

Representation – Draft Modification Report UNC 0841

Introduction of cost efficiency and transparency requirements for the CDSP Budget

Responses invited by: 5pm on 07 March 2024

To: enquiries@gasgovernance.co.uk

Please note submission of your representation confirms your consent for publication/circulation.

Representative:	Dave Turpin
Organisation:	Xoserve Limited
Date of Representation:	06/03/2024
Support or oppose implementation?	Support
Relevant Objective:	<p>c) Positive</p> <p>d) None</p> <p>f) Positive</p>
Relevant Charging Methodology Objective:	Not Applicable

Reason for support/opposition: *Please summarise the key reason(s) for your support or opposition.*

Xoserve are broadly happy with Modification 0841. We have worked with the proposer and legal text provider and believe that we are able to meet the requirements set out in the Modification. Xoserve believe that the published Business Plan for 2024/25 represents an appropriate level and detail for the industry and we intend to maintain this level of detail for future Business Plans, as well as meeting any additional requirements because of Modification 0841. Xoserve believes the proposed solution now gives the right balance between the appropriate level of prescription / detail of information to be provided within the Business Plan, without constraining future evolution of the planning process.

Governance Statement: *Please provide your views on the self-governance statement or reasons why Authority Direction should apply.*

Xoserve agree that Authority Direction should apply for the Modification 0841 decision.

Impacts and Costs: *Please provide a view on the impacts and costs you would face.*

There is an Xoserve impact and cost because of Modification 0841. The impact is to adopt the new requirements for the Business Plan process. Although Xoserve have

already met many of these requirements under Business Plan process 24/25, there are still some requirements which must be met following the approval of Modification 0841. This includes (but not limited to), the appointment of a party to undertake independent assurance activities on the Business Plan process. The cost range within the ROM for the independent assurance activities was £45,000 - £70,000.

It is worth noting, the original ROM also had a cost range for an additional Xoserve resource to support the updated Business Plan process. As discussed, and agreed within the Workgroup, this cost range was removed from the ROM as it was not dependent on Modification 0841 implementation. This is because Xoserve have already committed to providing a more detailed Business Plan (delivered within 2024/25), which required additional support regardless of Modification 0841.

Implementation: *What lead-time do you wish to see prior to implementation and why?*

Implementation as soon as possible would be preferable to ensure the changes are incorporated within the Business Plan 2025/26. The Business Plan process for 2025 will commence in March 2024, with the first requirement, as per the Data Service Contract, to publish the initial draft of the Principles and Approach document in June 2024. Although Xoserve have already adopted many of the requirements set out under Modification 0841 and will continue to adopt these for Business Plan 2025, the sooner we have confirmation on the complete Modification 0841 approach that needs to be delivered the better. The 'drop dead date' for a final decision which was discussed in 0841 Workgroup and questioned by the Ofgem representative at the February UNC Panel was by May 2024, which Xoserve support as a latest point for this confirmation to be able to meet requirements within Business Plan 25/26.

Legal Text: *Are you satisfied that the legal text will deliver the intent of the Solution?*

Xoserve have reviewed the legal text for Modification 0841 and are satisfied it will deliver the intent of the solution.

Panel Questions: *Panel Members have requested that the following questions are addressed.*

No questions were raised but the Panel have asked respondents to note that Modification 0841A was raised as an alternative to Modification 0841 on 27 September 2023 and was withdrawn on 26 January 2024. The information is available with all of the other 0841 documentation, as normal.

<https://www.gasgovernance.co.uk/0841>

Error or Omissions: *Are there any errors or omissions in this Modification Report that you think should be taken into account? Please include details of any impacts/costs to your organisation that are directly related to this.*

N/A

Additional analysis: *Please provide below any analysis or information to support your representation.*

N/A