
xserve



2021 Business Plan

Draft Version 2 Addendum

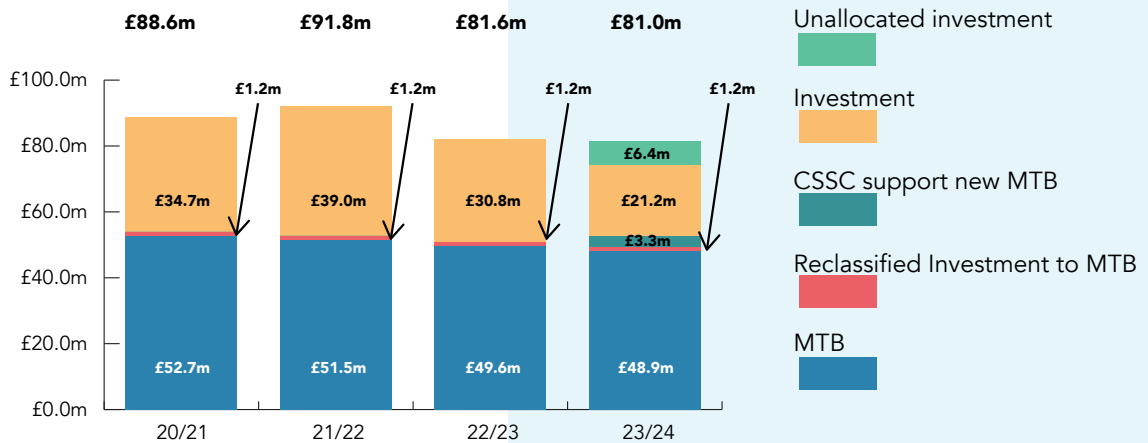
BP21 Update

Introduction

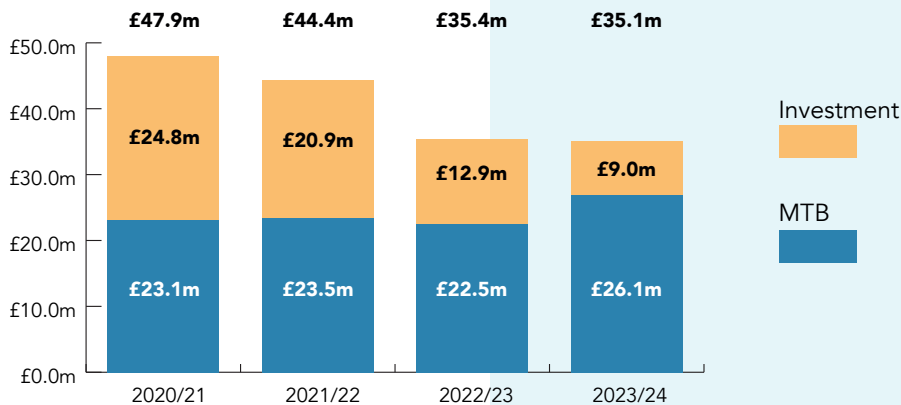
Version two of the Business Plan 2021 (BP21) was released on the 30th October. We stated at this point that the timing of the Ofgem re-baseline, meant it was not possible to set out a complete Central Switching Service Consequential (CSSC) budget. We committed to release a detailed breakdown of the impact of Ofgem's re-baseline as soon as it was available. This addendum to version two of BP21 provides an updated cost position for CSSC, as set out in the General Annual Retail Energy Code (REC) Change section of the plan. As a result of this update, we are extending the consultation period on version two of BP21 by an additional week, up to 27th November.

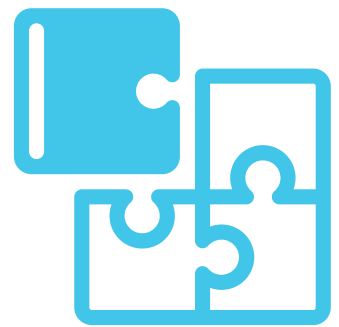
Following presentation of these costs to Shippers and a discussion at the November Contract Management Committee (CoMC), the BP21 TOTEX and Shipper graphs, included in this document (below), have been updated to ensure customers see the impact on the overall plan.

BP21 Totex



Shipper Funding





General Annual Retail Energy Code (REC) Change

The original Ofgem Programme Plan indicated a Go-Live date of July 2021. In March 2020 an interim Programme Plan was shared by Ofgem which indicated a Go-Live date of March 2022 following the deferral of the Programme for Licenced Parties due to Coronavirus (COVID-19).

Replanning has since concluded, and Ofgem's revised Programme Plan was approved and baselined on the 27th October 2020; the go-live date has moved from March 2022 (the base assumption for BP21) to August 2022, along with an increase of programme scope via change requests. These changes have led to resource, supplier and environment extensions. At the average programme run rate of £1 million per month, this extension and scope change was initially estimated to cost an additional £6m. We have undertaken an exercise to minimise cost impacts as much as possible without compromising our delivery requirements and/or obligations and have been successful in reducing the impact to our customers by £3.9m.

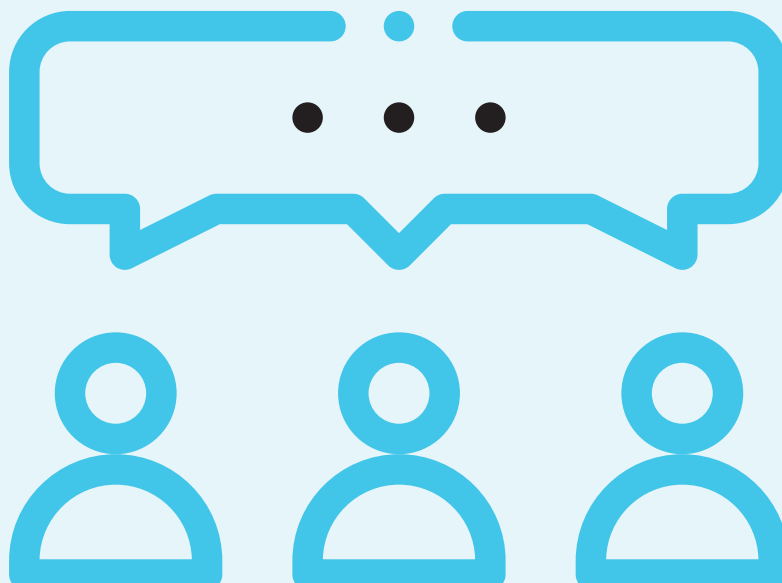
Therefore, there is an overall increase of £2.1m to our BP21 forecast. This includes a shortfall of £908K in the current year (FY20/21) and the remaining £1.2m in next year's costs (FY21/22). Our revised costs include a small but appropriate level of contingency based on our view of the residual levels of risk. This would allow us to absorb moderate change and deviation or re-phasing of the overall plan, within the current timeframes.

We welcome your views on the information we have set out and on anything that you think we may have missed. We will review all the responses that we receive and will issue a Customer Feedback Report alongside the final draft Business Plan by Friday 4th December 2020.

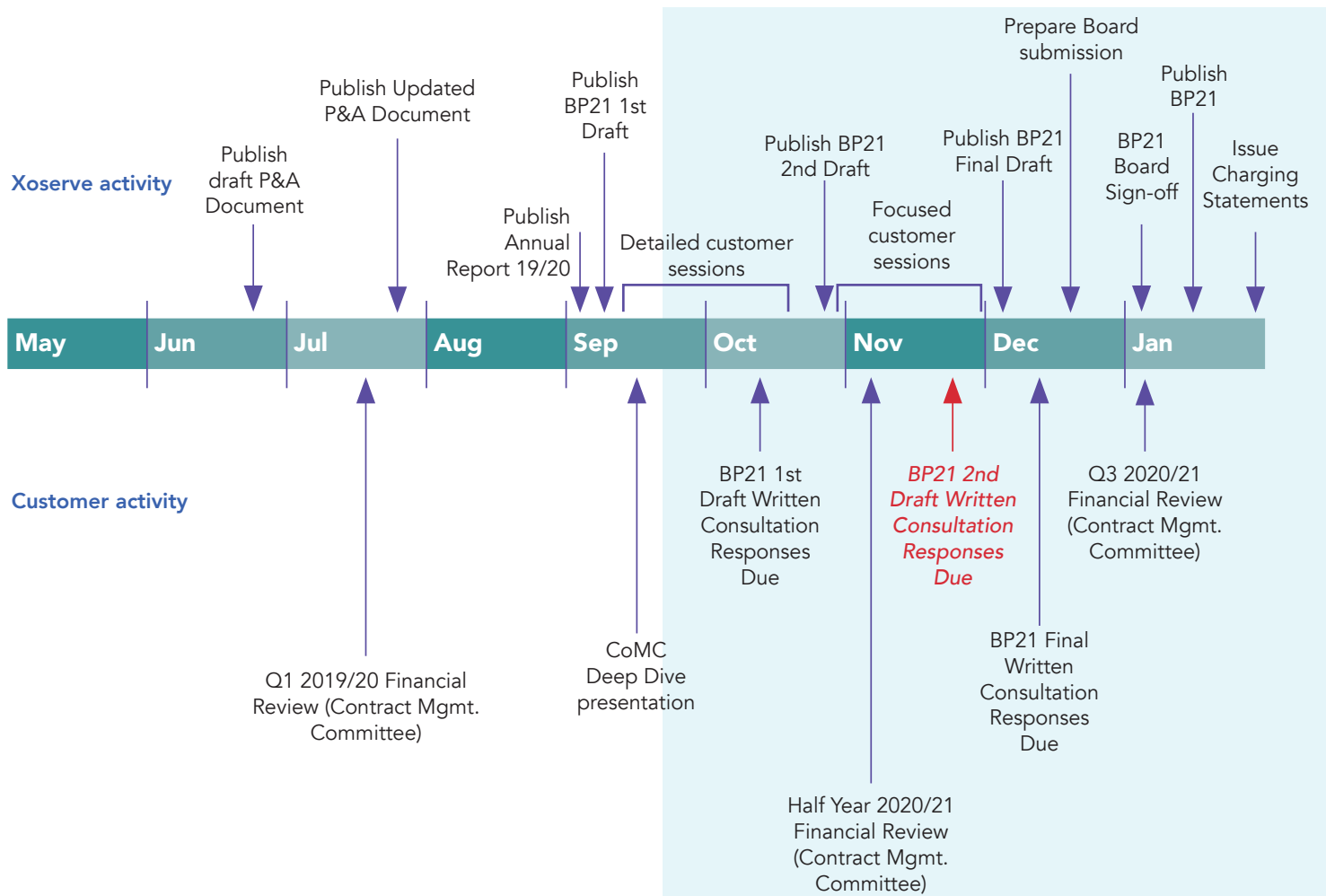
We have set out below some key questions, where we would appreciate your comments. Please send these to CustomerExperience@xoserve.com by Friday 27th November 2020.

Questions

- Have we provided sufficient information for you to understand the cost and risk profile is justified, which is based on the baselined plan on the 27th October?
- Should the £908k variance for FY20/21 be offset by any rebate from the DSC change budget or included in FY21/22, bringing the total to £2.1m before any other offsetting movements in the 20/21 charges? This will require a consensus decision from Shippers.



Updated Engagement





Consultation Timelines for 2020

Step	Date	Action	Provider	Receiver	Deliverable
1	11th September	Consultation 1: Issue draft Business Plan for consultation (one)	Xoserve	All Customers	Draft Business Plan
2	19th September	Consultation 1: Deep dive presentations at the Contract Management Committee (CoMC) meeting	Xoserve	All Customers	Teams Presentation
3	19th September	Consultation 1: Provide feedback at the Contract Management Committee (CoMC) meeting	CoMC	Xoserve	Feedback notes and actions
4	16th October	Consultation 1: Provide written feedback	All Customers	Xoserve	Written feedback
5	23rd October	Board update	Xoserve	Board	Feedback report
6	30th October	Consultation 2: Issue updated draft Business Plan for consultation (two)	Xoserve	All Customers	Updated draft Business Plan
7	3rd November	Consultation: Xoserve hosts webcasts (Questions and Answers)	Xoserve	All Customers	Webcast presentation
8	Midday 27th November	Consultation 2: Provide written feedback	All Customers	Xoserve	Written feedback
9	27th November	Board update	Xoserve	Board	Feedback report
10	4th December	Consultation 3: Issue updated final draft Business Plan for consultation (three)	Board	Xoserve	Updated draft Business Plan
11	11th December	Consultation period ends			

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