



2019 Business Plan

Draft Business Plan Consultation
Customer Webcast 11 October 2018



Welcome and Introduction

Martin Baker, Head of Strategy

Welcome

- Xoserve presenters
 - Sian Jones, Chief Executive Officer
 - Martin Baker, Head of Strategy
 - Dave Turpin, Customer Lead
 - Imran Sangra, Head of Finance
- We also have colleagues available to answer questions on specific topics
- Notes for participants
 - Please mute your device
 - You may submit a question at any time - please use the chat facility
 - We will answer customer questions at the end of each section
- We will issue the presentation plus questions and answers next week

Today's webcast

- Strategic Overview
- Plan Highlights
- Market Investments and Change Initiatives
- Constituency Funding
- Cost Allocation Model
- Customer Engagement and Consultation Questions

We want to hear from you

The consultation is open until 2nd November 2018

We will discuss the Plan at the DSC Contract Management Committee on 17th October 2018

Please contact your Customer Advocate to discuss what the Plan means for you



*Available from our
website homepage*

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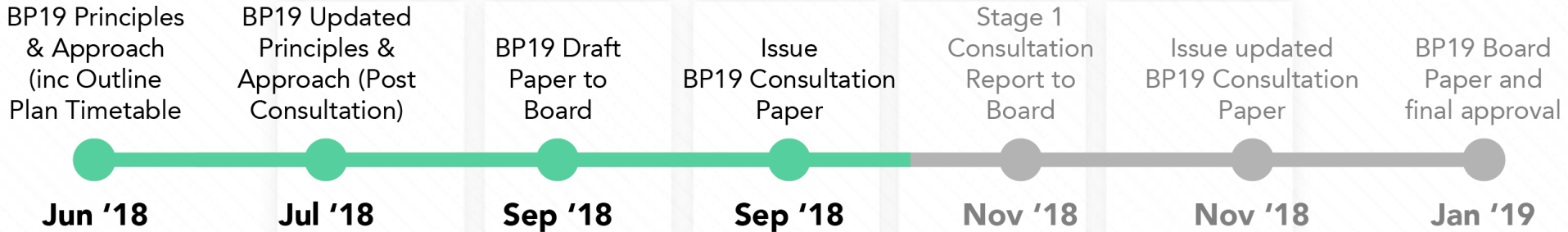
Please send your responses to
Xoserve.customeropscomms@xoserve.com

We will issue a summary of customer feedback and
an updated draft Business Plan by
26th November 2018



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We're part way through the process



What are we consulting on?

Our ambitions for the next three years



Outcomes that we want to achieve for our customers



Outcomes translated into financial forecasts



Supporting information which will help our customers understand the impact on them





Strategic Overview

Sian Jones, Chief Executive Officer

Xoserve Strategy House

We believe in
radically simplifying the
Energy Market through maintaining
and leveraging industry assets for the benefit of all





Responsible Business
Assurance, commercial, suppliers, social and safety

Our Strategic Ambitions and Outcomes

Pillar	Ultimate ambition	Outcome
Customer Centric	Our customers <i>trust</i> us completely, because we understand their businesses and can effectively anticipate their needs.	From Reliability to Trust
Data Driven	We provide a platform and data foundation for <i>innovators</i> to drive and enable <i>value creation</i> for our customers and end consumers.	From Stewardship to Value Creation
Change Leading	We are the first choice to deliver change, because we provide delivery <i>certainty</i> in an increasingly complex and fast-paced market.	From Consistency to Certainty
Operationally Excellent	We are the service provider of <i>choice</i> for our customers for delivery of processes which connect the energy market.	From Necessity to Choice
People Powered	We attract and retain people with the highest engagement, capabilities and behaviours, providing fulfilling career paths for them and exemplary, <i>market-leading</i> service for our customers, which clearly distinguish us from other providers.	From Learning to Leading
Responsible Business	Our customers are <i>confident</i> that we enable them to grasp new opportunities, because we are exemplars in managing and controlling risk, whilst being commercially and financially astute and operating in a socially responsible way.	From Assurance to Confidence

Meaningful investment in Customer Centric and Data Driven

Pillar	2018/19 achievements so far	Much more to do
 <p>Customer Centric</p>	<ul style="list-style-type: none"> • Shared our Strategy with customers during the Customer Day in April 2018 • Restructured the Customer Department to better meet immediate customer needs • Adopted the Institute of Customer Service (ICS) Customer Satisfaction Survey 	<ul style="list-style-type: none"> • Provide timely and high quality customer training and education • Deliver a transformed experience of industry change, as we enter a high-change period • Relentless focus on continuous improvement of every customer journey, cutting across Xoserve • Radically improve the digital experience, ease of access to and self-serve of information
 <p>Data Driven</p>	<ul style="list-style-type: none"> • Invested in a Data Access Platform (DAP) • Proactively addressing key customer issues – Unidentified Gas and Amendment Invoicing • Launched machine to machine API's for PCW's and Suppliers and co-created the Joint Market Intelligence Service Development Group 	<ul style="list-style-type: none"> • The DAP will provide self-service reporting, a catalogue of machine to machine APIs, data analysis and advanced analytics for customers • Introduce machine learning and artificial intelligence to conduct advanced data analytics • Create re-usable assets which reduce future data analytics costs

Additional aims during the Plan period

Deliver the consequential impacts of a new Central Switching Service (CSS) and Retail Energy Code (REC)



Successfully re-platform Gemini



Reduce the volatility and absolute levels of Unidentified Gas



Review how effective our governance arrangements are



Deliver significant customer change





Strategic Overview

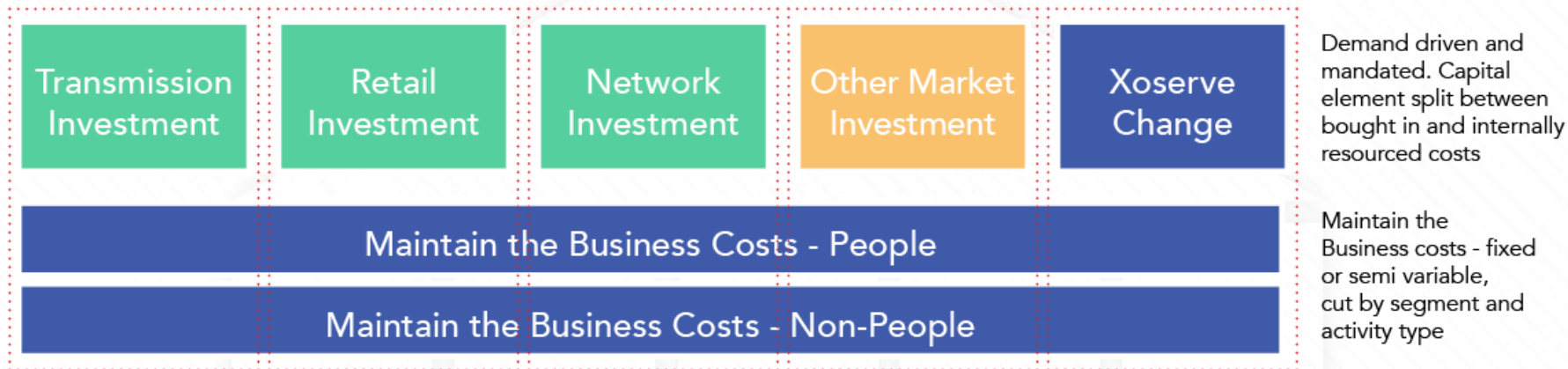
Customer Questions



Plan Highlights

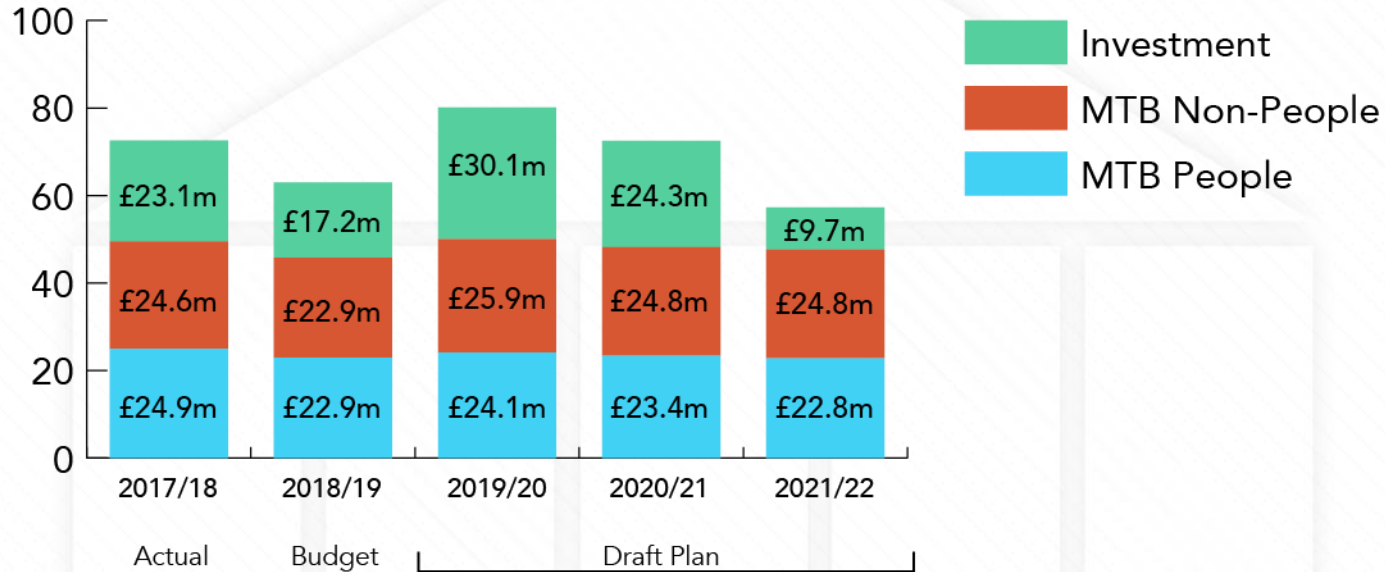
Imran Sangra, Head of Finance

Presentation of Financial Information



	Customer Demand Driven Investment Xoserve propose, Customers choose including timings and consequential costs	Examples: Uk Link, Gemini, DSC
	Market Driven Investment Xoserve and Customers respond jointly to regulatory/market demand	CSS
	Xoserve Change and Maintain the Business Xoserve develop, Customers consulted	TransformUs

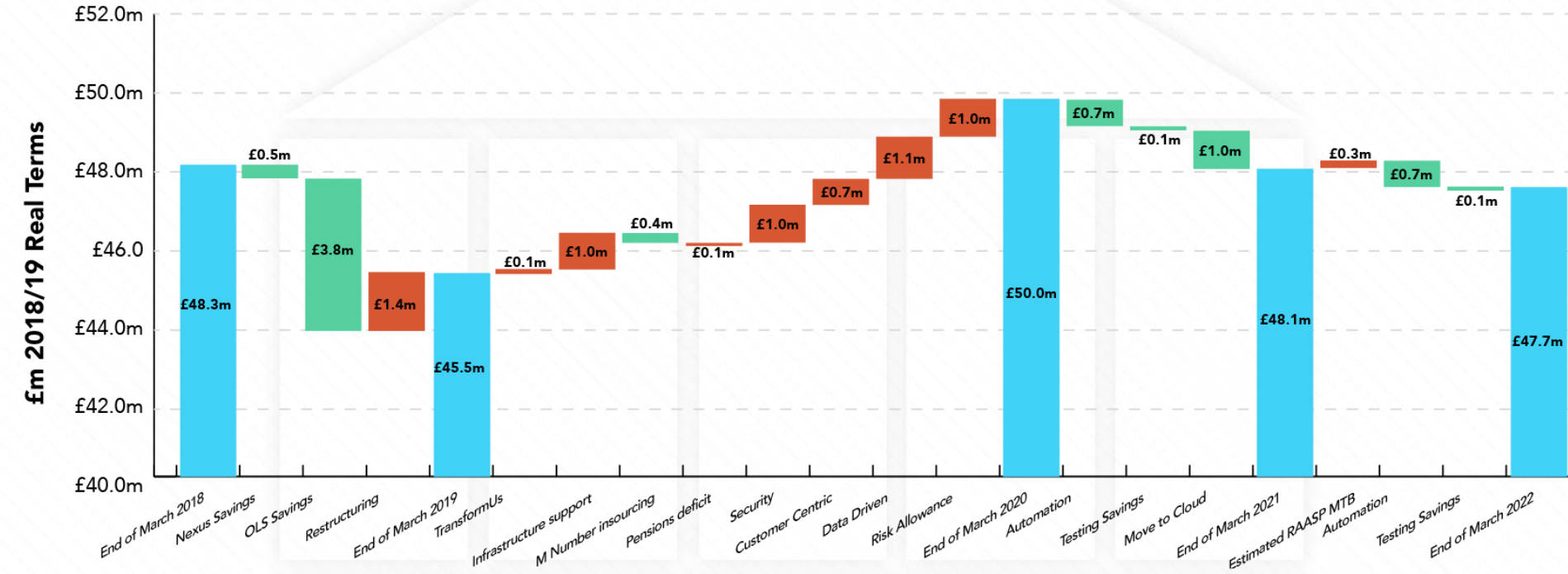
Total Expenditure



Efficiencies in Maintain the Business (MTB) will bring costs by the end of the Plan period to below 2017/18 levels

Funding for the delivery of the consequential impacts to CDSP services from the Central Switching Service (CSS) are included in 2019/20 and 2020/21

Maintain the Business





Plan Highlights

Customer Questions



Market Investment and Change Initiatives

Dave Turpin, Customer Lead

Market Investment – Central Switching Service

2019/20 Investment Spend	2020/21 Investment Spend	2021/22 Investment Spend	Total Investment Spend
£11.0 million	£12.1 million	£-	£23.1 million

Funding for delivery of consequential impacts to
CDSP services



Post go-live impact on MTB funding will come into
effect in Plan Year 3



Assumption that CSS go-live is end of 2020



A successful CSS bid will reduce
consequential funding requirements



Market Investment – Xoserve Governance

2019/20 Investment Spend	2020/21 Investment Spend	2021/22 Investment Spend	Total Investment Spend
£1,100k	£275k	£165k	£1,540k

Governance model enters its third year of operation



The industry landscape is changing

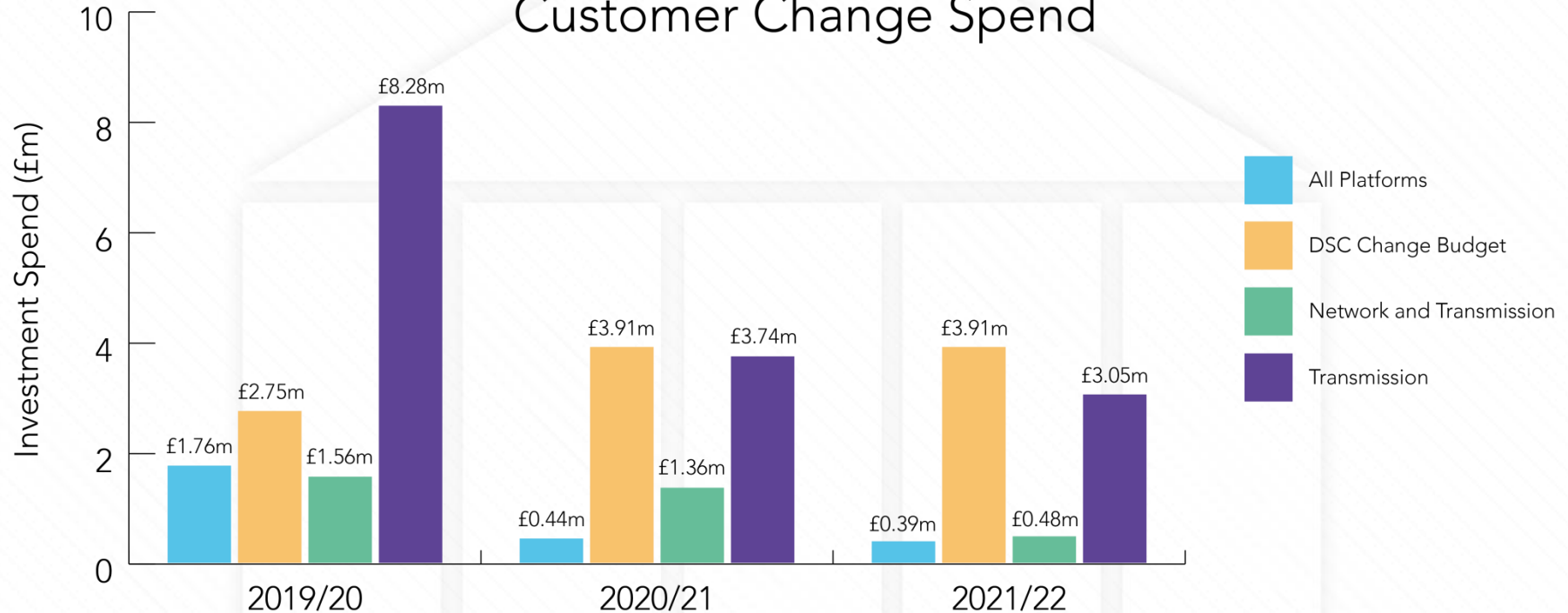


Review implications of potential future developments



Customer Change by Platform

Customer Change Spend

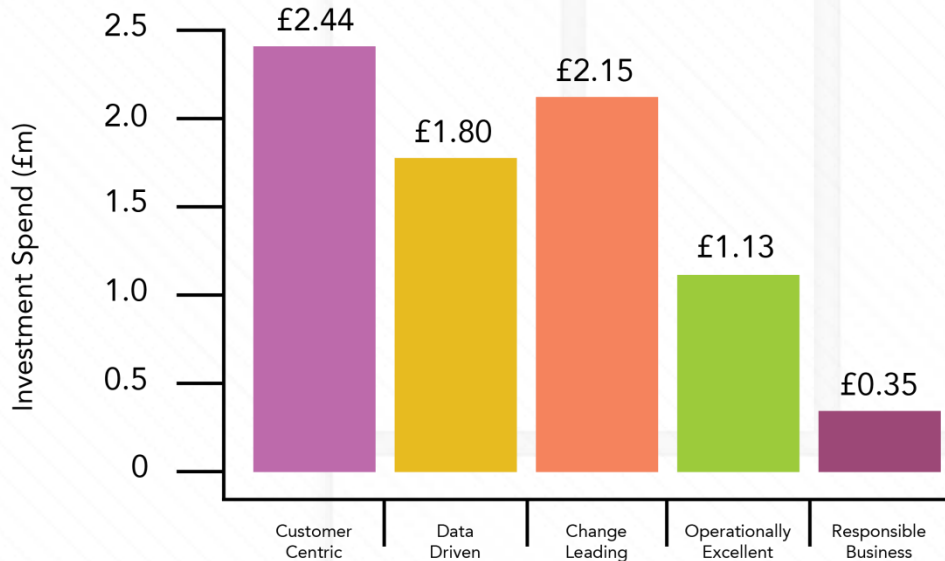


Customer change funding requirements are those arising from demand for services

Xoserve Change

2019/20 Investment Spend	2020/21 Investment Spend	2021/22 Investment Spend	Total Investment Spend
£3.74 million	£2.48 million	£1.75 million	£7.97 million

Xoserve Change Total Investment Spend



We have prioritised the Xoserve Change initiatives to deliver the improved levels of service which customers have asked for

A full list of initiatives is available on page 27 – Annex 02



Market Investment and Change Initiatives

Customer Questions



Customer Constituency Funding

Imran Sangra, Head of Finance

Customer Constituency Funding

For each constituency, we have provided two tables:

1. A view of prior and current year funding, plus three years forecasts
2. A comparison of 2019/20 funding as forecast in this draft Plan and as forecast in our two previous Business Plans

Please speak with your Customer Advocate for a detailed constituency overview



Please provide your feedback during the consultation period





Customer Constituency Funding

Customer Questions



Cost Allocation Model

Imran Sangra, Head of Finance

Review of Cost Allocation Model

We have undertaken a review and shared this with the DSC Contract Management Committee:

- Further analysis required to assign UK Link support costs to different Service Areas
- We are undertaking a strategic review of our systems hosting arrangements
- Gas Transporters' revenues for the funding of Xoserve to March 2021 have been set using the prevailing Model

Therefore for BP19, we will continue to adopt the current Cost Allocation Model.

We will review this for the RIIO-2 period.



Cost Allocation Model

Customer Questions



Customer Engagement

Dave Turpin, Customer Lead

Engagement Channels

Send us a written response



Talk to your Customer Advocate



Join our webcasts



Discuss at DSC meetings



Engagement Timeline

Engagement Phase	Start	End	Duration	Forms of Engagement
Draft Plan	24/09/18	02/11/18	6 weeks	Webcast DSC Contract Management Committee DSC Change Management Committee Meetings with customer organisations Written consultation
Updated draft Plan	26/11/18	07/12/18	2 weeks	Webcast DSC Contract Management Committee Meetings with customer organisations Written consultation
Final draft Plan	09/01/19	16/01/19	1 week	DSC Contract Management Committee



Customer Engagement

Customer Questions



Consultation Questions and Closing Remarks

Martin Baker, Head of Strategy

We want to hear your views

Customer Change and Market Investment

Your capacity to support the total volume of
Change

Xoserve Change initiatives



Your views on Change priorities

Assumptions, risks and opportunities

Maintenance of the Cost Allocation Model

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