

Direction relating to Centrica's appeal of the CDSP budget 2022/23

Publication date: 04 September 2026

This direction is issued to every holder of a licence in which Transporter Licence Standard Special condition A15.10 (SSC A15) has effect (the Licensees). The Authority requires the Licensees to require the CDSP to make changes to the CDSP Annual Budget as set out in this direction.

Legal framework

This direction is made pursuant to SSC A15.10 and SSC A15.11.

Direction

The rationale for this direction is set out in Ofgem's letter of decision on the appeal by Centrica against the Central Data Service Provider Annual Budget of 2022/23 dated 4 September 2026 (the Decision). The Licensees are directed as follows:

General

To the extent that, since the appeal was lodged, the CDSP has updated its budget setting processes in a manner that meets or exceeds the standards required by one or more of the directions below, the Licensees are not required to carry out the relevant direction(s).

To comply with SSC A15.11(a) and (b), the Licensees are directed to require Xoserve to amend the value of the CDSP Annual Budget for 2022/23 by reducing it by £1.00.

Ground 1 – Xoserve failed to demonstrate the efficiency of the Maintain the Business Costs

In relation to the first ground of Centrica's appeal, that Xoserve failed to demonstrate

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the efficiency of the Maintain the Business Costs¹, the Authority directs the Licensees to direct the CDSP to, in future budget setting processes:

- share with customers sufficiently granular information to allow customers to meaningfully scrutinise and respond to budgets during the budget setting process, thereby allowing customers to jointly control and govern the CDSP on an economic and efficient basis;
- where appropriate, to look to test the market in relation to MTB costs provided by Correla² to ensure that users are able to assess the efficiency of the costs of services provided by Correla;
- to ensure that Board Assurance Statements are accompanied by evidence of why the Board is comfortable with the content of the statement as well as, where appropriate, an explanation of how the Board reached that conclusion;
- to collaborate with all Relevant Users to consider any additional steps that could be taken as a result of Ofgem's decision on Ground 1.

Ground 2 – The treatment of Intellectual Property Rights for the Contract Management System did not comply with the Data Services Contract and Xoserve failed to objectively identify the delivery model that represented the greatest value for Customers

In relation to the second ground of Centrica's appeal, that Xoserve's treatment of intellectual property rights for the contract management system did not comply with the data services contract and that Xoserve failed to objectively identify the delivery model that represented the greatest value for customers, the Authority directs the Licensees to direct the CDSP to, in future budget setting processes:

- consider, compare, and share with customers sufficient options and cost-benefit analysis, and provide them sufficient time to meaningfully engage with such information, when making decisions on all investments that are more than minor to properly allow Relevant Users to jointly control and govern the CDSP on an economic and efficient basis;
- collaborate with all Relevant Users to consider any additional steps which could be taken as a result of Ofgem's decision on Ground 2.

¹ "Maintain the Business" means the area of the budget named this in 2022/23 and any subsequent label applied to the same area of the budget in subsequent years (e.g. S&O).

² "Correla" means the organisation named Correla, or any subsequent organisation that may replace it, that provides the Data Services Contract plus service under contract with the CDSP.

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Ground 3 – That Xoserve's BP22 effectively changed the risk profile to which Customers are exposed that was set by a regulatory decision

In relation to the third ground of Centrica's appeal, that Xoserve's BP22 effectively changed the risk profile to which Customers are exposed that was set by regulatory decision, the Authority directs the Licensees to direct the CDSP to, in future budget setting processes:

- share with customers sufficiently granular information to allow customers to meaningfully scrutinise and respond to budgets during the budget setting process, thereby allowing customers to jointly control and govern the CDSP on an economic and efficient basis;
- where appropriate, to look to test the market in relation to MTB costs³ provided by Correla⁴ to ensure that users are able to assess the efficiency of the costs of services provided by Correla;
- collaborate with all Relevant Users to consider any additional steps which could be taken as a result of Ofgem's decision on Ground 3.

Interpretation

Terms used in this direction have the meaning given in the Decision unless context requires otherwise.

Yours sincerely,

Carmel Golden
Deputy Director, Industry Rules

Signed on behalf of the Authority and authorised for that purpose.

³ "Maintain the Business" means the area of the budget named this in 2022/23 and any subsequent label applied to the same area of the budget in subsequent years (e.g. S&O).

⁴ "Correla" means the organisation named Correla, or any subsequent organisation that may replace it, that provides the Data Services Contract plus service under contract with the CDSP.