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By email to [CustomerExperience@xoserve.com](mailto:CustomerExperience@xoserve.com)

15 October 2021

Dear Steph,

### **Xoserve BP22 1<sup>st</sup> Draft Consultation Response**

SGN would like to thank Xoserve for the opportunity to comment on Xoserve's Business Plan 2022 - 1<sup>st</sup> Draft issued in September 2021. We have provided feedback regarding the information provided to date and the areas of the Business Plan which impact SGN as a Distribution Network or for which we require clarity.

Specific responses in relation to the questions posed within your Customer Feedback section are detailed below:

1. Do you agree with our view of the required investments detailed in the plan?

SGN does not support all the requested investments within the plan and would wish to challenge the following areas specifically.

#### **Decarbonisation**

SGN has highlighted to Xoserve our concerns regarding the recommended funding for the various decarbonisation projects which are either currently in flight or due to commence over the coming months and years.

SGN believe that any Decarbonisation funding to support these projects requires clearly defined and measurable outputs, as this will be key to our reporting of the progress on these projects with Ofgem. To this end we have requested that the proposed Budget be reduced to the level previously agreed in BP21 to ensure we can clearly indicate to Ofgem that we are efficiently utilising the resources and experience provided by Xoserve within this area.

#### **UKLink Roadmap**

Although we are supportive of the ongoing planned spend in relation UKLink we would challenge the allocation of some of the costs presented in BP22.

As part of the Core Platform Migration in years BP20/BP21 the allocated funding was adjusted from the standard split in relation to the enhancements being delivered. Subsequently in BP20



the allocation was moved from a 50/50 split between GDN's and Shippers to a 10/90 split which in turn flipped to a 90/10 split in BP21. SGN note that the allocation has not reverted to the 50/50 split in line with the service area in BP22 as was advised by Xoserve in BP20.

2. Would your organisation be able to support the level of change being proposed? If you have capacity constraints, which initiatives would you prioritise and why?

No comments.

3. Has the information issued in support of the investment areas provided you with the additional level of detail required to better understand the investments being proposed?

We are pleased to see the ongoing provision of Business Case information to provide further details and clarification around any proposed investments Xoserve believe should be made in the coming years.

There is however currently no transparency regarding the Maintain the Business (MTB) costs associated with the Services provided by Xoserve directly or their new service provider Correla and therefore we would welcome further detail.

In addition, can Xoserve provide further detail regarding the efficiencies expected as part of the separation of the operational function of Xoserve to Correla and the subsequent sale?

4. Would you prefer for the plan to include a value for contingency in the CSS programme, in case the programme is further delayed or PIS reshaped/extended?

SGN have no comments regarding CSS contingency funding however would seek clarification on the MTB, CSS and REC costs detailed within the BP22.

In light of recent discussions and challenges regarding the movement of the Data Enquiry Service (DES) from a DSC service to a solely RECCo Service under the Gas Enquiry Service (GES), we are keen to understand the treatment of MTB Costs in this area as the GES Service stands up upon delivery of CSS go live in 2022. For example, has the cost reduction associated with no longer providing DES to DSC parties been considered within the MTB, and adversely does the additional provisioned for REC/CSS include the same? What assumptions have been made, and how does the projected budget account for the funding of GES still being undecided?

5. What additional information would you need in order to identify your preferred funding option for CMS?

SGN would require the cost benefit analysis of delivering the CMS Service via Correla investment and ongoing user charges versus that of the historical route where Xoserve deliver, and DSC parties pay for the IP and MTB costs. Without this information and a long-term view of the financial impact i.e. 5 years we will be unable to direct Xoserve in this regard.

### Opening Up Our Data & Cyber Security

SGN support the general direction of travel regarding Opening Up Our Data and the recommended spend regarding Cyber Security. We would request that any changes to the Data Discovery Platform (DDP) whether these be enhancements or new services remain within the investment/change budget to ensure visibility and clearly scoped change requirements are delivered.



**Customer Experience**

We welcome the clear cost segregation associated with improving Customer Experience now becoming solely a Correla cost as part of the DSC+ Contract deliverables. However, SGN believes there is still significant work required by Correla and Xoserve to ensure that the new Customer Experience is managed effectively, for example Change Requirements being fed back to Xoserve in a timely and efficient manner.

Should you have any questions or require further clarification regarding any of the points presented above then please do not hesitate to contact me at [Sally.Hardman@SGN.co.uk](mailto:Sally.Hardman@SGN.co.uk)

Yours sincerely,

Sally Hardman  
Regulatory Process Manager  
SGN