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Dear James,

### **Consultation on strategy for the next gas distribution price control**

Thank you for the opportunity to respond to Ofgem's consultation on strategy for the next gas distribution price control ("RIIO-GD1"). Our comments are concerned with the questions raised in Chapter 4 of the "Outputs and Incentives" Supplementary Annex.

The xoserve common Agent function includes in its scope services delivered on behalf of both Gas Distribution Networks ("GDNs") and National Grid Gas Transmission ("NGGT"), and a review of xoserve arrangements may therefore have parallel implications for the outcomes of both RIIO-GD1 and the next transmission price control review ("RIIO-T1").

We welcome this review as an opportunity for the industry to determine the optimum arrangements for the xoserve business for the next ten years. We would welcome the review concluding in a timely manner, arriving at conclusions that provide certainty for stakeholders and enable xoserve to prepare an informed RIIO Business Plan submission.

Our detailed response is set out in the supporting document that we have submitted with this letter.

### **Next Steps**

We are happy to provide every support to Ofgem to ensure a well-informed and timely outcome to the proposed review of xoserve. In the meantime, if you would like to discuss further any aspect of our response, please contact Martin Baker, xoserve Business Planning Manager, on 0121 623 2692 or e-mail [martin.baker@xoserve.com](mailto:martin.baker@xoserve.com) in the first instance. We are happy for you to publish this letter and the supporting detailed response.

Yours sincerely

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xoserve