

Frequently Asked Questions

Updated: 6th April 2021

General

	Question	Answer
1	What are the new roles of Xoserve and Correla?	Xoserve will retain its role as CDSP and will remain accountable for delivery of the Data Services Contract (DSC) and industry procurement. It's focus will shift to contract management and assurance, and it will lead industry engagement for regulatory and strategic change requirements, industry procurements and the ongoing business planning process. Correla will operate as a managed service provider, delivering services back to Xoserve under a commercial contract in alignment with the DSC, focusing on outstanding delivery of customer service and leveraging private investment to bring innovation to benefit of the industry
2	What does the separation mean for me?	There will be very little change in how the Data Services Contract (DSC) services are delivered. You will deal with the same people you do today for the most part. The new operating model will see Correla awarded the DSC+ contract, which will flow down the DSC obligations to Correla and introduce service credits for underperformance. Correla will also have the benefit of having access to private funding, enabling greater opportunities to develop new products and services for customers.
3	Who is approving that it is correct for customer's needs?	The Xoserve Board, comprised of nominated representatives across all customer segments, will have full approval rights on a final Go/No-Go decision. This decision will be based on a set of predefined criteria, which stipulate that no element of Xoserve's current customer capability is compromised, and that the construct of the Data Services Contract Plus (DSC+) adds commercial and service value to customers.
4	What are the timings for the transition?	From 1st March 2021 there will be a planned transition period, with full separation of the two businesses targeted to complete in April 2021.
5	Will the timeline be extended based on customer concerns?	The Go/No Go criteria has a clear placeholder to ensure that customers have been engaged with throughout the process and their concerns taken on board and addressed.

Contractual Obligations

	Question	Answer
6	Will my licence obligations continue to be met by Xoserve and Correla as they are today?	Any licence obligations currently met by Xoserve will continue to be the responsibility of Xoserve under the DSC contract. In addition, the Credit Risk, Neutrality and Customer Change teams will remain in Xoserve, as will the management of the ongoing business planning process and key industry experts. Operational activities will now be carried out by Correla. All current licence obligations will continue to be met between Xoserve and Correla.

Data Services Contract Plus (DSC+)

	Question	Answer
7	What is DSC+? Are Customers signatories to it?	The DSC+ is a contract between Xoserve and Correla for the delivery of DSC contractual obligations. Customers are not signatories.

8	Can I have sight of the DSC+?	The terms and conditions of the DSC+ are confidential to Xoserve and Correla. However, an opportunity to review the DSC+ was made available to all DSC Contract Managers prior to the contract being finalised.
9	The DSC+ exit plan paragraph talks about the 12-month period. This seems a long time to wait.	The stipulation here is for an exit plan to be provided 'no later than 12 months following the commencement date', rather than 12 months being an absolute. This is to allow initial focus on operational performance, delivering a successful separation and establishing ways of working with Xoserve prior to creating an exit plan which reflects the new service delivery model.
10	The DSC+ mentions that the Key Performance Measures (KPMs) can be changed by Xoserve or Correla at any time. Could this not be used to weaken the KPM in the event of a Service Improvement Plan (SIP)?	This mechanism is intended to ensure that Xoserve can represent emerging and changing priorities in order to ensure a customer centric approach is maintained. Any changes must be agreed by both parties; a softening of KPM targets does not serve the interests of Xoserve nor the key interest that Correla will have to deliver optimal service performance.
11	What is the plan for the Daily Meter Service Provider (DMSP)?	Following implementation of Modification 710, DMSP will work in the same way as the Allocation of Unidentified Gas Expert (AUGE) and the Performance Assurance Framework Administrator (PAFA) e.g. Xoserve manages procurement and Correla manages daily activities.
12	How do you see the AUGE future relationship?	The AUGE relationship will be owned by Xoserve but managed by Correla on a day-to-day basis as the provider of services, with Correla attending AUGE meetings.
13	Why does AUGE and Demand Estimation Subject Matter Expert (SME) support fall under miscellaneous?	Xoserve will be responsible for procurement of the AUGE, whilst the Correla will manage the day-to-day relationship. The SME therefore sits within Correla and will be called upon to support Xoserve in the procurement activities.
14	Why does the Data Discovery Platform (DDP) Prime fall under bespoke?	DDP Prime services developed in the future will be sold as third-party services to those who wish to use the service, ensuring that the costs are targeted at the parties using the services (which will include non-DSC parties). It is not expected that these services will be taken up by all DSC parties and therefore will not form part of a core Central Data Service Provider (CDSP) service provision.
15	Why are Research Bodies carved out of the third-party bespoke requests being handled directly by Xoserve?	The carve out should only be in the event that Correla applies as a Research Body. In this instance Xoserve would manage the process. All other Research Body requests will be treated the same as any other bespoke third-party services request. Correla will manage the process with support from Xoserve, but ultimately decision-making is with Contract Management Committee (CoMC).
16	The DSC+ makes mention of bespoke third-party services being provided by Correla at Xoserve's discretion. What test would be applied to determine discretion?	Schedule 2, paragraph 8 states bespoke third-party services may be provided on Xoserve Direction. Due to the nature of the bespoke service it would be anticipated that the industry would ultimately approve these request types (either via CoMC or the Modification process). If approval is granted via the industry, Xoserve will direct Correla to provide the service.
17	The DSC+ mentions that should Correla fail to deliver on an investment or a milestone, that Xoserve would be entitled to withhold 5% of payment. Why 5%?	This figure is deemed commercially appropriate, balancing the viability of commercial impact to Correla along with a sufficiently compelling incentive to drive delivery performance.
18	The DSC+ refers to updating a budget map at a governance meeting, what is the governance meeting referred to?	The governance meeting is the DSC+ Contract Management Meeting between Xoserve and Correla.

19	Why does DSC+ refer to Data Flow Platform (DFP) and Central Switching Service (CSS) Adaptor services as bespoke?	<p>DFP services developed in the future will be sold as third-party services to those who wish to use the service, ensuring that the costs are targeted at the parties using the services (which could include non-DSC parties). It is not expected that these services will need to be taken up by all DSC parties and therefore will not form part of a core CDSP service provision.</p> <p>SwitchStream is a third-party service because it allowed for suppliers (or other organisations acting on behalf of suppliers e.g. Supplier in a box providers) to make use of the provision (in alignment/agreement with their Shipper arrangements). In order to ensure that SwitchStream could be used by those industry parties that are entitled to take part in the switching flows, we have therefore provided a contract for this arrangement, using the third-party framework to cover both Shipper and Supplier usage, so that we didn't need to create duplicate arrangements. Since Suppliers (or others) are not DSC parties this could not be provided as a Specific or Additional Service.</p>
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Commercial and Finance

	Question	Answer
20	Do we have sight of new Xoserve and Correla terms and conditions?	To protect the commercial interests of its suppliers, Xoserve does not comment in detail to customers on the commercial terms that it has negotiated with its suppliers but does provide general information where appropriate to do so.
21	Five years feels risky if things start to deteriorate - RecCo contracts as noted are three years. Does a rolling contract of shorter duration work as a compromise?	Five years has been set in order to balance the interest of Xoserve being able to switch suppliers along with the duration required for investors to invest in the improvement of the core service. Xoserve will have certain 'step-in' rights should it need to become necessary.
22	I understand the Xoserve Board will be approving the separation, not customers. What, if any are the step-in rights?	The final approval decision for the separation plan will reside with customer nominated Board representatives. Service Credit and Step-in Triggers, along with the clear commercial definitions of these terms will be included in the DSC+ contract.
23	What are the additional costs to me as a customer under the new arrangements?	There are no additional costs for our customers under these new arrangements.
24	Will Customer costs be based on portfolio size?	Costs to customers will remain as they are today.
25	Can we have your confidence relating to the cash rebate within this financial year?	A cash rebate to our customers is expected at the current time, however this remains subject to the Go/No-Go criteria applied to the Sales Transaction processes being fulfilled.
26	Can I expect to see any degradation in my service in the bedding in period?	The vast majority of the people in Correla and Xoserve will be doing exactly the same jobs they are today. We do not expect to see any degradation in services.
27	There is mention of each party notifying the other of any change in applicable law that would change the services offered. How will regulation change and licence change be handled?	Licence change and Regulation changes are included within the definition of Applicable Law.
28	How do we prevent service from degrading? The change would introduce instability and service credits may not cover this.	DSC+ will include a series of Service Credits against the Key Performance Measures (KPM) that customers value most, incentivising Correla to provide the highest levels of Service quality. The transition to Correla is designed to be as seamless as possible, with the vast majority of our people doing the same jobs they do today.

29	What will the new governance structure be? What say do customers have? How will the relationship between new Xoserve and Correla work? How do I know there isn't asset stripping going on?	The governance structure between Xoserve and its customers will not change. All existing DSC governance forums will remain in place.
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Performance

	Question	Answer
30	Would Correla have access to all the gas data that Xoserve currently receives? How would that be justified if it's not performing a regulated function?	Correla would require access to the data to perform its current undertakings. Any further use of data would be subject to appropriate governance.
31	How will I get sight of service performance under the new arrangements?	Xoserve will be monitoring service performance through Key Performance Measures (KPMs), as it does today. At the monthly Contract Management Committee (CoMC), all KPMs will be reported on with a clear focus given to any KPM not performing to target and both Correla and Xoserve will be represented. An action plan will be created to address any issues.
32	What re-course do I have if I'm not satisfied with performance?	Under the new arrangements, service credits will come into force for those KPMs valued most by customers.
33	How will Service Credits work?	KPMs are the agreed performance measures between customers and Xoserve currently. These are representative of services that our customers have told us that they value most. Service Credits will apply to a series of 'Right First Time' and 'Cycle Time' KPMs, with repeated or severe instances of underperformance resulting in higher levels of Service Credit and Step-In right options. Any financial penalties applied as a result of service credits being invoked will be rebated to customers using the same funding methodology applied for DSC funded services.
34	When do service credits get triggered are they post the SIP process?	Service credits are triggered upon a KPM service failure.
35	Service levels are currently not where they need to be. In the past there have been broken services that customers have had to pay for e.g. Class 3, AML, AQ etc. How will this work going forward?	Delivery of service is currently defined through KPMs. The KPM framework will be embedded in the DSC+, but with added commercial penalties applied to Correla in order to incentivise performance and create commercial consequence for underperformance that doesn't currently exist. The DSC+ also applies a commercial commitment that MTB costs will NOT increase at any point of the initial DSC+ term, assuming like for like basis for the scope of DSC services.
36	Will Correla prioritise new product development over DSC+ delivery?	No. Delivery against DSC obligations will remain a key priority for Correla.
37	Are KPMs flexible to suit customer needs?	Yes, we can discuss any changes that may be required to KPMs in the future.

Products

	Question	Answer
38	How will SwitchStream work? Where will it sit?	The underlying technology that enables SwitchStream to work is the Data Flow Platform. This platform as an asset will move over to Correla and covers a number of technologies that move data from A to B for our customers. SwitchStream will continue to function as it does today, to support successful delivery of the CSS Programme.

Investors

	Question	Answer
39	How do you address risk of onward sale to the Data Communications Company (DCC)?	The Board has set a comprehensive criteria as to the type of investor that they require in Correla and has agreed a combination of a minimum retention period, commercial repercussion from early sale and limitations over subsequent owners to protect customers in the longer term.
40	What is the risk of bidding to inflate order book for quick sell on?	The main focus of Correla will be the continual improvement of delivery of DSC services to customers to maximise the chance of contract retention, further developing customer focused products, and selective bid opportunities which complement rather than add to the risk of their delivery.
41	Who is the investor?	<p>Following a competitive process and period of due diligence, private equity firm NorthEdge has been selected as a suitable investor for Correla.</p> <p>NorthEdge is one of the leading independent lower mid-market private equity firm in the North and Midlands, focussed on backing high quality management teams and growing businesses with national and international reach.</p>

Operations

	Question	Answer
42	How will things work operationally? I don't want to have to go to two organisations to do the same job.	The majority of your day-to-day contacts will not change. Correla will manage the delivery of DSC services on behalf of Xoserve and your Customer Advocate will transfer to Correla.
43	How will change be managed in the new world?	The change process is an example of where some things will need to change to accommodate the new operating arrangements. Xoserve will be responsible for understanding change required from customers and delivery of change will be managed by Correla.

Support

	Question	Answer
44	Is Sian Jones the CEO of Correla? Who is the Xoserve CEO? What is the Xoserve Board structure and how will Shipper Nominated Directors (SNDs) be impacted?	Sian Jones, the current CEO of Xoserve, will become the CEO of Correla following separation. Subject to entering into an agreement for the sale of Correla, the Board will appoint Stephanie Ward to lead the restructured Xoserve organisation. Xoserve's Funding, Governance and Ownership structure is unchanged.
45	Who makes up the Correla Board?	The Board will comprise of the Correla senior management team. Jon Pickering and Andrew Skinner from the investor, NorthEdge will also join alongside Ian Kelly as Non-Executive Chair.

46	How many people will remain in Xoserve?	There will be around 40 to 45 employees remaining in Xoserve with the remainder transitioning to Correla.
47	How many people will move to Correla from Xoserve?	Around 400 people will transfer to Correla.
48	Which teams will stay in Xoserve?	Xoserve will mainly consist of Commercial, Finance and Contract Management functions, together with a focus on change. The Credit Risk, Neutrality and Customer Change teams will remain along with key industry experts.
49	Who will be my day-to-day contacts?	Your day-to-day contacts will remain as they are today.
50	Where will our Customer Advocates be working – Correla or Xoserve?	The Customer Advocate Team will transfer to Correla to retain their existing focus on engaging closely with customers to ensure the successful delivery of DSC services.
51	Will the Advocate role be the same?	The Advocate role that you know today will not change and all Advocate contacts you have now will remain as they are.
52	When will I be able to see the structure of Correla?	Sian Jones will move to take up the position of Correla CEO with the current organisational structure transferring to Correla – excluding any roles and teams remaining within Xoserve.