessible reporting, ongoing consultation activities and independent assurance.

Through mechanisms such as 'You Said, We Did' updates, consultation responses and engagement reporting, we aim to strengthen confidence that Customer views are actively shaping both the Business Plan and the decisions that sit behind it.

Following Customer feedback and to ensure transparency and fairness throughout the consultation process, Xoserve will publish a consolidated response to Business Plan consultation feedback rather than responding individually to each Customer submission. This approach enables us to consider all feedback collectively, identify common themes and areas of differing opinion, and provide a clear and consistent explanation of how Customer views have influenced the development of BP27. Where appropriate, we will highlight changes made in response to consultation feedback through our consultation response reporting and 'You Said, We Did' updates.

Throughout the BP27 cycle, we will seek to make engagement more effective and accessible by improving how information is presented, enhancing digital channels and ensuring Customers can readily access the expertise required to understand proposals, challenge assumptions and contribute to decision making. Our objective is to reduce complexity, improve understanding and support more effective engagement across all Customer groups.

By working closely with Customers throughout the planning and delivery lifecycle, Xoserve will continue to evolve its approach to engagement, ensuring that BP27 reflects shared priorities, supports informed investment decisions and delivers outcomes that provide value for Customers and the wider gas industry.

Third-party assessment of BPIR compliance

Independent assessment of our compliance with the BPIRs is an important aspect of the business planning process, because it gives confidence that individual rules are being satisfied. It also provides a metric through which to measure progress as we move through each draft iteration.

Over the last two business planning cycles (BP25 and BP26), independent assurance has been undertaken against all three draft iterations of the Business Plan. This assurance activity was delivered by the same provider that has supported the process since the introduction of UNC Modification 0841. However, in August 2026, the provider notified Xoserve that it would no longer offer this service for BP27.

In response, three options were considered for assurance of Draft 1 and presented at an extraordinary DSC Contract Management Committee on 26 August 2026:

- Do nothing and proceed without independent assurance for BP27 Draft 1
- Appoint an alternative third-party provider already engaged by Xoserve or
- Utilise Xoserve's Internal Audit function

In this extraordinary DSC Committee meeting, Xoserve's recommendation, to not undertake an independent assurance for the BP27 Draft 1 submission, was approved.

A competitive procurement process has been initiated to ensure the appointment of a suitably qualified independent assurance provider is in place for subsequent iterations of the BP27 Business Plan, with the Committee requesting Xoserve develop contingency plans should delays arise in the procurement process.

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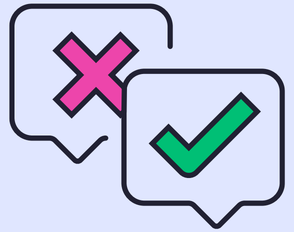


The development of the CDSP Business Plan for 2027-30 (BP27) will be based on interactive engagement with Customers. We know that building trust relies on repeated transparency, and so information in BP27 will be presented with compliance against the Business Plan Information Rules (BPIR) as its bedrock, and with articulation of value at its core.

What would give you greater confidence and assurance that BP27 will be delivered successfully?

Core Service Delivery

“Core Service Delivery is the foundation of everything we do. By maintaining resilient and trusted services today, while investing in the improvements needed for the future, we help ensure the industry remains reliable, secure, and fit for evolving needs.”

Dave Turpin, Executive Director of Programmes and Service Delivery

Core Service Delivery remains fundamental to Xoserve and the wider gas industry. In BP27, the focus extends beyond the provision of day-to-day services. Under the theme of ‘Transforming Together’, this Business Plan reflects a shared commitment between Xoserve and Customers to ensure that critical industry services remain stable, resilient and effective, whilst continuing to evolve in response to changing market, regulatory and Customer needs.

Investment enables the ongoing operation of the services that underpin the gas market, ensuring continuity, reliability and compliance across the industry. It supports the management of operational challenges, the maintenance of critical systems and processes, and the delivery of targeted improvements that enhance service performance and Customer outcomes.

As the industry continues its transformation journey, Core Service Delivery provides the foundation that allows change to be implemented safely and effectively. It ensures that essential services remain trusted and resilient today, while creating the capabilities and flexibility required to support the future direction of the gas industry.

Current performance

Current performance across existing DSC Key Performance Metrics and Performance Indicators (KPMs/PIs)

We measure our effectiveness in delivering CDSP services via 49 individual KPMs and PIs. In recognition of the criticality of the services we are responsible for, these targets are appropriately stretching. Many of the KPMs/PIs require flawless management of the 3.6 billion annual ‘process events’ that are critical to the smooth operation of the GB gas industry, including: consumer switching in central systems; processing of meter reads; updating asset information; calculating Annual Quantity; responding to and resolving Customer contacts/queries/tickets; forecasting Non-Daily Metered consumption and processing daily meter reads; invoicing; balancing; and General Change delivery.

Performance against the KPMs and PIs is robust, with outcomes being maintained and critical systems available. We expect performance and operational workloads to remain consistent through 2027-28. A detailed performance and workload forecast is available in the Current Performance and Outputs sections in the Annexe and can be found on our dedicated online portal.

CDSP Service Enhancements Programme

> "Expectation from Customers and stakeholders continues to evolve, and the CDSP Service Enhancements Programme ensures that we respond with pace, purpose, and collaboration. Through direct engagement with Customers and industry stakeholders, we are targeting the issues that matter most, delivering measurable service improvements in the near term while informing the longer-term transformation of the CDSP. This programme demonstrates how Customer insight is shaping both today's priorities and tomorrow's solutions."
>
> **James Rigby,** Head of Customer Engagement

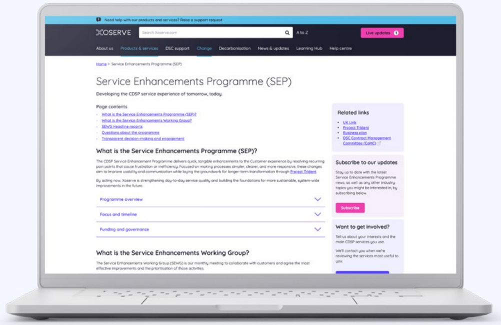
Investment Overview

The CDSP Service Enhancements Programme (CDSP SEP) mobilised in April 2026 following extensive Customer engagement during 2025-26, including dedicated workshops that enabled us to capture and validate Customer pain points with existing central service provision. Following Customer consultation, we merged this programme with the ongoing Enhanced Assurance activity. This created efficiencies through better use of existing resources and strengthens outcomes by ensuring solutions are developed to address both Customer pain points and assurance findings.

The CDSP SEP will ensure that the CDSP can continue to systematically deliver high-priority improvements ahead of longer-term programmes, while maintaining strong governance, Customer alignment, and value for money.

Progress to Date

- Rounds of funding approval secured/planned (from draw down budget) at March 2026 and September 2026 Contract Management Committee (CoMC) meetings
- Resource onboarding and solution design activity to address pain points sequentially in progress
- Service Enhancements Working Group (SEWG) initiated, and pain point prioritisation workshops completed with Customer input
- Delivery of first phase of Near-Term Improvements (NTIs) to address the highest priority pain points, as agreed with Customers via dedicated programme engagement
- Solutions agreed through programmatic prioritisation of enhancing BAU activities
- Dedicated webpage launched to track programme progress and access key documentation



BP27 Scope

The ongoing improvement activities identified under the CDSP SEP include:

- Enhanced Assurance activity, delivering improvements that strengthen confidence in CDSP services, including implementation of Performance Assurance Committee (PAC) Audit recommendations and targeted assurance initiatives that seek to identify, prevent or resolve defects earlier in the software delivery lifecycle
- Accelerating delivery of high-value service enhancements, bringing forward opportunities identified through UK Link pain point analysis to enhance the Customer experience

BP27 Focus

The CDSP SEP will continue to deliver solutions to Customer pain points across the Near-Term Improvements (NTI), Functional Change and Data Discovery Platform (DDP) workstreams.

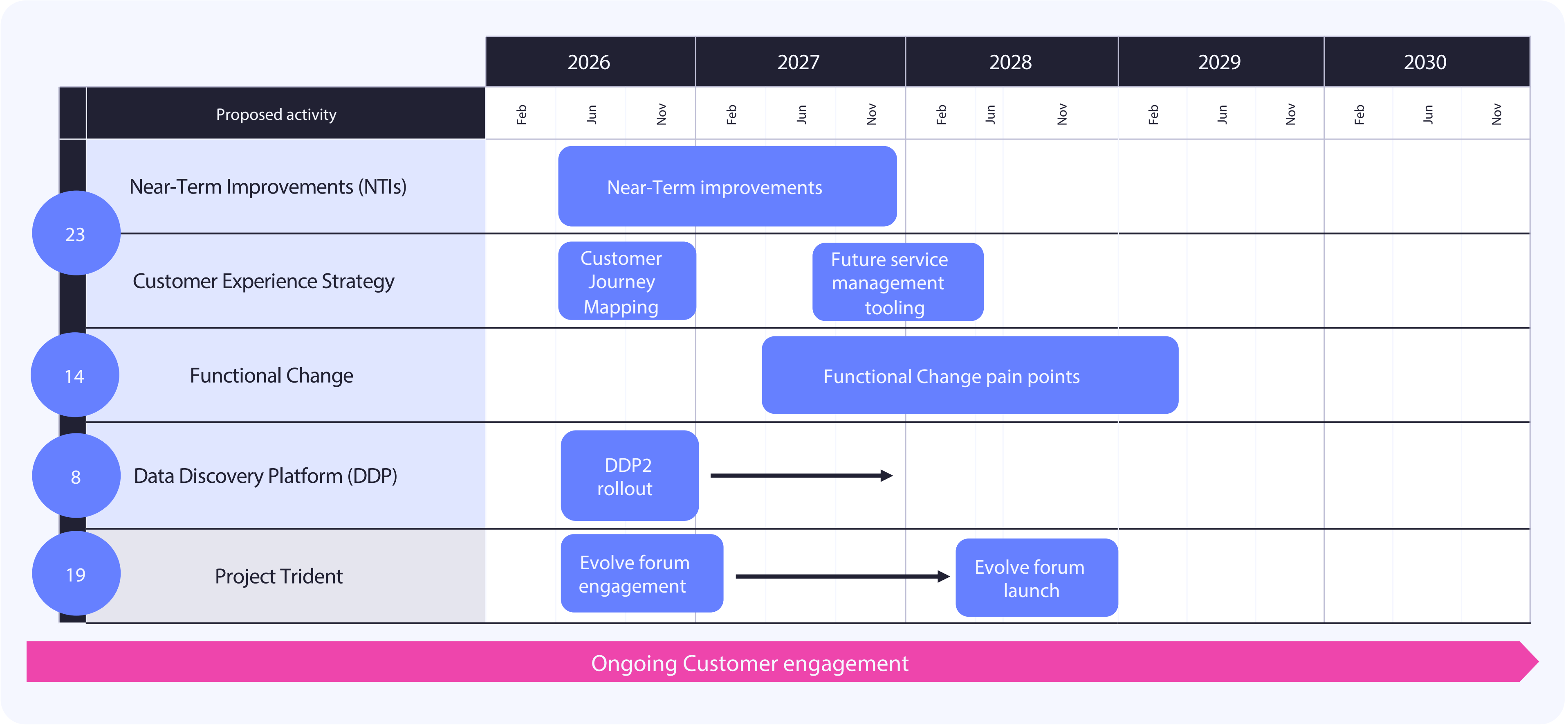
- The **NTI workstream** focuses on tactical improvements that do not require Customer system changes, and is expected to complete by November 2027
- Through the **Functional Change workstream**, and in line with the BP26 forecast, the programme will also develop solutions for Functional Change pain points. Where industry code Modifications are required, changes will progress through existing governance and funding routes; otherwise, solutions will be delivered directly through the programme
- The **DDP workstream** will focus on the remaining DDP-related pain points, following the rollout of DDP2 in June 2026. Pain points will be assessed, prioritised and delivered alongside the existing DDP pipeline of enhancements
- **The Customer Experience Strategy workstream** is already underway, using Customer Journey Mapping to better understand user experiences and inform future enhancements to Service Management tooling. Unlike NTIs, this work is focused on delivering longer-term Customer benefits

Through established, Customer-approved governance, the Service Enhancements Working Group (SEWG) and relevant DSC Committees will prioritise pain points and determine delivery sequencing.

The following diagram shows how the Service Enhancements Programme will progress the development of solutions for majority of pain points across Near-Term Improvements, Customer Experience Strategy, Functional Change and DDP workstreams.

Project Trident aligned UK Link pain points and Customer priorities will be considered during the Evolve stage of Project Trident. Remaining pain points will be addressed through BAU activity.

Pain point plan



BP27 Success Measures and Targets

Success Measure	Baseline Performance	BP27 Target
Near-Term Improvements (NTIs) – delivery of enhancements	Phased approach to delivery based on ongoing prioritisation of pain points backlog	Near-Term Improvements (NTIs) – delivery of all NTIs allocated to this workstream by November 2027
Functional Change Pain Points – delivery of enhancements	No Functional Change pain points addressed in programme to date	Functional Change Pain Points – completion of all pain points allocated to this workstream by March 2029. Specific BP27 targets to be defined through later iterations of the Business Plan
Enhance requirements traceability from UNC through to system implementation	No Meter Read Validation UNC Traceability in place	Meter Read Validation UNC Traceability – by March 2028 (Indicative longer-term target of full UNC Traceability – by March 2029)

Proposed Budget and Cost Share

For this investment we propose a total investment of £3m, which is an increase of £0.5m against BP26 Y2 forecast. This is made up of:

- In line with our BP26 forecast, £2.5m investment for the delivery of NTIs and Functional Changes that resolve pain points across 2027-28 and forecast a further investment of £2.5m in 2028-29. This will fund programme and delivery resources and drive the coordination, design and delivery of incremental service enhancements that have been prioritised by Customers
- As recommended by PAC in its audit of CDSP services, and to provide greater transparency of how CDSP systems operate and will make delivery of future changes more efficient in both cost and time, we are proposing an additional investment of £0.5m in financial years 2027-28 and 2028-29

It is proposed that the budget will be shared between all DSC Constituencies based on the DSC Change element of the General Change investment, which utilises the historic usage of the General Change Budget as its basis for budget share. As with General Change, actual cost share will be determined and approved by Customers incrementally and will be based on the delivery of any given enhancement. Other ways to share costs (e.g. using the 'common funding' split from the Budget and Charging Methodology or 'number of pain points per constituency') have been considered and discounted at this stage, although we welcome feedback on this as part of Draft 1 consultation.

	Shipper	National Gas	Distribution Network	Independent Gas Transporter
Proposed Share %	57.7%	2.1%	34.8%	5.4%
Proposed Share £m	£1.73m	£0.06m	£1.04m	£0.16m

Proposed Share £m figures have been rounded to two decimal places.

Impact on S&O Costs

As solutions to pain points are progressed, requirements for additional resources may be identified. In this case the related costs will be detailed in incremental Business Cases presented to the relevant DSC Committee.

Assessment of Budget Allocation Presented in BP26 vs BP27

Business Plan	2026-27 £m Budget	2027-28 £m Budget	2028-29 £m Budget	2029-30 £m Budget
BP26	£2.0	£2.5	£2.5	
BP27		£3.0	£3.0	

Figures have been rounded to one decimal place.

The full investment proposal can be found here.

“In BP27, we will continue to provide the reliable, secure and resilient platforms and change services that our Customers depend on every day. Through targeted investment in UK Link and Gemini, flexible and responsive change capability, and the delivery of Customer-led Service Enhancements, we will support evolving industry and regulatory requirements while continually improving the user experience, service quality and value delivered to Customers.”

Emma Smith, Head of UNC Services

UK Link Sustain

“This next investment into the UK Link estate continues on the proactive approach to the maintenance needs of the existing architecture we established last year. With our Customers operations at the heart of our decisions and planning, we look forward to delivering another of year of sustain and maintenance activity which continues to provide the high standard of service enjoyed today.”

Andy Morrey, Interim Enterprise Architect

Investment Overview

UK Link is the digital backbone of the UK gas market, underpinning Xoserve’s role as Central Data Services Provider (CDSP). It remains a critical component in the gas industry landscape as it has done since its initial implementation in 1996.

As the platform has matured, continued investment has been required to maintain security, stability, performance, and vendor support across a complex estate of applications, databases, operating systems, infrastructure, and supporting technologies.

Whilst Project Trident will ultimately replace the core systems of UK Link, the current platform must continue to operate reliably throughout the transition period.

The UK Link Sustain investment was established to provide essential maintenance and ongoing technology upgrades. It also funds security enhancements, cyberattack countermeasures, performance improvements, and lifecycle management activities across the platform.

These activities are delivered proactively to maintain operational resilience and ensure the technology remains secure, reliable, and fit for purpose. This approach reduces the risk of service disruption, security vulnerabilities, component failure, and stranded technology operational costs.

Progress to Date

Over previous business planning periods, the UK Link Sustain programme has successfully delivered a series of maintenance, security, infrastructure, and technology lifecycle management activities that have ensured the continued stability and vendor support of the UK Link estate. Regular application and technology reviews have been undertaken to identify components approaching end-of-life or end-of-support, enabling proactive upgrade and replacement planning. Investment has supported application upgrades, operating system and database maintenance, cloud infrastructure improvements, security enhancements, and the removal of ageing technology. These activities have helped keep critical components within vendor support, reduced operational risk, maintained service performance, and ensured UK Link continues to meet its obligations as the backbone of CDSP service provision.

BP27 Scope

The BP27 investment is split across three key areas of activity. These are:

1. Sustainment and rationalisation of UK Link components
2. Infrastructure
3. Security

As ever, the scope is delivered through three key workstreams:

- **Essential Maintenance:** Upgrades and maintenance activities across applications, operating systems, databases, frameworks, and technology components to retain vendor support and address security vulnerabilities
- **Sustain:** Strategic decisions regarding the sustainment, upgrade, replacement, or extension of key UK Link components. This approach aligns technology investments with the long-term architectural vision, reduces regret spend, and increases stability between Essential Maintenance cycles
- **Service Essentials:** Operational improvements including the decommissioning of legacy solutions, network improvements, operational archiving, optimisation and rationalisation

BP27 Focus

During BP27, there will be significant focus on multiple areas to ensure the UK Link estate remains stable, performant, secure, and within support. Alignment with Project Trident will be practical and this will be the first business planning year of such activity where opportunities are taken to rationalise and prepare for Trident delivery ahead of time.

The routine activities include the ongoing upgrades to the SAP estate, MarketFlow, operating systems, databases and network security. However, there are some key activities that differ from the norm which cover the replacement/rationalisation of ageing technologies such as MOVEit, and EFT. Their replacements will be strategic in nature and pave the way for Trident.

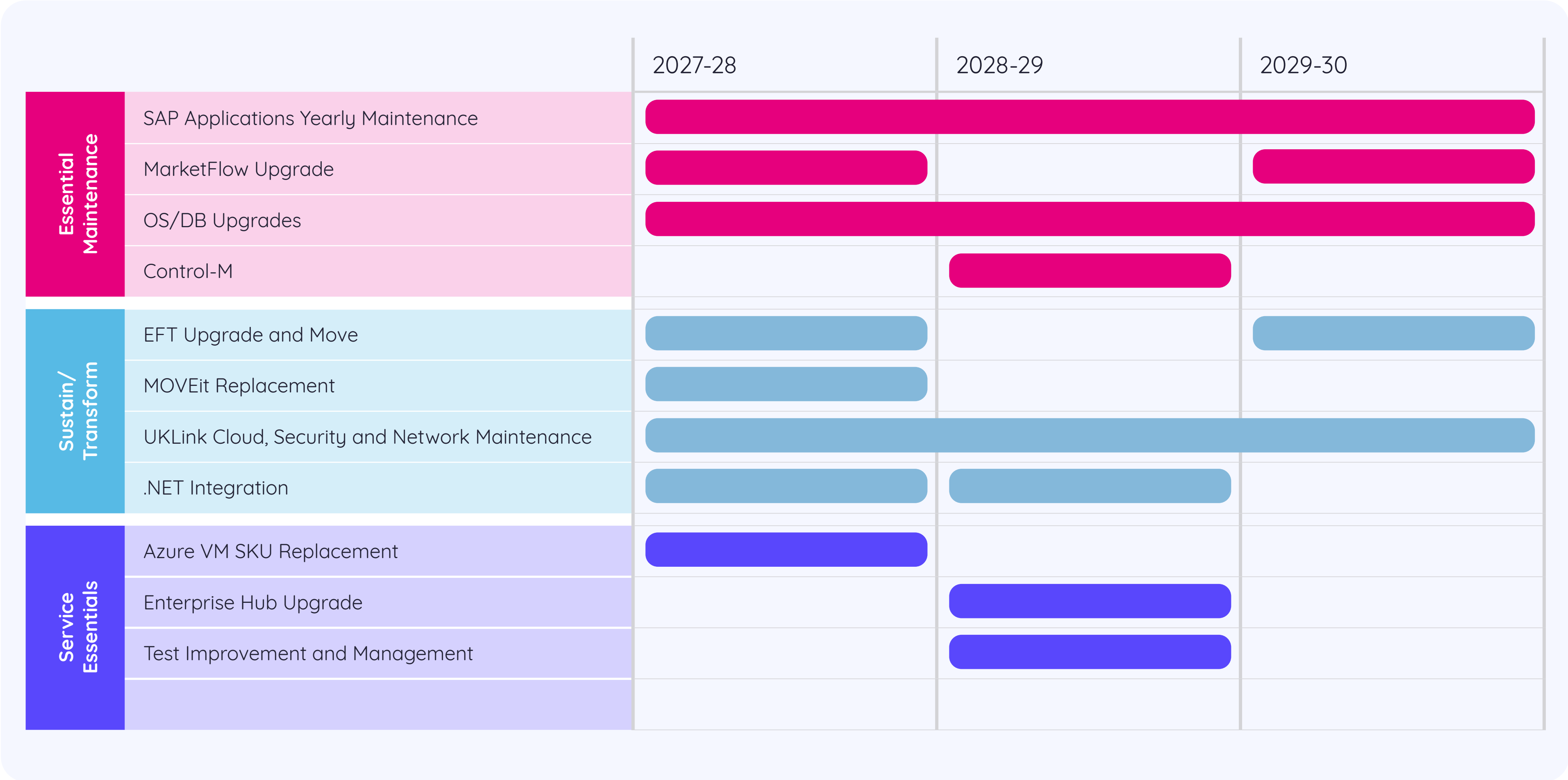
Other notable activity includes the modernisation of our cloud infrastructure where the ageing Azure Virtual Machines (VMs) will be replaced with larger capacity and more performant machines to accommodate additional class 3 reads and future data growth. This has been driven by Microsoft's plan to retire our existing infrastructure, and industry changes.

To assist with data growth and the future demand on processing, another key piece of work in BP27-28 will be the reworking of existing data archiving and retention processes and systematic routines, ensuring the most efficient use of data storage. This work will also impact the data migration activity for Trident, reducing the sheer volume of data required for migration, and potentially reducing the infrastructure specification required to run Trident.

An increased budget for security in BP27-28 will deliver the continuous network and cyber security activities required to ensure the relevant countermeasures, monitoring and reporting remain in place and up to date.

The overall objective for 2027-28 is to ensure UK Link remains resilient, performant, secure and fully supported while establishing the foundations for a smoother and more efficient transition to the next-generation platform.

BP 2027-30 High Level Roadmap



BP27 Success Measures and Targets

Success Measure	Baseline Performance	BP27 Target
UK Link service availability	Current UK Link service operating within existing CDSP service levels and KPM/PIs	Maintain or exceed current CDSP service performance and availability throughout BP27 delivery
Vendor-supported estate	Multiple UK Link components currently approaching or reaching end-of-support windows	100% of in-scope UK Link components remain within vendor support throughout BP27
Security compliance	Current security posture maintained through ongoing patching and controls	Deliver all planned security patches, OS/framework upgrades and network/security enhancements on schedule
Estate rationalisation	Existing estate contains ageing technology, legacy components, multiple hosting environments and duplicated capabilities	Deliver identified rationalisation activities and reduce legacy infrastructure footprint ahead of Project Trident
Project Trident readiness	UK Link estate misaligned with Project Trident Day 1 architecture	Complete all BP27 sustain activities required to support Project Trident Day 1 architecture and migration planning
Critical component upgrades	Several major components require upgrades (SAP, MarketFlow, OS/DB, .NET, Azure SKUs, IDAM etc.)	100% delivery of approved upgrade and lifecycle-management scope

Proposed Budget and Cost Share

The total budget for the UK Link Sustain Investment Proposal is £5.0m and proposes that the 'common funding' split between parties is adopted to reflect the expected shared benefit.

	Shipper	National Gas	Distribution Network	Independent Gas Transporter
Proposed Share %	51.54%	5.90%	41.23%	1.33%
Proposed Share £m	£2.58m	£0.30m	£2.06m	£0.07m

Figures have been rounded to two decimal places.

Assessment of Budget Allocation Presented in BP26 vs BP27

Business Plan	2026-27 £m Budget	2027-28 £m Budget	2028-29 £m Budget	2029-30 £m Budget
BP26	£5.1	£4.1	£2.6	
BP27		£5.0	£2.7	£2.2

Figures have been rounded to one decimal place.

The change in budget for BP27 vs that forecast last year is due to two specific projects for delivery in BP27:

A decision has been taken to refresh the Azure VMs across the estate where Microsoft has provided an End-of-Life date impacting our technology infrastructure. Whilst this could be delivered in BP28, that would add risk and undue pressure onto delivery teams with tight timescales in play to ensure the CDSP estate would not be compromised. Additionally, replacing infrastructure across the estate during a period when Project Trident resource demand could be high is another risk this project delivery is looking to mitigate.

With EFT now a stranded asset, S&O costs increasing for its hosting and our Hosting Strategy leaning heavily into Microsoft Azure, it makes sense to review EFT as a component in BP27 and decide whether a move to our Azure tenancy is sufficient or whether now would be the time to replace EFT, combining MOVEit with a modern single MFT component. As a minimum, EFT upgrades are regular within the estate and a move to our Azure tenancy would still require the upgrade to be completed. The main driver behind this project delivery is EFT's stranded nature and the increasing S&O costs.

The full investment proposal can be found here.

General Change

"Customer priorities, industry change, and regulatory requirements do not stand still, and neither can we. Our General Change capability allows us to respond to emerging needs at pace, ensuring that the CDSP remains fit for purpose while continuing to deliver value for Customers. Through collaborative engagement and robust governance, we can shape and implement changes that support both today's operational needs and tomorrow's market requirements."

Karen Gray, DSC Portfolio Release Manager

Investment Overview

General Change represents our structured approach to designing and delivering system and process changes to UK Link in response to industry Code Modifications. As Modifications progress through governance and reach sufficient maturity, activities such as requirements definition, solution design, and release scoping are developed and approved through the appropriate DSC governance forums.

This capability enables the delivery of both planned, release-based changes and more flexible in-year activity, supporting ongoing compliance, adaptability, and service improvement. It ensures that UK Link continues to meet evolving regulatory requirements while also enabling enhancements to reporting, data, and operational processes.

Progress to Date

We have successfully delivered one Major Release and one Minor Release to date.

The June 2026 Major Release, implemented on 26 June 2026, comprised the following changes:

- XRN 5702 – Update to assess the replacement of Facsimile as a form of communication
- XRN 5805 – Alternative Solution to address instances where VBA macros are present in DN Templates

The August 2026 Minor Release (Release 16), implemented on 21 August 2026, comprised the following change:

- XRN 6081.A – Fix Historic NDM Check to Check Reconciliation Periods – Tactical Solution

Delivery activity continues in line with the BP26 roadmap, with development and preparation underway for the November 2026 and February 2027 Major Releases, together with Minor Releases 17 and 18.

These releases will continue to support the delivery of planned industry and regulatory change throughout the remainder of the BP26 period.

BP27 Scope

General Change Investment Overview

The General Change Investment provides pre-approved funding to ensure regulatory, industry, and Customer-driven changes can be developed and delivered efficiently throughout the year. This avoids delays associated with securing individual approvals for each change, provides more predictable charging for Customers, and enables the CDSP to respond quickly to emerging market requirements.

For BP27, investment is focused on four key areas:

1. DSC Change Budget

This budget supports the delivery of changes required across the Data Services Contract (DSC) landscape, including:

- Operating the Change Development 'design factory' model to assess, design and progress new industry changes
- Enhancing Performance Assurance Committee (PAC) reporting and associated governance capabilities
- Providing funding for incremental enhancements and delivery of approved changes into the UK Link estate

Key change types: UNC Modifications, operational improvements, reporting enhancements, and UK Link system changes.

Note: £110k previously allocated for AUGE Value Add Activities has been transferred into the DSC Contract Budget investment proposal.

2. Retail Energy Code (REC) Change Budget

This budget supports REC-related obligations and activities, funding:

- Impact assessments and associated REC services
- Timely assessment and implementation planning for cross-industry regulatory changes

Key change types: REC assessments, regulatory compliance changes, and cross-code industry impacts.

3. Data Discovery Platform (DDP) Core Delivery

This budget includes funding uplift to accommodate CPIH inflation and enables continued investment in the Data Discovery Platform to:

- Improve Customer access to data and insights
- Enhance self-service data capabilities
- Deliver improved reporting, analytics and actionable market insights

Key change types: Data products, reporting enhancements, analytics capabilities, and Customer self-service functionality.

4. NESO Reporting

Both NESO and the DNs have licence obligations to support Regional Energy Strategic Planning (RESP). The DNs are required to support NESO with any RESP-related data requests. To create efficiency within the industry, rather than each of the DNs responding individually to RESP-related data requests from NESO, the DNs have opted to fund Xoserve to manage these requests and deliver the required data on their behalf. This investment budget will only be used for NESO reporting requests that relate to RESP and will solely be funded by the DNs.

This requirement is included as an item within the General Change Investment for BP27 Draft 1, however, subject to further discussions by the DN constituents, this may move under a separate Service Line in later BP27 iterations.

Together, these investments ensure Xoserve can continue to deliver a steady pipeline of regulatory compliance, industry change, operational improvements, and data innovation while maintaining predictable costs, governance assurance, and service reliability for Customers.

BP27 Success Measures and Targets

Success Measure	Baseline Performance	BP27 Target
Regulatory compliance delivery	100% of mandated regulatory changes delivered within agreed implementation timescales	100% of mandated regulatory changes delivered within agreed implementation timescales
DDP continuous improvement	DDP2 implemented	Deliver agreed DDP backlog for BP27 through annual core delivery funding and prioritisation process
Customer charging stability	Existing annual drawdown model provides predictable charging and rebates of unused funds	No in-year funding requests required for approved change activity; annual reconciliation and rebate process maintained

Proposed Budget and Cost Share

We propose a total budget of £3.61m. Cost share between constituencies is based on the scope as presented in the 4 tables:

General Change DSC	Shipper	National Gas	Distribution Network	Independent Gas Transporter
Proposed Share %	57.7%	2.1%	34.8%	5.4%
Proposed Share £m	£1.58	£0.06	£0.95	£0.15

General Change DDP	Shipper	National Gas	Distribution Network	Independent Gas Transporter
Proposed Share %	50.0%	0%	41.7%	8.3%
Proposed Share £m	£0.21	£0	£0.18	£0.03

General Change REC	Shipper	National Gas	Distribution Network	Independent Gas Transporter
Proposed Share %	59.0%	0%	35.5%	5.5%
Proposed Share £m	£0.21	£0	£0.12	£0.02

NESO Reporting	Shipper	National Gas	Distribution Network	Independent Gas Transporter
Proposed Share %	0%	0%	100%	0%
Proposed Share £m	£0	£0	£0.10	£0

Proposed £m figures have been rounded to two decimal places.

Assessment of Budget Allocation Presented in BP26 vs BP27

Business Plan	2026-27 £m Budget	2027-28 £m Budget	2028-29 £m Budget	2029-30 £m Budget
BP26	£3.1	£3.1	£3.1	
BP27		£3.6	£3.1	£3.1

Figures have been rounded to one decimal place.

The General Change budget has increased by £0.51m due to:

- An additional £0.5m allocated to the DSC General Change budget line for Modification 0914S – Refining the Class 3 EUC1 read submission rules introduced through Modification 0700. Pending discussions with Customers, this budget may change or the Modification may be removed
- An additional £100,000 for NESO reporting to support RESP
- A reduction of £110,000 for AUGE Value Add Activities. This has been redistributed from the DSC General Change budget into the DSC Contract Budget investment.

The full investment proposal can be found here.

Gemini Change

"Gemini Change plays a vital role in maintaining the safe and efficient operation of the gas market. Through BP27, we will continue to strengthen platform resilience, deliver industry-led change and improve data capabilities, ensuring Gemini remains a trusted and effective service as the industry navigates an increasingly complex transformation landscape."

Simon Harris, Gemini Service Manager

Investment Overview

Gemini was originally established as the critical market platform supporting key gas market processes across the National Transmission System (NTS). Since its introduction, Gemini has become a core industry asset, providing essential services to National Gas, market participants, and interconnected industry systems.

As regulatory obligations, industry codes, Customer expectations, and data requirements have evolved, the need for ongoing Gemini Change investment has become increasingly important. Historically, this has been managed through a standing drawdown budget, recognising that the majority of Gemini Change requirements cannot be fully defined at the start of a business planning cycle. The investment is therefore required to ensure Gemini remains compliant with regulatory obligations, maintains operational resilience and performance, and can respond efficiently to both known and emerging industry demands without introducing delays through ad hoc funding approvals.

Progress to Date

Over successive business planning periods, the Gemini investment model has successfully enabled the delivery of regulatory changes, system enhancements, and maintenance activities that support the continued operation of the platform. Funding has been used to deliver code Modification changes, sustain and improve system performance, support evolving data provision requirements, and maintain platform security and resilience.

The Gemini Sustain programme has also identified a pipeline of opportunities that were not included within the initial upgrade programme and continue to be assessed for delivery. Governance processes, drawdown controls, and established change management arrangements have matured to ensure that investment funding is deployed only where there is clear stakeholder agreement and demonstrable business value. Previous years have seen increasing levels of change activity and budget utilisation, reflecting the growing demand for Gemini-related change across the industry.

BP27 Scope

The BP27 investment will provide a standing budget to support change delivery across three key areas. Firstly, **Regulatory Change** funding will enable Gemini to implement code Modifications and maintain compliance with evolving industry obligations. Secondly, **Maintain and Enhance** funding will support ongoing system maintenance, resilience improvements, security updates, performance optimisation, and delivery of prioritised opportunities from the Gemini Sustain pipeline. Finally, **Data Provision** funding will support market-driven initiatives that improve the availability, accessibility, and quality of data consumed by Customers and industry stakeholders. Collectively, the investment provides the flexibility required to respond to both anticipated and emerging change demands while ensuring effective governance and value for money.

BP27 Focus

During BP27, the primary focus will be maintaining Gemini's ability to respond quickly and effectively to regulatory and Customer-driven change demands. The largest proportion of the investment will support anticipated regulatory change activity, ensuring compliance with code Modifications and industry obligations. Alongside this, targeted investment will be used to enhance system performance, improve resilience and security, and progress opportunities identified through the Gemini Sustain programme. Increasing emphasis will also be placed on data provision initiatives, enabling better access to timely and accurate market information.

BP27 Success Measures and Targets

Success Measure	Baseline Performance	BP27 Target
Regulatory change delivered to required industry timescales	100% of approved regulatory changes delivered within mandated implementation timescales	100% of approved regulatory changes delivered within mandated implementation timescales
Delivery of approved change portfolio	≥90% of approved annual change portfolio delivered within agreed scope, cost and schedule	≥90% of approved annual change portfolio delivered within agreed scope, cost and schedule
Compliance with DSC/GOA governance processes	Existing governance and assurance processes in place for all drawdowns	100% of spend supported through approved governance and auditable drawdown controls
Budget utilisation effectiveness	Historic Gemini budgets utilised through annual drawdown arrangements	100% of any spend and underspend transparently reported to National Gas

Proposed Budget and Cost Share

The total proposed investment is £2.4m and will be solely funded by National Gas Transmission.

	Shipper	National Gas	Distribution Network	Independent Gas Transporter
Proposed Share %	0%	100%	0%	0%
Proposed Share £m	£0	£2.4m	£0	£0

Figures have been rounded to one decimal place.

Assessment of Budget Allocation Presented in BP26 vs BP27

Business Plan	2026-27 £m Budget	2027-28 £m Budget	2028-29 £m Budget	2029-30 £m Budget
BP26	£2.2	£2.4	£2.4	
BP27		£2.4	£2.4	£2.4

Figures have been rounded to one decimal place.

The full investment proposal can be found here.

DSC Contract Budget

"By providing a dedicated funding mechanism for emerging requirements, we can respond more efficiently to Customer needs while maintaining accountability and value for money."

Jayne McGlone, Service Manager – UNC Code Manager Services

Investment Overview

The DSC Contract Budget was first introduced as part of the BP26 business planning cycle following a recognised gap in the existing funding framework. The DSC Contract Management Committee (CoMC) identified that there was no dedicated mechanism to fund contract-related activities that emerged outside of the annual planning process or fell beyond the scope of the established General Change budget. As a result, important activities such as independent assurance reviews, audit-related work and committee-driven initiatives had to rely on reactive funding arrangements, creating delivery delays, administrative inefficiencies and uncertainty for Customers.

The investment was established to provide a flexible, ring-fenced funding mechanism that allows CoMC to respond proactively to emerging requirements while maintaining appropriate governance and control. The introduction of the budget improved the ability to plan and deliver contract-related activities, reduced reliance on ad hoc funding requests and provided greater transparency over how costs are managed and recovered from Customers. The investment also supports activities where scope and timing cannot be fully determined during the business planning cycle, but where historical experience demonstrates a recurring need.

Progress to Date

Since its introduction in BP26, the DSC Contract Budget has established the governance, approval and drawdown mechanisms required to support contract-related activities in a controlled and transparent manner. The budget has enabled CoMC to consider and progress activities that would otherwise have struggled to secure funding through traditional business planning routes.

During BP26, the budget has been used to support emerging requirements including audit preparation activity associated with the implementation of Modification 0911S and pre-procurement activities relating to UNC Modification 929R concerning the consideration of an Independent Gas Quality Expert. In parallel, experience gained through operating the budget has demonstrated the value of a dedicated funding mechanism, providing greater flexibility, improved oversight and the ability to react more rapidly to Customer and industry requirements.

It has also highlighted opportunities to improve efficiency further. In particular, lessons learned from managing AUGE Value Add Activities through separate governance routes have informed proposals to consolidate funding arrangements, streamline decision making and reduce administrative overheads.

BP27 Scope

The BP27 investment seeks to continue and enhance the DSC Contract Budget by providing a dedicated annual budget to support contract-related activities across the business planning period. The budget will operate through an established drawdown model, ensuring that expenditure only occurs when activities have been approved through the appropriate governance processes.

The scope of the investment includes supporting planned, emerging and unforeseen contract-related activities, including legal support, independent assurance work, audit activity, pre-procurement support and other Committee-sponsored initiatives. A key element of the BP27 proposal is the inclusion of AUGE Value Add Activities within the DSC Contract Budget. This will consolidate previously fragmented funding arrangements into a single governance and funding framework, improving transparency, reducing complexity and enabling more efficient decision making.

The investment is designed to provide Customers with greater cost predictability while retaining sufficient flexibility to respond to changing industry, regulatory and contractual requirements throughout the planning period. Any unused funding will continue to be returned to Customers through established rebate mechanisms.

BP27 Focus

During BP27, the primary focus will be on ensuring CoMC has the flexibility and funding available to respond quickly to emerging contract-related requirements while maintaining strong governance and value for money. The investment will support the delivery of both known and unforeseen activities without the delays associated with seeking new funding approvals each time a requirement arises, and the transition of AUGE Value Add Activities into the DSC Contract Budget, creating a more streamlined and efficient funding model.

BP27 Success Measures and Targets

Success Measure	Baseline Performance	BP27 Target
Timely delivery of contract-led activities	BP26 established the budget to support emerging requirements such as PAC audits, independent assurance and pre-procurement activities	100% of CoMC approve activities mobilised and delivered within agreed timescales
Governance efficiency	Historic reliance on alternative funding routes and reactive approvals	No requirement to consider alternative funding routes for ad hoc, unpredicted, non-technical changes through use of a single drawdown model
Support for emerging demand	Demand for legal advice, assurance, procurement and contract-related activities expected to continue	All qualifying emerging requirements assessed and funded through the approved budget mechanism

Proposed Budget and Cost Share

The total BP27 investment budget is £410,000 for Year 1, Year 2 and Year 3, which is based on historic demand and utilisation trends, incorporates AUGE Value Add Activities within the total budget, and is delivered through a drawdown model, ensuring funds are only utilised where required.

	Shipper	National Gas	Distribution Network	Independent Gas Transporter
Proposed Share %	51.54%	5.90%	41.23%	1.33%
Proposed Share £m	£211,314	£24,190	£169,043	£5,453

Assessment of Budget Allocation Presented in BP26 vs BP27

Business Plan	2026-27 £m Budget	2027-28 £m Budget	2028-29 £m Budget	2029-30 £m Budget
BP26	£0.3	£0.3	£0.3	
BP27		£0.4	£0.4	£0.4

Figures have been rounded to one decimal place.

The DSC Contract Budget has increased by £0.1m with the inclusion of the AUGE costs, previously included in the General Change budget.

The full investment proposal can be found here.

Strategic Delivery

“In BP27, our Transformation approach will provide clarity and strategic focus across an increasingly complex change landscape. Through a single portfolio-led framework, we will align investment, governance, prioritisation, and delivery to maximise value for Customers and stakeholders.”

James Spicer, Executive Director of Finance and Transformation

Project Trident

Investment Overview

Project Trident is Xoserve's UK Link technology modernisation project. It was launched in July 2024 in response to SAP's planned discontinuation of standard support for SAP ECC6 IS-U in 2027, with extension of support opportunity to 2030. This multi-year project will modernise UK Link and is a key enabler for the provision of enduring, robust and secure future Central Data Services Provider (CDSP) services.

Our goal is to deliver, as a minimum, a like-for-like UK Link capability for Customers, minimising disruption to the BAU service. When deciding on the technical solution, we are considering opportunities for innovation, enhanced functionality, and future-proofing to improve the way Customers access and interact with UK Link data.

We continue to use HM Treasury's Green Book approach to develop our business case, ensuring a robust process to identify our preferred solution, and optimise our cost, risk, and timeline profile. The first iteration, the Strategic Outline Case (SOC), was published in September 2024, followed by the Outline Business Case (OBC) in January 2026. The third and final iteration, Full Business Case (FBC), will contain the chosen solution and plans for the Design, Build, Test and Implementation phase.

“Project Trident continues our work to understand Customers requirements and achieve the best commercial outcome as we plan a smooth migration. The Solution Definition work is pivotal to this, with phase 2 helping us to explore data migration possibilities and test options to de-risk future work on the UK Link system.”

Nick Partridge, Project Director

Progress to Date

Project Trident continues to progress towards defining the target solution and implementation approach for the future UK Link.

Through a combination of internal assessment and independent third-party analysis, a preferred option has been identified: a SAP Hybrid solution, centred on modern SAP capabilities and complemented, where appropriate, by best-of-breed applications to enhance areas such as integration and reporting. We expect that we will deliver the future UK Link in two phases:

1. **Migrate** UK Link SAP ECC6-ISU core to S/4HANA, for a supported platform.
2. **Evolve** the UK Link estate to modernise the architecture; alongside inputs like Customer requirements such as UK Link pain points, industry change and Xoserve's Technical Roadmap.

As part of the analysis to select a preferred option, we ran a pilot (**Solution Definition 1**) in 2025 to validate the feasibility of migrating the existing UK Link application code and data to the more modern S/4HANA platform, using SAP-recommended automated migration tooling. This proved that a migration could be carried out with near zero downtime, the data footprint and health could be improved, and a good functional fit for SAP S/4HANA. Combined with this, we carried out a review of industry case studies and industry feedback, which confirmed the feasibility of a brownfield migration (migration of existing code and data to a new platform) using industry-standard migration tools. Our Outline Business Case (OBC), as published in January 2026, provides the rationale and further detail on our preferred option.

We have continued to build our understanding of the risks associated with a brownfield migration and pipe clean the process. Work is underway on another trial migration of code and data (**Solution Definition 2**), this time including related SAP products, as well as investigating options for enhanced data reporting capabilities that might be deployed in the future. This work will help de-risk the work of our Core Services Partner (CSP) and therefore provide a better commercial outcome for Xoserve.

Project Trident remains committed to maintaining a robust options appraisal process throughout procurement. Should information emerge that demonstrates the preferred option is not technically, commercially or financially viable, the programme will revisit the alternative options identified within our OBC Economic Case and determine the most appropriate path forward.

Project Trident Procurement

In parallel, Project Trident has defined and agreed a procurement plan, aligned to an approved Commercial Model, and has now commenced execution. The initial procurement phase comprised of PQQs to appoint a Transformation Partner (TP) and a CSP. The PQQs identified a shortlist of three potential bidders for both the TP and CSP. The TP was appointed in August 2026, following a successful procurement, and has now been onboarded. Following the appointment and mobilisation of a CSP, we plan to move into the detailed planning of the Design, Build, Test, and Migration phases.

Our migration phase includes both the Migrate and Evolve stages, which will consist of incremental enhancement releases, enabling the modernisation of the architecture and opportunities to enhance the Customer experience and improve interaction with UK Link data. While the primary goal of Project Trident is a like-for-like, and supported UK Link, we have also gathered potential scope items that could enhance the way Customers interact with UK Link data.

Through a series of workshops which took place in 2025, 73 opportunities were identified and aligned to delivery streams. 19 of these opportunities have been identified for consideration via Project Trident and are now subject to further evaluation ahead of consideration/re-validation for inclusion as part of Evolve; the remainder are being progressed through other Xoserve initiatives (e.g. CDSP Service Enhancements Programme).

Together, the migration and Evolve phases represent the lowest-risk implementation approach, preserving business continuity while delivering the flexibility, scalability and agility required to underpin the future UK Link solution through to 2040.

It remains fundamental to us to proactively and widely engage with our stakeholders on Project Trident, particularly our DSC Customers. We established our communications structure within 2024 including our Project Trident homepage on Xoserve.com and our newsletter, the Tide, which has grown to over 570 subscribers.

In addition to our BAU communications structure, we have introduced new channels to engage our Customers during the procurement phase. In FY2026, we introduced Independent Procurement Assurance reports, written by our Independent Project Assurance partner, PwC. These reports are shared at key procurement milestones with DSC Contract Managers and their nominated Engagement Representatives to share a transparent view of our progress.

Our Project Trident Steering Committee Customer Advisors remain an important feature of our engagement and governance structure, to ensure that the voice of the Customer is represented within decision making. The Customer Advisors were introduced in June 2025, and they continue throughout FY2026 to hold regular drop-in sessions and 1:1 meetings with Customers to share their perspectives on Project Trident updates, answer questions and listen to Customer feedback.

BP27 Scope

Following the issue of the RFP to our shortlisted vendors, we will finalise the procurement of our Core Services Partner (CSP). Following contract signature, we will go through a mobilisation period with our selected vendor, and move into early life of Design, Build, Test, and Migrate planning activity.

The BP27 investment spend profile will reflect the level of activity from the CSP and we expect run rates for the project to start to increase through to 2028. We will use the third and final iteration of the HM Treasury Green Book Business Case, the FBC, to summarise our key decisions to date, publishing this to Customers after the appointment of the CSP.

Customer engagement will remain a key priority, with ongoing updates provided through established forums, communications, and newsletters. During early 2028, we expect to establish the Evolve stage stakeholder forum, creating a structured approach to support engagement throughout the Evolve stage.

BP27 Focus

Our BP27 Project Trident Investment Proposal will support completion of our procurement phase, following the issuing of our RFP and mobilisation of our chosen CSP. We are running a competitive process with investment in commercial and legal advice, to support Project Trident as the 'intelligent customer' to achieve the best long-term commercial deal on behalf of our Customers.

The timing of the CSP RFP remains subject to the outcome of ongoing work to refine Xoserve's Data Strategy, which will help determine the optimal migration approach for Project Trident. This work has been prompted by significant growth in the UK Link operational environment, particularly the increase in daily meter reads, which has implications for future system capacity and batch processing. Taking the time to incorporate these considerations into the procurement process will ensure that the selected solution and partner are aligned to future operational requirements and support successful programme delivery.

Alongside this, our outputs and understanding from our Solution Definition work will provide key inputs to the requirements in the procurement process to enable the CSP to provide Xoserve with the most accurate proposal and minimise the likelihood of change in the future.

The procurement process will involve a period of intense collaborative solutioning with the bidders in 2027 to work through the best approach to delivering Project Trident's preferred solution. This is a proven approach to iteratively moving towards a final contract and supports a clear understanding by both parties.

Following contract signature, we will go through a mobilisation period where we will onboard our selected vendor, and move into early life of Design, Build, Test, and Migrate where the focus will be on design activity, in partnership with the CSP. We will look to leverage the outputs from the Transformation Partner relating to the technology roadmap as relevant to the future design.

The BP27 funding request is less than the BP26 allocation, reflecting the current delivery plan and the expected timing of mobilisation, following completion of the procurement phase, which is anticipated to continue into the second half of 2027. Primarily, activity during the BP27 period will be to support the completion of procurement activities, partner mobilisation, detailed planning of the design, build, migration and implementation phases.

The target migration implementation window remains unchanged, running from April 2029 to December 2030, and the BP27 allocation has been developed to support activities required to maintain progress towards this target. As a result, resource consumption and associated expenditure are forecast to ramp up more gradually during 2027-28 than previously assumed. Current forecasts indicate the project continues to operate within the original upper estimate of no more than £110m (in 2025 prices), following the net effect of the Enterprise Architecture Team moving out of Project Trident, offset by inflation being applied.

The FBC will provide increased confidence in the detailed cost profile and annual phasing of expenditure. We will use the third and final iteration of the HM Treasury Green Book Business Case, the FBC, to summarise our key decisions to date, publishing this to Customers after the appointment of the CSP. This will build on our OBC and will confirm final delivery arrangements including market-validated costs of the solution from our preferred vendor, agreed funding arrangements, and detail on the governance and timeline to deliver Project Trident.

Strong financial governance, forecasting, and cost management processes will continue throughout 2027-28 to monitor expenditure, manage risks, and ensure the programme remains on track to deliver its intended outcomes while maintaining financial discipline and value for money.

We recognise that Customer feedback is essential to ensuring the success of Project Trident and we want to reinforce this with a success measure around how we are engaging. Our success will be measured through Customer feedback collated through the Institute of Customer Service (ICS) survey, following Project Trident engagement events and based on the updates that we will continue to provide through our website and newsletter.

We expect Customer engagement to increase during BP27 as we near the completion of the Full Business Case. Customers can expect the following engagements alongside our established process:

- **Evolve Forum Terms of Reference:** In Q4 2026, following the completion of broader industry milestones related to projects such as those related to Market-wide Half-Hourly Settlement (MHHS), we will open a short consultation focused on Terms of Reference related to a Stakeholder Forum focusing our Evolve stage. This will be designed to precede and compliment DSC governance forums and focus on gathering industry insights on expected change. We expect that, if accepted, this forum will begin within 2028 during the BP27 timeframe.
- **Full Business Case Customer Consultation:** To support with the completion of the FBC, we expect to run a short Customer Consultation in 2027 related to topics that could impact Customers during the Project Trident migrate phase such as testing and implementation.

BP27 Success Measures and Targets

Success Measure	Baseline Performance	BP27 Target
Procurement of and onboarding CSP	RFP for CSP to be sent out H1 2027	CSP onboarded in H2 2027
Project Trident Budget	Project Trident budget is no more than forecast for BP27	Project Trident budget forecast is within £16.4m for BP27 and the total envelope
Customer Engagement	Positive Customer engagement received from Customers at June 2026 Stakeholder Engagement Day	Positive feedback received from Customers regarding Project Trident engagement

Proposed Budget and Cost Share

The total budget for Project Trident Investment Proposal is £16.4m and proposes that the 'common funding' split between parties is adopted to reflect the expected shared benefit.

	Shipper	National Gas	Distribution Network	Independent Gas Transporter
Proposed Share %	51.54%	5.90%	41.23%	1.33%
Proposed Share £m	£8.45m	£0.97m	£6.76m	£0.22m

Figures have been rounded to two decimal places.

Assessment of Budget Allocation Presented in BP26 vs BP27

Business Plan	2026-27 £m Budget	2027-28 £m Budget	2028-29 £m Budget	2029-30 £m Budget
BP26	£20.9	£23.2	£23	
BP27		£16.4	£21.4	£25.9

This year's financial request for BP27 is slightly lower than in BP26. This reflects our current plan and timing of the ramp-up of a CSP, following the procurement phase, running until H2 2027. This also allows us to build further capability within Xoserve to enable the organisation to play the role of an 'intelligent customer' during the procurement phase, getting the best commercial deal on behalf of our Customers within the gas sector.

We continue to hold to an upper estimate of no more than £110m in 2025 prices (more information on funding requirements is included in Section 7.2 of the Outline Business Case), with our migration implementation window holding as April 29 to December 30.

Execution of our full procurement and the associated FBC will allow us to provide greater certainty on expected budgetary out-turn for Project Trident.

CDSP Service Development

"BP27 is about turning our digitalisation ambitions into practical improvements for Customers and stakeholders, strengthening how we manage and use data while applying Artificial Intelligence in a controlled way to improve insight, efficiency and service quality."

Orlando Minervino, Head of Strategy Development

Investment Overview

The Service Development investment was introduced to ensure Xoserve is prepared for the rapidly evolving regulatory, data and digitalisation landscape. As expectations around data transparency, accessibility, interoperability and governance have increased through Ofgem's Data Best Practice framework and the wider Government and Ofgem energy digitalisation agenda, Xoserve recognised the need to further evolve its capabilities.

The investment was also established to support the industry's transition towards digitalisation, open data principles and emerging technologies such as Artificial Intelligence (AI), whilst ensuring data continues to be managed securely and appropriately within robust governance frameworks. The initiative builds upon Xoserve's wider digital transformation agenda, including Project Trident, Open Data Discovery activities, the CDSP Service Enhancements Programme and the development of its Digitalisation Strategy.

Progress to Date

Significant foundations have already been established. During 2026, Xoserve published the first draft of its Digitalisation Strategy, outlining ambitions to improve transparency, accessibility, interoperability and stakeholder experience across CDSP data and digital services. Alongside this, work has commenced to understand how existing data governance, permissions, ownership models, access processes and data management arrangements align with Ofgem's Data Best Practice expectations.

For AI, Xoserve completed an initial generative AI pilot within internal operations, demonstrating productivity and efficiency benefits within a controlled and low-risk environment. Following this success, an AI Governance Group was established with cross-functional representation to oversee AI use cases, governance, vendor management and risk controls. Training, policies and AI champion networks have also been introduced to ensure responsible and compliant adoption.

During 2026 the focus moved into a structured discovery phase, engaging Customers and stakeholders to identify priority use cases, refine governance arrangements and develop an AI Strategy.

BP27 Scope

The BP27 investment will focus on two complementary areas:

Data Best Practice and Digitalisation Readiness

- Further assessing and improving CDSP readiness against Data Best Practice principles
- Clarifying data ownership, stewardship, permissions and access routes
- Improving metadata, dataset descriptions and discoverability
- Enhancing processes for requesting, accessing and prioritising data
- Supporting any future UNC, DSC or governance changes required to meet future data obligations
- Refreshing Xoserve's Data Strategy and Digitalisation Action Plan

Artificial Intelligence

- Deliver and evaluate AI proof-of-concepts aligned to Customer and business priorities
- Integrating AI capabilities with approved data and technology platforms
- Improving insight generation, operational intelligence and decision support
- Establishing scalable governance and operating models to support the controlled adoption of AI

BP27 Focus

During BP27, the focus will shift from strategy and discovery into practical implementation and controlled delivery.

For Data and Digitalisation, activity will concentrate on embedding Data Best Practice principles into everyday CDSP operations, improving data governance, transparency, accessibility and interoperability, while ensuring readiness for any future regulatory obligations linked to digitalisation and open data. The refresh of Xoserve's Data Strategy will provide a clear link between regulatory expectations, Customer needs and practical service improvements.

For AI, BP27 will focus on delivering and evaluating carefully governed proof-of-concepts to demonstrate measurable business value and inform future adoption decisions. Xoserve expects to enhance insight generation, operational intelligence and decision-support capabilities while continuing to mature its AI governance framework and approach to emerging technologies. AI capabilities will continue to be deployed in a controlled manner, focused on augmenting insight generation, knowledge discovery and service delivery rather than replacing core deterministic CDSP processes. The objective is to establish AI as a safe, controlled and value-adding capability that supports efficiency, service quality and resilience without compromising regulatory compliance, Customer trust or core operational services.

BP27 Success Measures and Targets

Investment	Success Measure	Baseline Performance	BP27 Target
Data/Digitalisation	Data Best Practice (DBP) implementation maturity	Phase 1 Discovery complete; recommendations not yet embedded into BAU processes and governance	80% of prioritised Phase 1 DBP recommendations implemented and evidenced through governance reporting by end of BP27
Data/Digitalisation	Digitalisation Strategy delivery	Digitalisation Strategy published but Action Plan, measures and reporting not fully established	Action Plan publication with milestones, dependencies, and regular governance reporting covering 80% of strategic initiatives
AI	AI proof-of-concept delivery and value realisation	Initial discovery, early-stage governance framework, and initial pilots established	Deliver and evaluate priority AI proof-of-concepts with measurable benefits recorded for each
AI	Development of organisational AI capability, governance, tooling and reusable practices	Early-stage AI capability with limited experience of operational deployment and scaling	Increased organisational capability through governance, tooling, specialist expertise, documented lessons learned and reusable delivery practices

Proposed Budget and Cost Share

The total budget for the CDSP Service Development Investment Proposal is £0.8m combining the Data Best Practice and AI investments and proposes that the 'common funding' split between parties is adopted to reflect the expected shared benefit.

	Shipper	National Gas	Distribution Network	Independent Gas Transporter
Proposed Share %	51.54%	5.90%	41.23%	1.33%
Proposed Share £m	£0.39m	£0.04m	£0.31m	£0.01m

Figures have been rounded to two decimal places.

Assessment of Budget Allocation Presented in BP26 vs BP27

Business Plan	2026-27 £m Budget	2027-28 £m Budget	2028-29 £m Budget	2029-30 £m Budget
BP26	£0.80	£0.80	£0.80	
BP27		£0.75	£0.70	£0.65

The full investment proposal can be found here.

Project Juno

“The introduction of a licensed Gas Code Manager represents one of the most significant governance changes facing the gas industry in recent years. Through BP27, we are focused on ensuring that Xoserve is fully prepared to meet the requirements of the emerging framework by developing the capabilities, operating model and governance arrangements needed for success.”

Clive Nicholas, Executive Director of Strategy and Development

Investment Overview

Energy Code Reform is driving the consolidation of existing gas codes into a single Gas Network Code managed by a licensed Code Manager. The role is new and carries licence obligations that no organisation holds today, alongside governance of the consolidated code. Project Juno delivers the changes Xoserve needs to make to take on that role, covering the governance, processes, capabilities and technology the licence requires while maintaining continuity and minimising industry disruption.

Progress to Date

Xoserve, Encodar and Talan submitted a joint Expression of Interest to take on the role. Ofgem’s determination of 1 June 2026 confirmed non-competitive selection for the Gas Network Code Manager and asked Xoserve to proceed to the licensing assessment stage. The licensing assessment return was submitted to Ofgem in August 2026, with Ofgem’s formal response expected around November 2026. The implementation and assurance stage follows, during which readiness is evidenced to Ofgem through agreed checkpoints ahead of licence grant.

BP27 Scope

The BP27 investment funds delivery of Project Juno during 2027-28. A substantial element of the investment relates to the people delivering the transition and includes a provision for the early appointment of key resource ahead of go-live. This is expected to include leadership, governance, code management, stakeholder engagement, regulatory and specialist technical roles supporting operating model development, readiness activities, and the implementation and assurance process. The roles required, and when they are appointed, will be confirmed by the operating model work.

Early mobilisation allows capability to be built progressively and supports confidence that licence obligations can be met from Day 1.

BP27 Focus

Subject to Ofgem confirming its minded-to position, BP27 is expected to be the primary delivery year for Project Juno. The focus will be on implementing the agreed operating model, progressing through Ofgem’s implementation and assurance framework, demonstrating compliance through regular readiness checkpoints, and preparing the organisation for Day 1 operations. During this period, Xoserve will build the capabilities needed to operate as the licensed Gas Network Code Manager, recruit and mobilise key roles, establish supporting technology and governance frameworks, and provide evidence of readiness ahead of Ofgem’s final assessment and anticipated licence grant in 2028. For planning purposes Xoserve is working to a go-live of 1 April 2028. This is a planning assumption rather than a confirmed date, and the timetable depends on Ofgem’s process.

BP27 Success Measures and Targets

Success Measure	Baseline Performance	BP27 Target
Ofgem Implementation & Assurance Milestones Achieved	n/a	100% of agreed Ofgem milestones and checkpoints delivered to the agreed timetable
Code Manager Readiness	n/a	Achieve ‘Ready’ status for all critical licence obligations ahead of final readiness assessment
Delivery Within Approved Funding Envelope	n/a	Approved BP27 scope delivered within approved BP27 budget envelope

Proposed Budget and Cost Share

The proposed budget for Project Juno is £5.9m.

We have applied the common funding split as a default, given the evolving nature of the Gas Code Manager arrangements and pending regulatory decisions. Further work will be undertaken to determine the most appropriate allocation methodology, and any changes will be reflected in future drafts of the plan.

	Shipper	National Gas	Distribution Network	Independent Gas Transporter
Proposed Share %	51.54%	5.90%	41.23%	1.33%
Proposed Share £m	£3.04m	£0.35m	£2.43m	£0.08m

Figures have been rounded to two decimal places.

Costs from licence grant are not part of this proposal. From Day 1 the Code Manager's costs will be recovered through the licence's own budget and charging arrangements, and the basis on which they are allocated across code parties has still to be worked up. It will be developed as the operating model matures and consulted on under those arrangements.

The full investment proposal can be found here.

PROMPTING YOUR FEEDBACK

As our most valuable resource, our people will develop and deliver the scope of BP27 by leveraging their understanding and knowledge of the GB Gas Market and central systems and processes, collaborating with Customers via excellent engagement, and enabling access to the critical data services that our Customers rely upon.

Are there any other important outcomes that BP27 could deliver?

Financial Summary

Financial information: Budget (Y) and Forecast (Y+1 and Y+2)

Total expenditure

The total budget to deliver CDSP services during 2027-28 is £115.3m. This is an increase of £4.5m from the 2026-27 budget, resulting from the net impact of a £2.35m increase in S&O and a £2.15m increase in investment costs.

£m (2026-27 Prices)	2026-27	2027-28	2028-29	2029-30
Project Baseline	£35.3	£37.5	£33.8	£34.7
Subtotal Projects	**£35.3**	**£37.5**	**£33.8**	**£34.7**
S&O Scope Changes & Reclassifications		£2.7		
S&O Baseline	£75.5	£75.1	£76.8	£76.3
Subtotal Service & Operate	**£75.5**	**£77.8**	**£76.8**	**£76.3**
Totex	**£110.8**	**£115.3**	**£110.6**	**£111.0**
Broken down by:				
DSC	£107.6	£112.1	£107.4	£107.8
Additional Third Party	£0.2	£0.2	£0.2	£0.2
RECCo	£3.0	£3.0	£3.0	£3.0
Totex	**£110.8**	**£115.3**	**£110.6**	**£111.0**

Figures have been rounded to one decimal place.

Service and Operate (S&O)

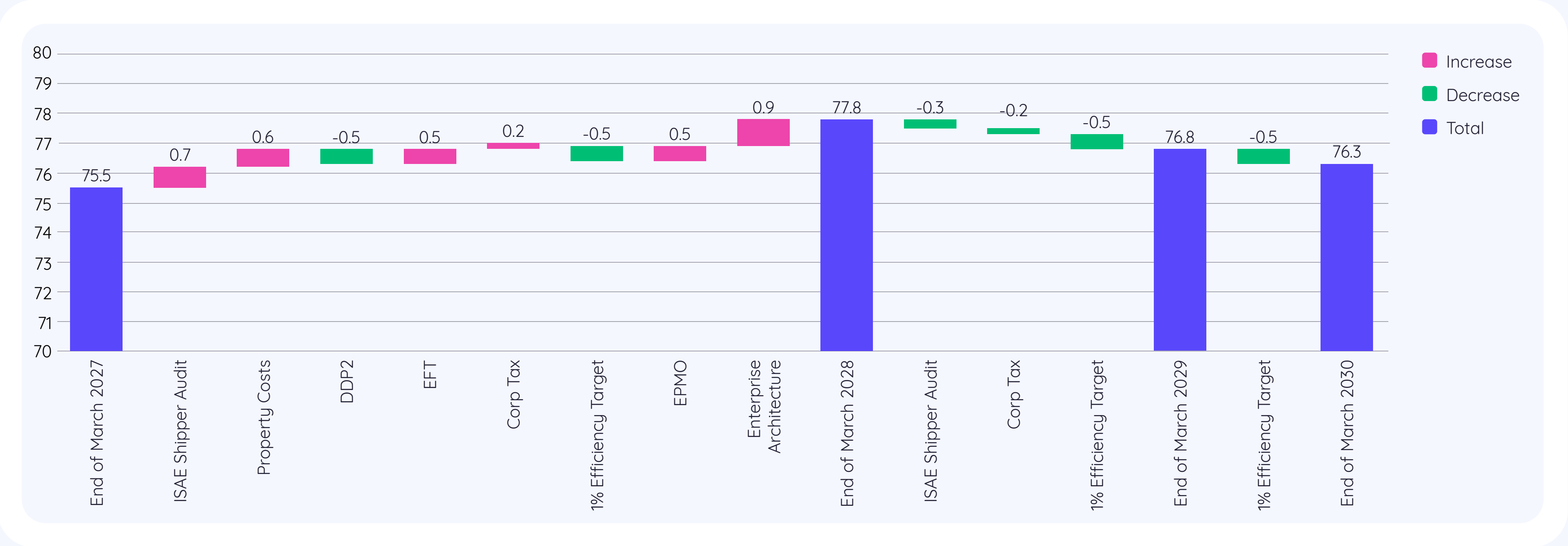
We call the costs to deliver the day-to-day services that are so important to our Customers 'Service and Operate' (S&O). These costs are generally stable, reflecting the ongoing requirement to process meter reads; update central systems with asset updates; calculate Annual Quantity (AQ); produce accurate invoices; and deliver all the other critical services we provide as CDSP. There are 18 Service Areas in total, some having been in place since 2017, and others added incrementally to reflect evolving Customer requirements.

Service and Operate changes

S&O costs increased by £2.35m in comparison with BP26 and are driven by £2.7m in new scope and £0.65m in existing scope (EFT and Corporate Tax), offset by £1m reduction, which includes DDP savings (£0.5m) and the £0.5m 1% efficiency target (£0.5m) set out in BP25.

This is shown in the BP27 S&O waterfall evolution chart, with commentary found on pages 55 and 56.

BP27 S&O Waterfall Evolution



S&O increases

ISAE Shipper Audit (£0.7m)

In response to the implementation of Modification 0911S, which introduced the provision of a Shipper ISAE Audit with effect from 1 April 2027, an increase to S&O is required to fund the additional resource needed to support the ongoing delivery of this audit. Resource has been funded from the BP26 DSC Contract Budget to prepare for the audit to commence in BP27 once Modification 0911S has been implemented.

Property Costs (£0.6m)

The delivery of key Transforming Together initiatives across the likes of Project Trident and Project Juno have, and will continue to, lead to an increase in the physical space required by Xoserve to enable timely and effective collaboration by its people. Xoserve has therefore increased the office space it has access to, along with renewing the associated leases for a further 10 years. This results in an increase to the enduring cost base of £0.6m.

EFT (£0.5m)

EFT is a Managed File Transfer (MFT) platform. It moves files securely between applications, systems and external applications whilst providing levels of automation, monitoring, security and auditability around transfers.

At present, this CDSP component remains stranded on a TCS Data Centre, the last CDSP component to be moved over onto our Azure tenancy. As a result, the cost to service EFT has increased from its once portioned cost.

Corporation Tax (£0.2m)

Although Xoserve operates on a not-for-profit basis from a statutory accounting perspective, it has historically generated taxable profits for Corporation Tax purposes, primarily driven by fixed asset timing differences and interest income.

Following accounting standard changes around 2018, the reclassification of certain fixed assets from tangible to intangible created significant Corporation Tax losses. These losses have subsequently been utilised to offset taxable profits, resulting in no Corporation Tax charge being recognised through to FY24/25. However, in FY25/26 the remaining brought-forward losses were fully exhausted. Looking ahead, there is expected to be a tax charge in relation to the BP27 year of £0.2m. In subsequent years, this will be mitigated by making appropriate elections and the associated reduction in S&O cost has been recognised in the BP28 forecast.

Enterprise Architecture (£0.9m)

The Enterprise Architecture (EA) function provides Xoserve with a structured way to understand, govern and evolve how its business, applications, data and technology work together to support or achieve strategic goals.

As the EA function has now established itself as an overall business capability, it has become an ongoing Xoserve cost and will no longer reside or be funded by Project Trident.

Enterprise Portfolio Office (£0.5m)

Xoserve is carrying more major initiatives at once than in previous business plan years. Project Juno sits alongside forthcoming contract and technology lifecycle milestones and the continuing programme of change, all drawing on the same people and systems. Coordinating that portfolio is now a standing requirement, and this funding establishes it within S&O on an enduring basis. The Enterprise Portfolio Office maintains a single view of change in flight and planned, sets priorities against available capacity, and manages dependencies and competing demands on shared resource. It holds scope and cost to what was approved, assures delivery against it, and tracks the benefits each investment set out to achieve.

S&O Reductions

Data Discovery Platform 2

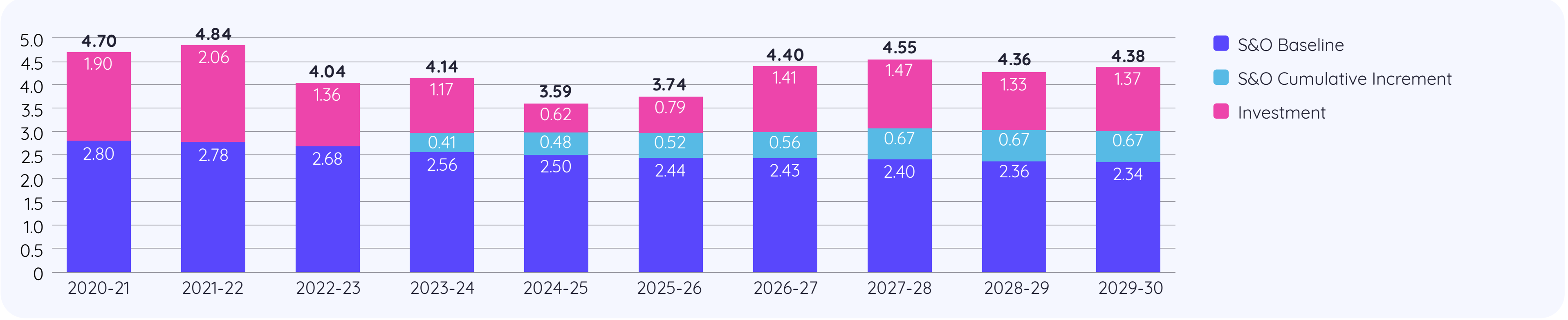
In the Final Draft of BP26 we reversed the £0.5m S&O reduction in recognition of the delay to the rollout of the new platform. As the rollout of Data Discovery Platform 2 (DDP2) platform was implemented in June 2026, this £0.5m economy target has been applied to BP27.

Economy Target

In BP25, and resulting from the 2023 independent Efficiency Review, Xoserve committed to a 3% reduction in S&O charges against the FY22-23 baseline, on top of the 9% savings already delivered by the end of BP25. This was planned as 1% cumulative reductions in each of the BP26, BP27 and BP28 years. We are pleased to confirm this commitment in BP27 and will reduce S&O charges accordingly.

The graph below shows historic and expected reductions across multiple financial years at a 'cost per meter point' level expressed in 2026-27 prices.

Cost per meter point (2026-27 prices)



Cost Drivers

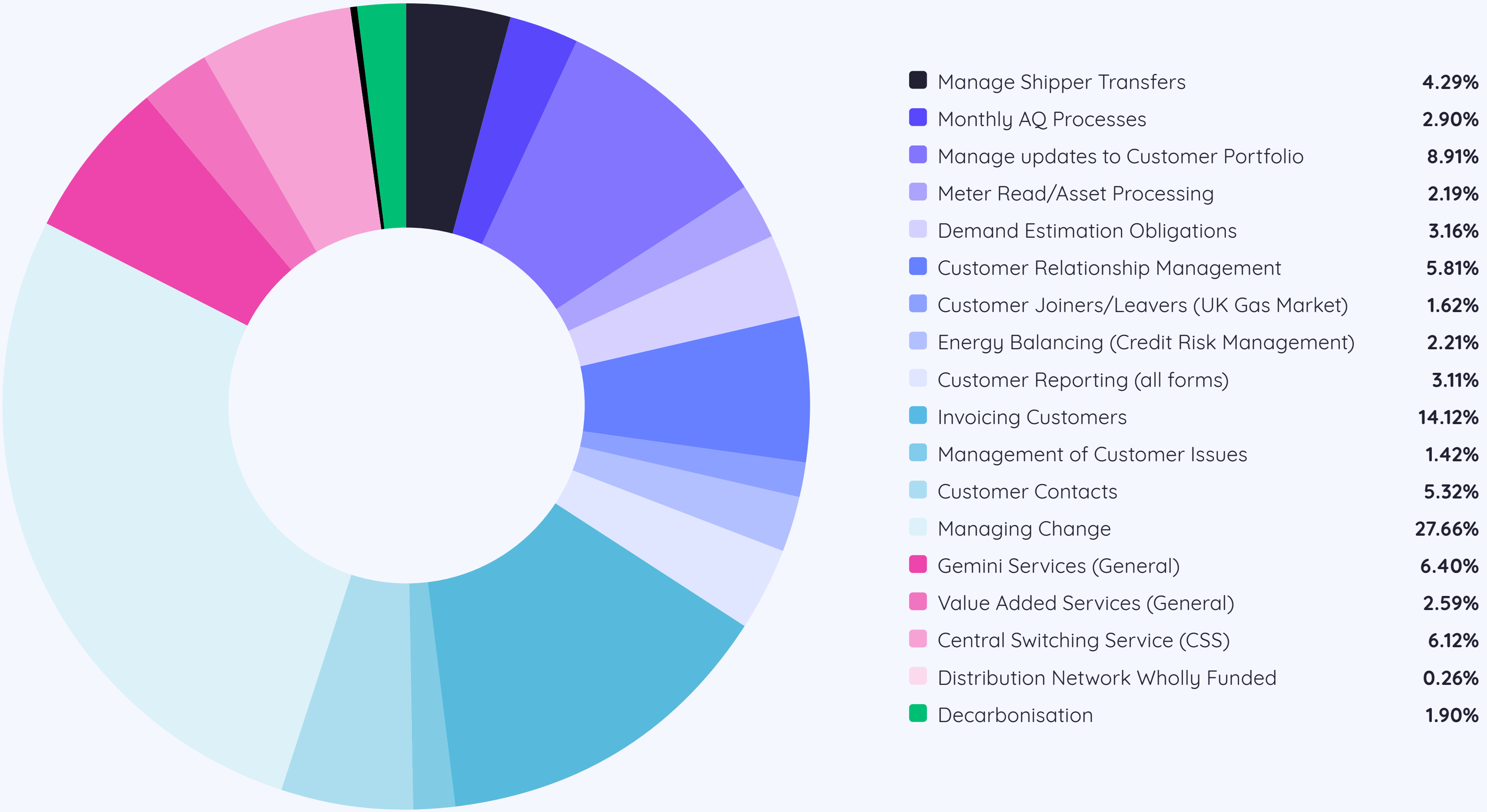
Element	BP Category	Business Area	Budgeted Spend 27-28 (£m)	Budgeted Spend 28-29 (£m)	Budgeted Spend 29-30 (£m)
Outsource	S&O	Operate	59.2	58.6	58.1
		PAFA, AUGE, Meter Read Agents	3.3	3.3	3.3
		RECCo Services	3.0	3.0	3.3
	Investment	Infrastructure Projects	18.8	18.8	21.6
		Change Projects	**6.6**	**6.1**	**5.4**
		Total Outsource	**90.8**	**89.8**	**91.4**
Direct	S&O	Operate	0.7	0.7	0.7
		Support	10.0	9.5	9.5
		Infrastructure & Change Projects	1.7	1.7	1.7
	Investment	Infrastructure Projects	8.5	5.4	6.5
		Change Projects	3.6	3.5	1.2
		Total Xoserve	**24.5**	**20.8**	**19.6**
		Total	**115.3**	**110.6**	**111.0**

Figures have been rounded to one decimal place.

Service & Operate Breakdown

Service & Operate % breakdown by Service Area

The chart below illustrates the percentage contribution of each Service Area to the total annual service charge.



Service and Operate breakdown by Service Area

This table breaks down Xoserve's Service and Operate (S&O) costs, which are split across 18 Service Areas; and further into sub-categories of people and non-people costs, and whether the costs are direct (Xoserve) or outsourced (service provider).

			People		Non-people	
Service Area no.	Service Area	Annual Service Area Charge	Xoserve	External	Xoserve	External
1	Manage Shipper Transfers	3.0	0.1	0.3	0.0	2.6
2	Monthly AQ processes	2.0	0.1	0.4	0.1	1.4
3	Manage updates to customer portfolio	6.2	0.3	1.1	0.1	4.7
4	Meter Read/Asset processing	1.5	0.0	0.1	0.0	1.4
5	Demand Estimation obligations	2.2	0.2	1.1	0.1	0.7
6	Customer Relationship Management	4.0	0.5	2.2	0.2	1.1
7	Customer Joiners/Leavers (UK Gas Market)	1.1	0.1	0.7	0.1	0.3
8	Energy Balancing (Credit Risk Management)	1.5	0.6	0.4	0.1	0.5
9	Customer Reporting (all forms)	2.2	0.1	0.8	0.1	1.1
10	Invoicing customers	9.8	1.0	3.7	0.4	4.7
11	Management of Customer Issues	1.0	0.1	0.5	0.1	0.3
12	Customer Contacts	3.7	0.5	1.9	0.2	1.1
13	Managing Change	19.2	3.3	10.1	0.9	5.0
14	Gemini Services (General)	4.5	0.3	1.5	0.1	2.5
15	Value Added Services (General)	1.8	0.22	1.06	0.09	0.44
16	CSS	4.3	0.3	2.4	0.1	1.4
17	Distribution Network Wholly Funded	0.2	–	–	–	0.2
18	Decarbonisation	1.3	0.2	0.7	0.1	0.4
	Total General Services Charge	**69.6**	**8.2**	**28.9**	**2.7**	**29.8**
	Total Specific Services Charge	**5.1**	**0.0**	**0.5**	**0.0**	**4.6**
	Total Additional/Third Party Charge	**0.2**	**–**	**–**	**–**	**0.2**
	Total RECCo	**3.0**	**–**	**–**	**–**	**3.0**
	Total Service & Operate Business Plan BP27	**77.8**	**8.2**	**29.4**	**2.7**	**37.5**

S&O costs per DSC constituency

The table breaks down each Service Area in terms of cost per constituency – shown as both total £m, and £ per meter point.

Service Area no.	Service Area	£m	Shippers £m	Shippers £ per meter point	National Gas NTS £m	DN Operators £m	DN Operators £ per meter point	IGTs £m	IGTs £ per meter point	Other £m
1	Manage Shipper Transfers	2.98	2.98	0.12	–	–	–	–	–	–
2	Monthly AQ processes	2.02	2.02	0.08	–	–	–	–	–	–
3	Manage updates to customer portfolio	6.20	5.58	0.22	–	0.62	0.03	–	–	–
4	Meter Read/Asset processing	1.53	0.50	0.02	–	1.02	0.05	–	–	–
5	Demand Estimation obligations	2.20	1.10	0.04	–	1.10	0.05	–	–	–
6	Customer Relationship Management	4.04	2.54	0.10	0.34	1.01	0.05	0.14	0.04	–
7	Customer Joiners/Leavers (UK Gas Market)	1.13	–	–	0.56	0.56	0.03	–	–	–
8	Energy Balancing (Credit Risk Management)	1.54	–	–	1.54	–	–	–	–	–
9	Customer Reporting (all forms)	2.17	0.74	0.03	0.15	1.13	0.05	0.15	0.05	–
10	Invoicing customers	9.82	–	–	1.18	8.64	0.39	–	–	–
11	Management of Customer Issues	0.99	0.39	0.02	0.05	0.48	0.02	0.06	0.02	–
12	Customer Contacts	3.70	1.85	0.07	0.22	1.43	0.06	0.19	0.06	–
13	Managing Change	19.24	10.01	0.39	1.35	7.70	0.35	0.19	0.06	–
14	Gemini Services (General)	4.45	–	–	4.45	–	–	–	–	–
15	Value Added Services (General)	1.80	1.44	0.06	–	0.32	0.01	0.04	0.01	–
16	CSS	4.25	4.25	0.17	–	–	–	–	–	–
17	Distribution Network Wholly Funded	0.18	–	–	–	0.18	0.01	–	–	–
18	Decarbonisation	1.32	–	–	–	1.32	0.06	–	–	–
	Total General Services Charge	**69.55**	**33.41**	**1.31**	**9.84**	**25.52**	**1.15**	**0.78**	**0.24**	**–**
	Total Specific Services Charge	**5.09**	**3.05**	**0.12**	**–**	**2.04**	**0.09**	**–**	**–**	**–**
	Total Additional/Third Party Charge	**0.19**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**0.19**
	Total RECCo	**3.01**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**3.01**
	Total Service & Operate Business Plan BP27	**77.83**	**36.46**	**1.43**	**9.84**	**27.56**	**1.24**	**0.78**	**0.24**	**3.19**

Figures have been rounded to two decimal places.

Investment proposals

Investment three-year budget

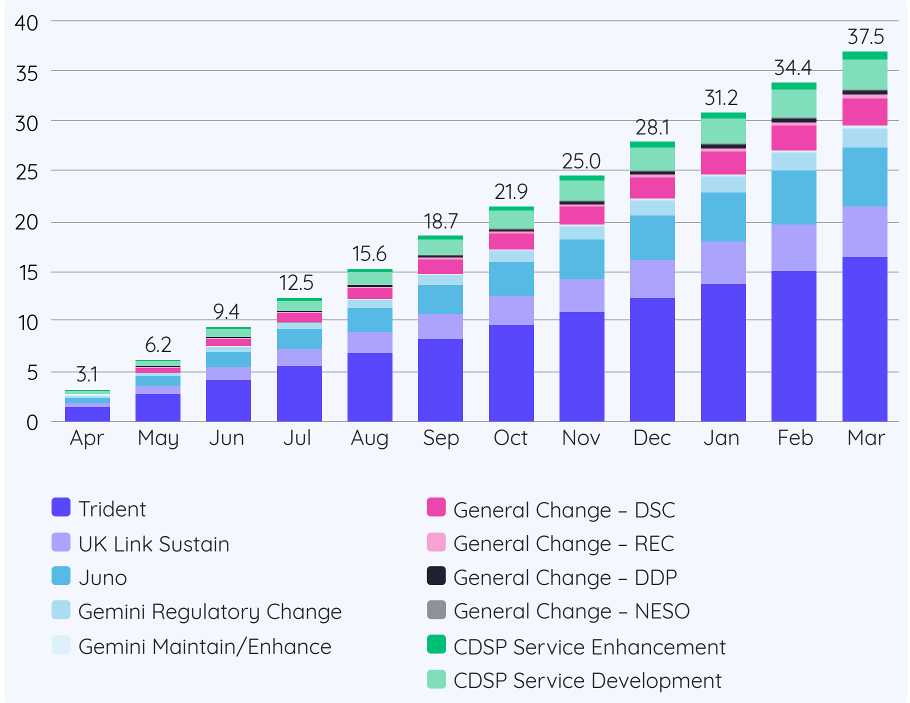
BP27 proposes a total investment of £37.5m.

Business Plan	2027-28 £m Budget	2028-29 £m Budget	2029-30 £m Budget
Project Trident	£16.4m	£21.4m	£25.9m
UK Link Sustain	£5.0m	£2.7m	£2.2m
Gemini Change	£2.4m	£2.4m	£2.4m
General Change	£3.6m	£3.0m	£3.0m
CDSP Service Enhancements Programme (CDSP SEP)	£3.0m	£3.0m	n/a
CDSP Service Development	£0.8m	£0.7m	£0.7m
DSC Contract Budget	£0.4m	£0.4m	£0.4m
Project Juno	£5.9m	n/a	n/a
Total	**£37.5m**	**£33.8m**	**£34.7m**

Figures have been rounded to one decimal place.

Indicative 2027-28 investment expenditure profile

The graph below shows an indicative cumulative expenditure profile for each investment:



Investment costs per DSC constituency

The table shows investments split by type (Infrastructure/Change) and at DSC constituency level, to enable Customers to assess how much funding is required. We also include an indicative expenditure profile for each investment.

Total Infrastructure Projects No.	Infrastructure Projects	Total £m	Shippers £m	Shippers £ per meter point	National Gas NTS £m	DN Operators £m	DN Operators £ per meter point	IGTs £m	IGTs £ per meter point
1	UK Link Sustain	5.0	2.6	0.10	0.3	2.1	0.09	0.1	0.02
2	Project Trident	16.4	8.5	0.33	1.0	6.8	0.30	0.2	0.07
3	Project Juno	5.9	3.0	0.12	0.3	2.4	0.11	0.1	0.02
Total Infrastructure Service		**27.3**	**14.1**	**0.55**	**1.6**	**11.2**	**0.51**	**0.4**	**0.11**

£ per meter point are rounded to two decimal places.

Total Change Projects No.	Change Projects	Total £m	Shippers £m	Shippers £ per meter point	National Gas NTS £m	DN Operators £m	DN Operators £ per meter point	IGTs £m	IGTs £ per meter point
1	Gemini Regulatory Change	1.94	–	–	1.94	–	–	–	–
2	Gemini Maintain/Enhance	0.25	–	–	0.25	–	–	–	–
3	Gemini Data Provision	0.25	–	–	0.25	–	–	–	–
4	General Change – DSC	2.74	1.58	0.06	0.06	0.95	0.04	0.15	0.05
5	General Change – REC	0.35	0.21	0.01	–	0.12	0.01	0.02	0.01
6	General Change – DDP	0.42	0.21	0.01	–	0.18	0.01	0.03	0.01
7	General Change – NESO	0.10	–	–	–	0.01	0.00		
8	CDSP Service Enhancements	3.00	1.73	0.07	0.06	1.04	0.05	0.16	0.05
9	CDSP Service Development	0.75	0.39	0.02	0.04	0.31	0.01	0.01	0.00
10	DSC Contract Budget	0.41	0.21	0.01	0.02	0.17	0.01	0.01	0.00
Total Change Service		**10.21**	**4.33**	**0.17**	**2.63**	**2.88**	**0.13**	**0.38**	**0.12**

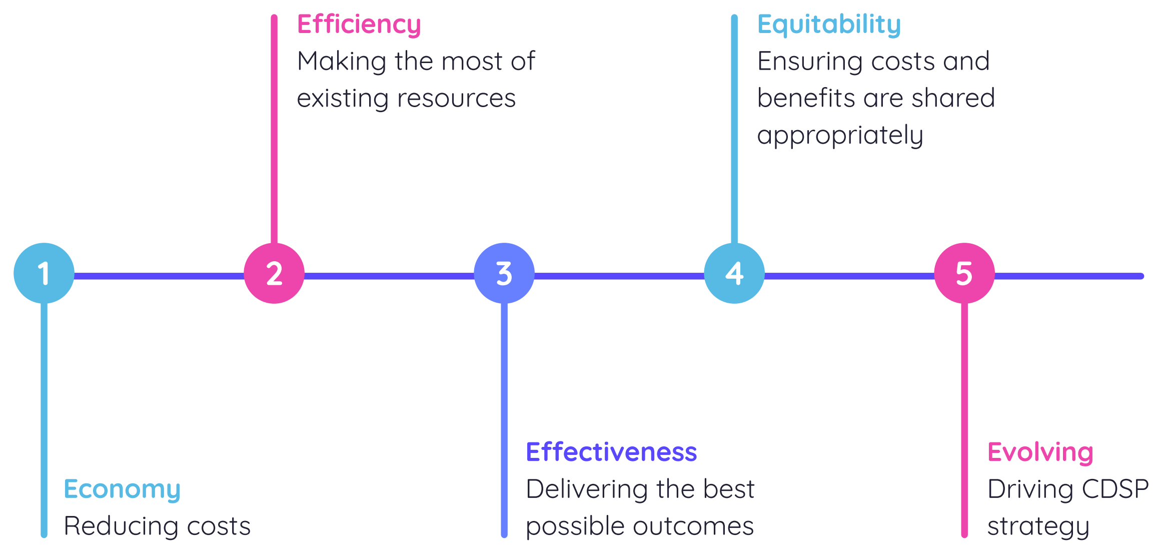
Figures are rounded to two decimal places.

Value for Money

5 Es

Our commitment to clearly articulating the value delivered through CDSP services remains a key priority for BP27. We will continue to apply the 5E Value for Money (VfM) framework, enabling us to demonstrate how value is delivered across five equally important and weighted areas.

5E Value for Money Framework

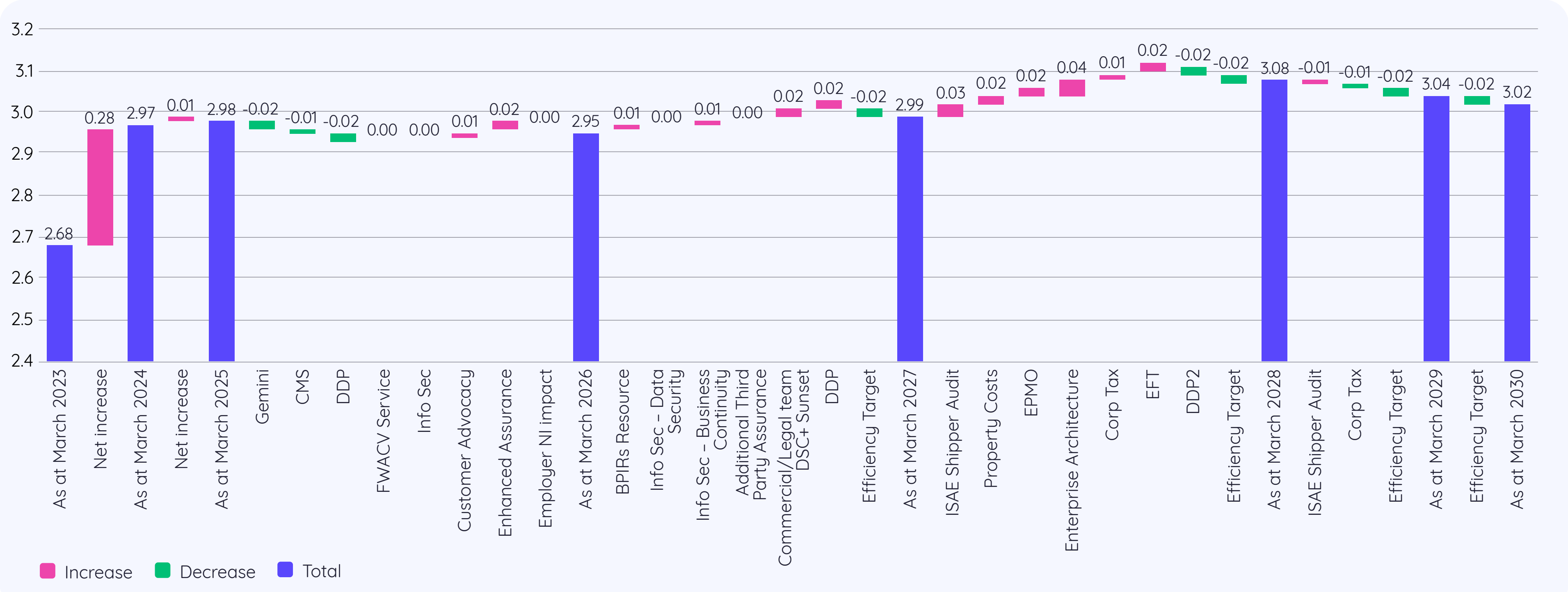


Economy target

Cost per Meter Point Evolution

Since the independent Efficiency Review in 2023, through a variety of means we have successfully reduced the 2022-23 S&O baseline. The waterfall chart shows all changes to the 2022-23 cost base, including the cost per meter point increases (which are due to additional scope) and reductions post 2022-23. All costs are shown in 2026-27 prices, uplifted to include compound CPI-H since 2022-23.

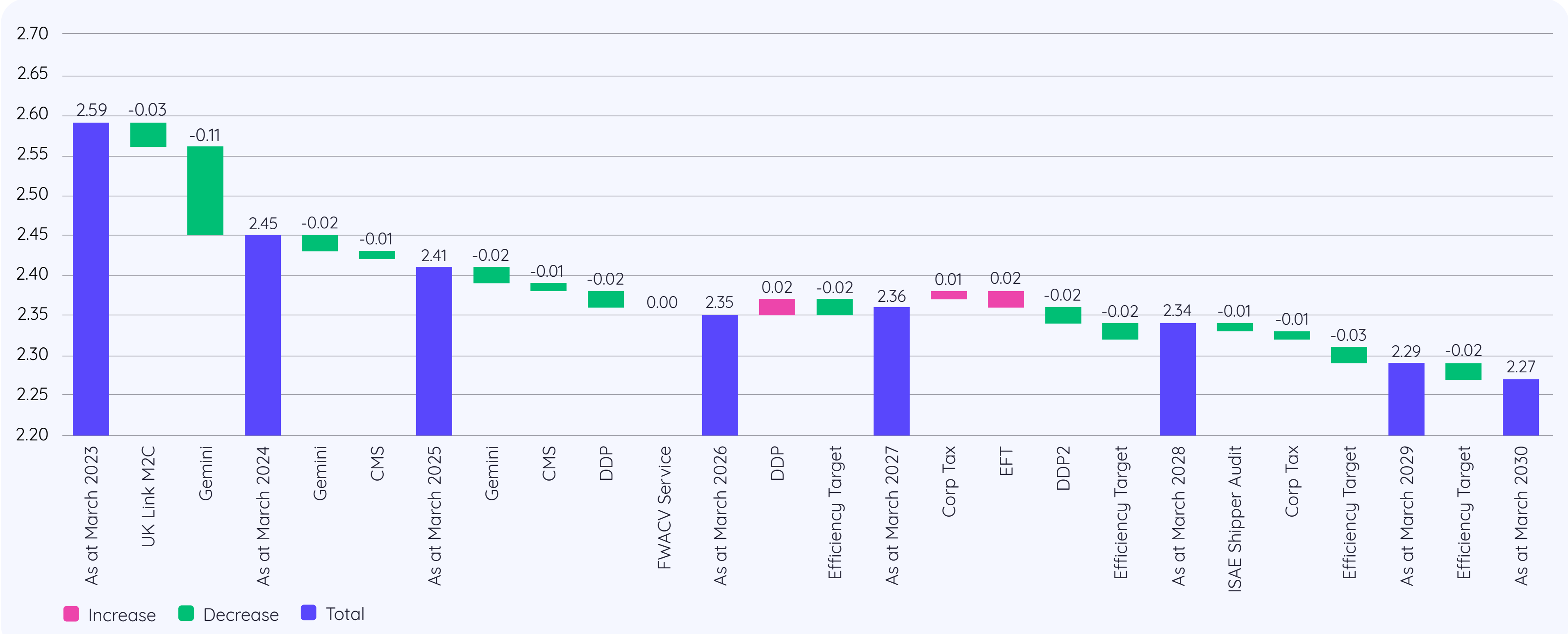
Cost per Meter Point Evolution



S&O baseline cost per meter point evolution

The waterfall chart below shows the incremental cost per meter point reductions applicable to the economy target.

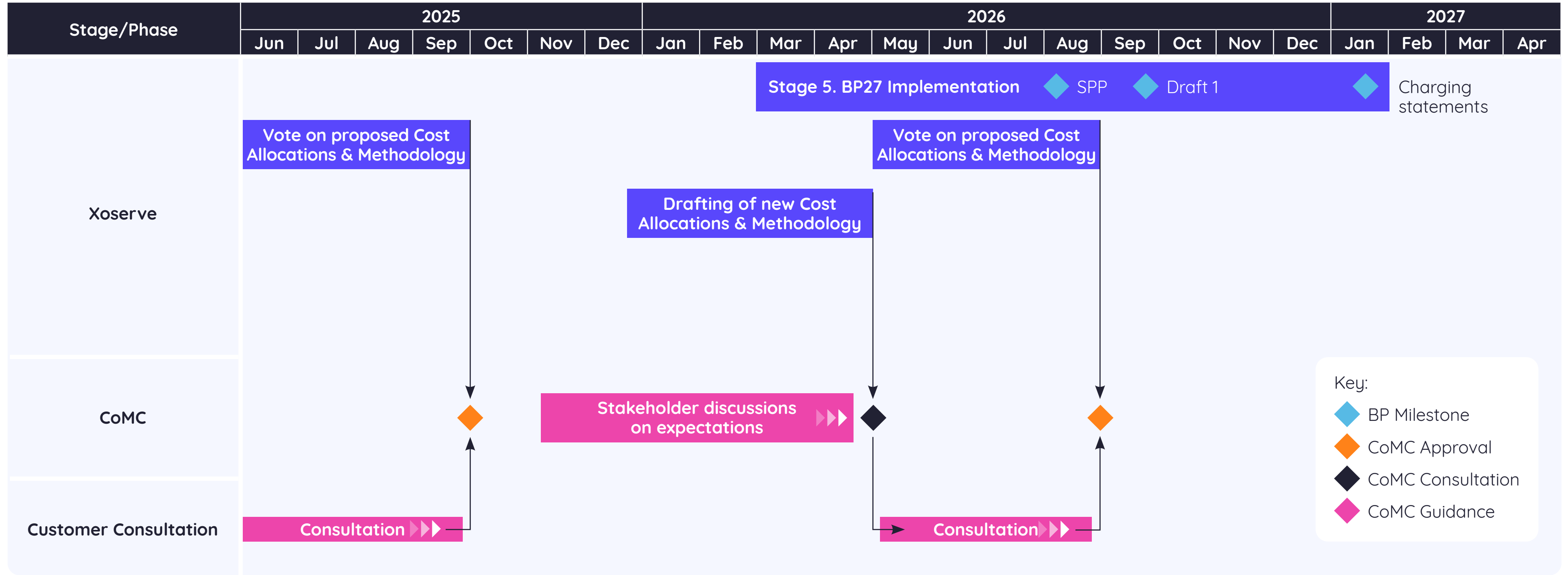
S&O Baseline Cost per Meter Point Evolution



Equitability review

Customers were consulted on proposed changes to the Budget and Charging Methodology during Q2/Q3 2026 and presented at the appropriate DSC committees. A new Cost Allocation & Methodology is now out for Consultation with Customers and depending on the outcome of this consultation it is possible that some changes to how costs are allocated in some service areas may be included in the second draft of BP27.
The Equitability Review Milestone Plan is focused on the elements of the review that may impact BP27.

Equitability Review Milestone Plan



Final Reflections

Throughout the development of BP27, Customers and stakeholders have provided valuable insight and feedback. This engagement has helped us strengthen the content of the Business Plan, improve transparency, refine our investment proposals and provide greater clarity on the outcomes we intend to deliver.

We recognise that the strongest Business Plans are those that align organisational priorities with the needs and expectations of Customers. This year's Business Plan demonstrates how Customer insight has informed our strategic choices, investment decisions, and service improvements. By embedding our Customers' feedback within our decision making and maintaining transparency over how this shapes our priorities, we strengthen accountability, deepen collaboration, and drive sustainable improvements that enhance outcomes and deliver lasting value.

BP27 concludes a planning process shaped by collaboration, challenge and constructive Customer feedback. Customers asked for greater clarity, stronger justification for investment decisions, improved transparency, and a more accessible Business Plan. We have listened and the result is a plan that not only sets out how we will maintain trusted CDSP services today, but also how we will work with all of our key stakeholders to prepare for the future. It demonstrates our commitment to accountability, continuous improvement and partnership as we continue our shared journey of Transforming Together."

Mike Hogg, Xoserve Board Chair

You Said, We Did: Shaping the BP27 Business Plan

The table below summarises some of the key themes raised by Customers during the BP26 and BP27 development process and how those comments have influenced Draft 1 of the Business Plan.

Theme	Customers Said…	Xoserve has…
Clarity of information	“Assumptions, inputs and dependencies are not always clear and are often spread across multiple documents, requiring customers to piece together the rationale”	Introduced a mandatory Key Assumptions & Dependencies section in every Investment Proposal (IP), explicitly documenting assumptions, dependencies, change triggers, and cross-references to options, costs and risks
Accessibility	“We want information presented in a more accessible and user-friendly format”	Restructured the Business Plan and associated investment proposals, improved signposting, enhanced BPIR traceability and enhanced the online portal
Value for Money	“We want stronger evidence of value for money”	Strengthened justification of investment proposals explaining why funding is required now, which benefits are known versus uncertain, and how benefits relate to Customers and the preferred option
Costs	“We want greater transparency of costs, resources and budget drivers”	Introduced more detailed financial and resourcing information within the investment proposals
Benefits and Outcomes	“We want to understand the outcomes and benefits of investments more clearly”	Introduced success measures, targets and clearer descriptions of the benefits, outputs and expected outcomes associated with each investment proposal

Annexe

The aim of this Annexe is to support the independent/ Customer assessment of BP27 against the Business Plan Information Rules (BPIRs) by signposting how the BPIRs have been satisfied and/or providing further details that are not provided in the BP27 document.

Further BP27 information can be found in the Annexe.

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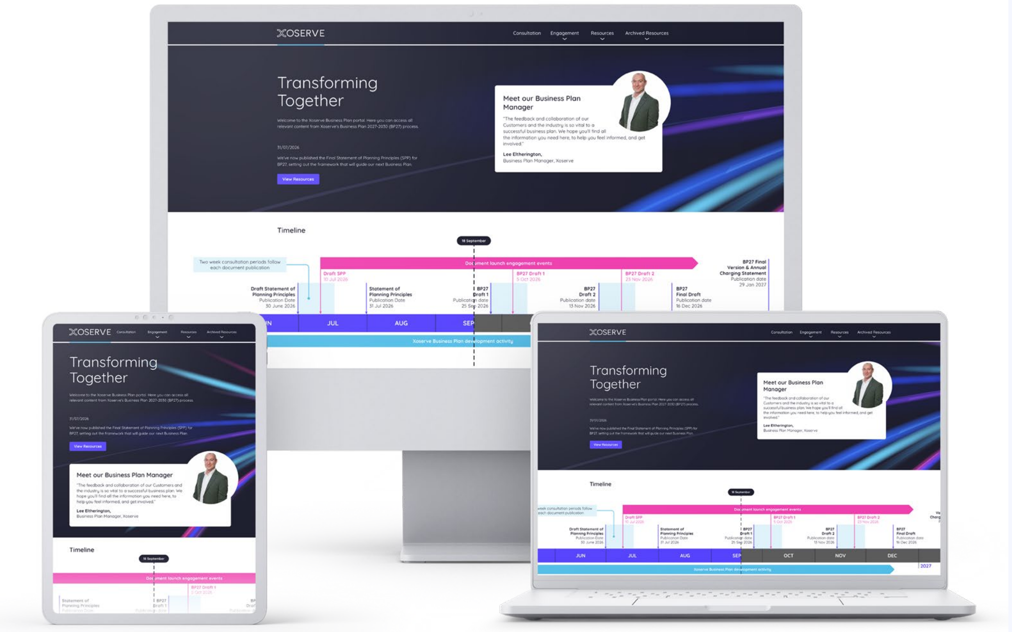
Business Plan Online Portal



Visit our Business Plan portal to stay up to date with BP27.

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