

xserve



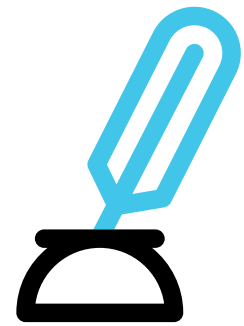
2022 Business Plan

First Draft

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CEO Foreword



Dear Customers

I am delighted to share with you the first draft of our 2022 Business Plan (BP22).

This document builds on the thinking that we shared with you in our Principles and Approach document ([here](#)), which set out our approach to developing the business plan. I was delighted with the number of responses we received when we published the initial draft of this document and they contained some great questions together with some valuable insights which have informed this next stage of the process.

Such high levels of engagement so early in the process bodes well for a positive and informative conversation about the service and investments Xoserve plans to deliver in 2022/23 and the resulting benefits for customers. We will be publishing the feedback we received from customers on the draft Principles and Approach (except feedback sent in confidence) and our responses to that feedback alongside this first draft of BP22.

To create this first draft, my team has independently evaluated the investment cases prepared by each of the investment owners. Collectively, our change, solution and business case assurance experience adds up to nearly 100 years, giving us a unique position from which to undertake such activities. We have validated that each business case is required for the continued delivery of Central Data Service Provider (CDSP) services and delivers a clearly stated customer and/or consumer benefit. We have verified that the scope for each investment represents a cost-effective solution which aligns to required architecture and information security principles and can be delivered when required without adversely impacting other change programmes. We have also considered the impact of the changing demands of the industry as we work towards decarbonisation and Net Zero targets.

Further, we have updated the way the budget information is presented, to facilitate transparency and comparisons with previous years, providing accompanying context and outlining the key issues driving the numbers.

The energy market remains under enormous pressure. Decarbonisation, open data frameworks and energy market reform are adding to the continued financial challenges arising from RII02, the energy price cap and the COVID pandemic. We've therefore made sure that BP22 focuses only on the investments you've told us are important, that are required to sustain CDSP services by keeping our platforms up to date and secure and/or that deliver industry change. We have also secured private investment from Correla for a number of our Exceptional Customer Experience initiatives and negotiated the reprofiling of the Contact Management Service (CMS) investment to move to a subscription-based model which removes the requirement for up-front investment. All of this means that at an overall level we have been able to not only realise but beat the Totex reductions we forecast for 2022/23 in Business Plan 2021 (BP21).

The publication of this document reflects the next important step in the process to agree BP22. Once the business planning process has been concluded, and reflecting Xoserve's new organisational focus on the assurance of service delivery, Xoserve's Board will provide an Assurance Statement setting out how the Board has assured itself that the Business Plan is in the interests of Xoserve's customers and consumers.

We look forward to close and collaborative engagement with you to review, understand and iterate the business plan over the coming weeks. Thank you in advance for your participation.

Stephanie Ward

Chief Executive Officer



Executive Summary

BP22 aims to recognise the challenging environment in which our customers continue to operate, as we contend with the impacts of the COVID-19 pandemic. As in Business Plan 2021 (BP21), we have worked to present a plan which provides stability and value for the CDSP services and focuses on the investment areas that our customers have told us are important, which are required to sustain the CDSP services and/or which deliver industry change. We have maintained and, in some cases, exceeded the financial promises made through BP21, with BP22 Totex for 2022/23 now forecast to be £3.4m lower (£83.2m in BP21 vs £79.8m in BP22).

Investment Overview

The investment areas within BP22 remain consistent with those in BP21, with the exception of Decarbonisation which is now separated from General Change. We have set out where value in these investments has been delivered and where further value will be provided through the proposed investment roadmaps.

We have outlined areas where our new arrangements with Correla will benefit customers, leading to reduced investment costs to customers when compared to those previously set out in BP21.

We have also included costs for the replacement of Contact Management Service (CMS) of £1.3m in 2023/24 and £1.1m in 2024/25. These values reflect further investment from Correla, allowing the service to be consumed on a subscription basis. We will be seeking customer views on this approach during the consultations.

CSS Programme

Our investment cost forecast for CSS for BP22 remains consistent with BP21 (£8.5m). However, areas of significant risk and underlying ambiguity remain within the CSS programme that could result in an increase in project expenditure up to conclusion of the PIS period. To account for these uncertainties, we are seeking customers' views on whether (as in previous years) Xoserve should include a contingency sum (suggestion: £2.5m), in addition to the £8.5m investment needed to complete the programme.

Following the further elaboration of service requirements by RECCo, the latest forecast for run costs has been increased to £0.5m from the BP21 position of £3.4m to £3.9m in BP22.

MTB Summary

MTB baseline

In both BP20 and BP21 we forecast that baseline Maintain the Business (MTB) costs would reduce in 2022/23 and 2023/24, on a like for like basis, for those years. This profile has been maintained in BP22 with £51.8m in 2022/23 and £51.1m in 2023/24.

MTB Scope changes

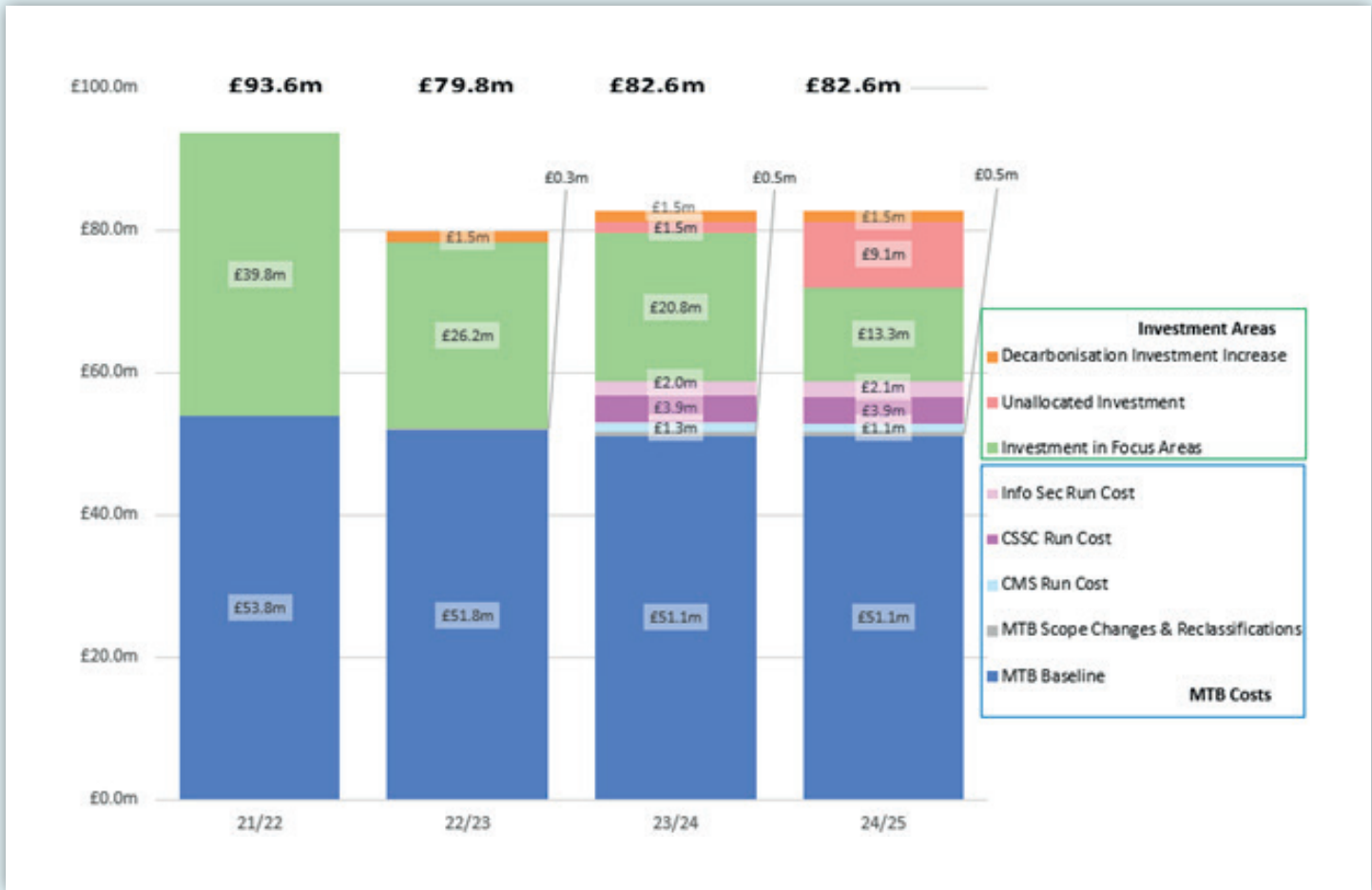
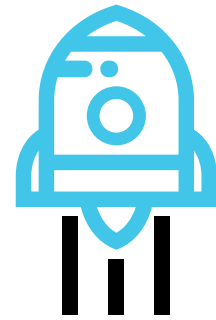
Since the publication of BP21, we have identified areas of scope change for services funded by MTB as described in the financial forecasts section of this document. We will work with customers to identify and agree any instances of further MTB scope changes that arise due to changes requested during the consultation period for BP22.

MTB reclassifications from Investment

In BP21, we reclassified the costs of a number of services from Investment to MTB due to their enduring nature. We also highlighted to customers that services delivered under the Timely and Open Data investment would be reclassified in this plan (£0.2m in 2022/23 then £0.5m in 2023/24) for the same reasons. These reclassifications have no impact on Totex.

Information Security

Over recent years we have made significant investments to secure our data and build levels of protection against the risks of Cyber Crime, whilst ensuring our ability to comply with Data Privacy laws and regulation. MTB in BP22 reflects the transfer of Information Security run costs (£2m) resulting from these investments from 2023/24 onwards.



Introduction

In July 2021 we published the Principles and Approach for our Business Plan for 2022-23 (BP22), which marked the formal start of our annual process to engage with our customers on the strategic priorities of Xoserve, and specifically to seek feedback on the initiatives we believe will deliver the greatest value during the period April 2022 to March 2025.

The publication of the first draft of our BP22 marks the next step in this process, consolidating the customer feedback we have received so far and outlining our financial forecasting, investment focus areas, customer engagement approach, and constituency-specific information for consideration.

As set out in our Principles and Approach document we have categorised our investment proposals within five core focus areas that represent the priorities for the upcoming business plan period:

- Exceptional Customer Experience
- Opening-Up Our Data
- Gemini Roadmap
- UK Link Roadmap
- Protecting Against Cyber Crime

In addition, there are three focus areas which capture work driven by BEIS/Ofgem, the Retail Energy Code (REC) and the Uniform Network Code (UNC):

- Decarbonisation
- REC Change
- General Change

We've chosen to remain consistent with the approach taken in BP21, optimising the list of investment themes to provide a clear and simple framework for demonstrating investment value and the way in which this value will be measured.

This document sets out the rationale and plan for activities in each of the investment focus areas, along with a breakdown of investment activities. These incorporate customer feedback from BP21 and, again, each focus area will be underpinned by a detailed roadmap and business case. We have presented financial information in line with our BP22 Principles and Approach, ensuring the information describes the purpose of the funding, provides transparency about the funding of historic initiatives, and gives a breakdown, by customer constituency, of funding contributions.

Commencing with this Business Plan, and then following on with supporting presentations, meetings and documents throughout September, we will continue to build on the step change introduced in customer engagement activities in the planning process for BP21, providing more granular information to customers earlier in the process, alongside detailed roadmaps to clearly set context for the investment areas. We welcome your views on the information we have set out as we progress; you'll find a full breakdown of our engagement timeline and opportunities to feedback your views later in this document.



Financial Information



Provision of Financial Information

In this section we describe the basis of our financial forecasts and how we are presenting financial information to our customers. Wherever possible we have retained the format and structure of our financial information in line with last year's plan to help customers see what's new and what has changed.

The financial information in BP21 was stated at 2020/21 prices. To allow a direct comparison with the values in BP22, we have restated all values shown in BP21 inclusive of the 'Consumer Prices Index including owner occupiers' housing costs' (CPIH) uplift of 2.0% which was applied to BP21 to create the charging statements in January 2021. CPIH indexation will be used again to convert the finalised BP22 numbers into Charging Statements for 2022/23.

In BP21, we showed MTB costs as a whole, irrespective of how this is split between our own costs and those of third-party suppliers, and this will continue in BP22. Investments in BP22 will continue to be categorised by focus area.

Presentation of Financial Information

The financial information in the following sections is presented in line with the focus areas outlined in our Principles and Approach. Costs have been allocated to the relevant customer constituency for each investment focus area. This fulfils three objectives:

1. It differentiates between funding that:
 - a. Maintains the business (known as MTB), supporting the high-quality assets necessary to deliver our services.
 - b. Delivers the investments to meet customer requirements. Our investments have been split by:
 - i. Focus areas as specified within the Principles and Approach document with only essential investments being proposed.
 - ii. An unallocated investment pot for years two and three of the Plan that reflects the customer view that a flat level of investment across the Plan period represents a more realistic view of future investment levels.
2. It is transparent about the initiatives being funded to deliver our previously stated strategic goals and builds upon BP21 to continue investments in critical systems and solutions needed to deliver CDSP services.
3. It provides a breakdown, by customer constituency, of their contribution to the plan by showing the breakdown of constituency costs for each investment (the investment funding split) and compares the total for each investment area against previously approved Business Plan figures (BP21). We have also shown any impacts resulting from investment costs being reclassified to MTB or consequential MTB costs when projects have ended.

Financial Forecasts

Total Expenditure

The chart on page 9 illustrates proposed BP22 Total Expenditure. This is made up of costs required to maintain the business (MTB) and deliver investments considered essential, in order for the CDSP services to support our customers in the context of the future direction of the energy market.

The main reasons for the changes to the investment profiles between BP21 and BP22 are:

- The re-profiling of spend on the Gemini Roadmap, resulting in a £4.0m reduction in 2022/23
- Increased Gas Distribution Network (GDN) investment in Decarbonisation from £1.5m to £3m a year to accelerate activity and create capacity for additional scope and requirements.
- The transfer into MTB of Information Security run costs, previously classified as investment in BP21, from 2023/24 onwards. This recognises the conclusion of this four year investment programme.

In BP21 we reclassified the following activities, which had become mainstream and operational in nature, from investment to MTB. We also highlighted to customers that work currently classified under the Timely and Open Data investment area was also enduring in nature and would be reclassified as part of BP22. As reclassifications, these changes have no impact on TOTEX. These activities are:

- Provision of Demand Estimation data (from 2022/23 onwards)
- Data Discovery Platform (DDP) core releases (from 2023/24 onwards)

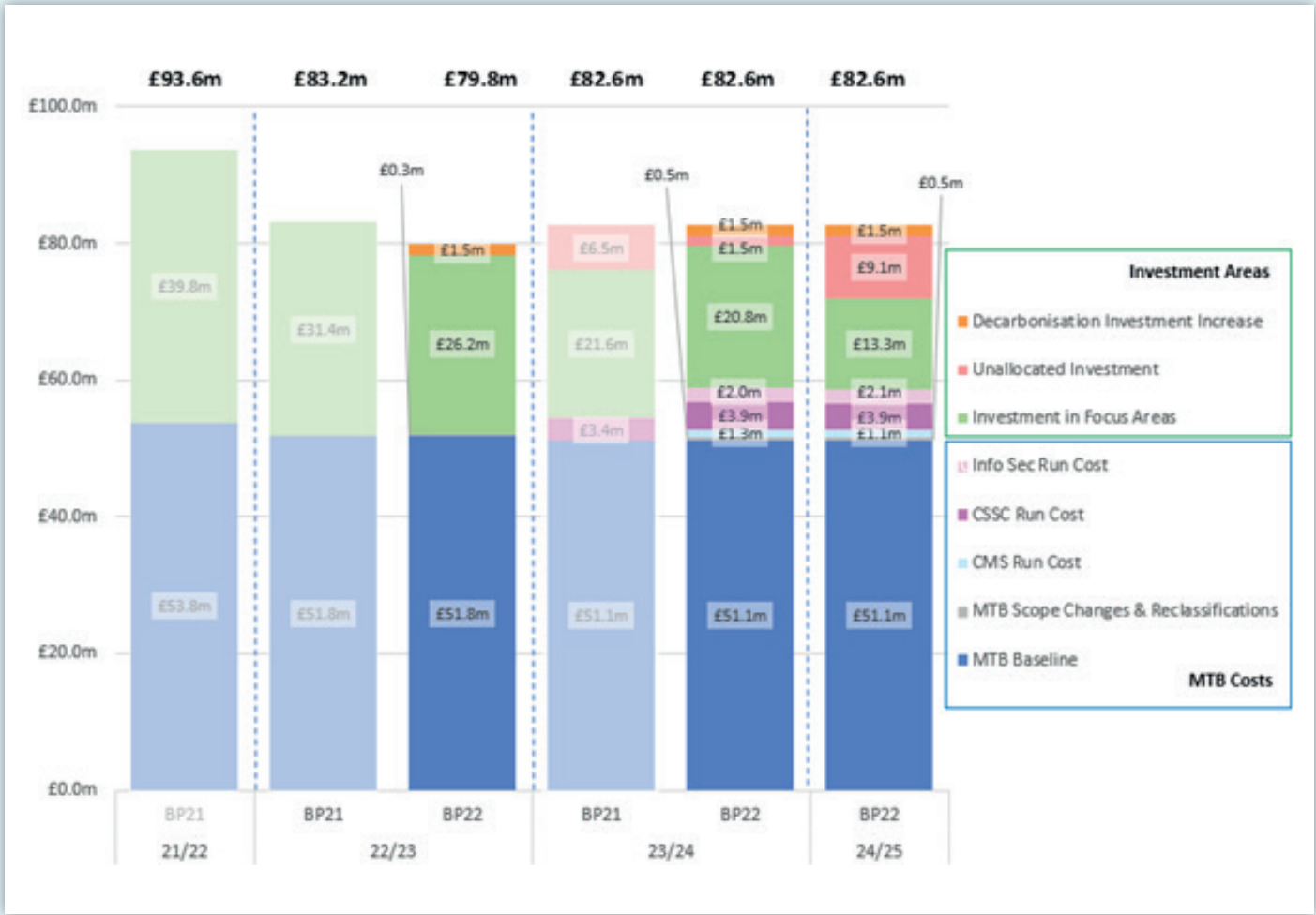
MTB expenditure represents the cost of providing the central data services. We promised in both BP20 and BP21 that we would reduce our baseline MTB costs year-on-year, on a like for like basis, for those years. This profile has been maintained in BP22.

There have been several scope changes to the services funded by MTB since the publication of BP21, however, specifically:

- At the request of customers we included new functionality to run a messaging service (Twilio) to allow communication to end users (+£0.1m).
- Increased Allocation of Unidentified Gas Expert (AUGE) and Performance Assurance Framework Administrator (PAFA) costs as a result of re-tendering for these activities and to cover additional scope requested by Performance Assurance Committee. (+0.2m).
- The decommissioning of the Data Recorder Service. This data will be sourced from smart meters in the future and this service will cease during 2022/23 (-£0.15m) and 2023/24 onwards (-£0.3m).

In addition, and shown separately:

- As a result of further changes to the Industry Central Switching Service (CSS) programme, assumptions to MTB run costs for Central Switching Service Consequential (CSSC) have been increased by £0.5m a year from the values stated in BP21.
- As highlighted earlier in this section run costs for Information Security are transferred into MTB from 2023/24 onwards.
- The initial estimate of run costs associated with the CMS replacement have been included from 2023/24 onwards.



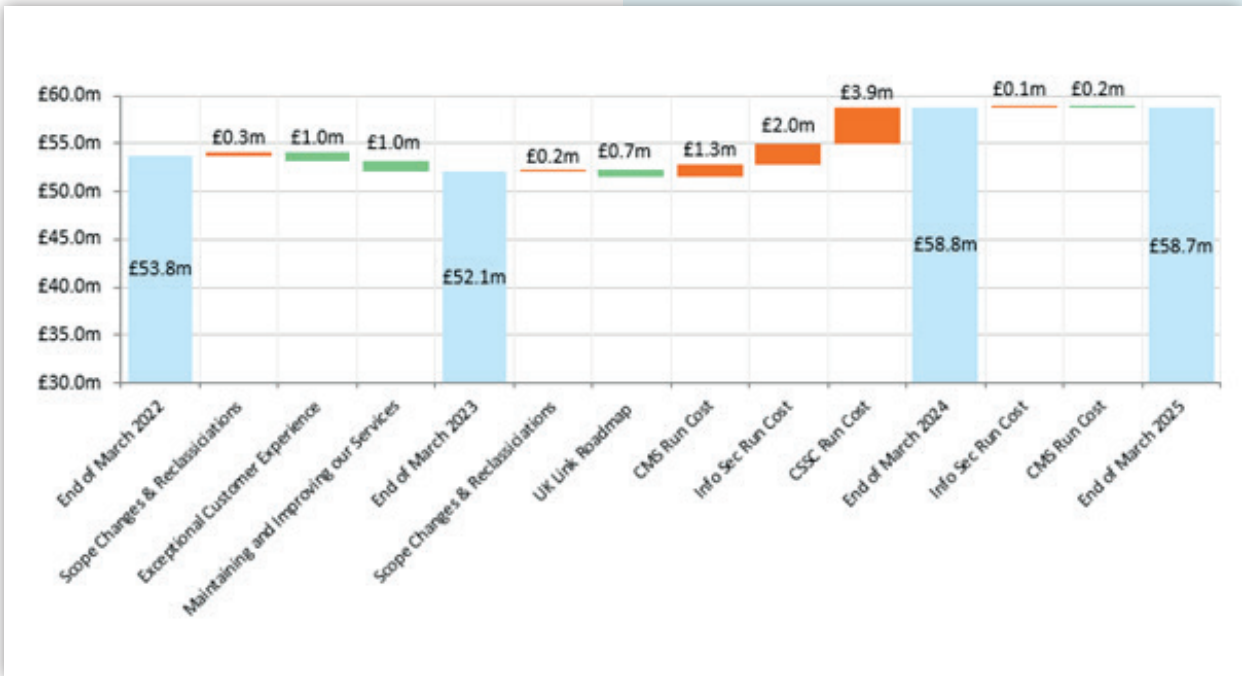
Financial Forecasts

Maintain the Business

The chart below shows the year-on-year MTB movements in costs (in £m) from April 2022 through to March 2025 and identifies the drivers for each movement.

- The MTB scope changes increase costs by +£0.1m in 2022/23 whilst the first tranche of costs reclassified into MTB add £0.2m. In 2023/24 the scope increases and reductions cancel each other out whilst an additional £0.4m is reclassified into MTB.
- Benefits from our Exceptional Customer Experience (-£1.0m) and Maintaining and Improving our Services (-£1.0m) initiatives highlighted in both BP20 and BP21 will be realised in 2022/23.
- UK Link savings (-£0.7m in 2023/24) are the annual benefits from core platform migration to cloud.
- Information Security run costs included from 2023/24 as the investment initiatives complete (+£2.0m in 2023/24 then and additional +£0.1m in 2024/25) as the activities move into business as usual.
- CSSC run costs have been updated from the BP21 position (+£3.4m) based upon changes in requirements driven by the Industry CSS programme (+£0.5m). £3.9m in total.
- The initial estimate for CMS run costs are included (+£1.3m in 2023/24 +£1.1m in 2024/25).

The values above are an overall position to the Business Plan. We have detailed the impact to each customer constituency in the Customer Constituency Funding section at the end of this document.



Note – March 2022 value consists of the MTB baseline from BP21 for 2021/22 (£51.5m) and the reclassifications from Investment to MTB (£1.2m). The total of £52.7m is then increased by CPIH (2%) to get to 2021/22 prices.



Financial Forecasts

The chart below compares the MTB components against those in BP21.



Investment Area Focus

Investment Overview

In line with our Principles and Approach document we have categorised our investment proposals within focus areas that represent our priorities for the upcoming business plan period.

The chart below shows the total investment profile against that in BP21



By way of reminder, we have categorised our investment proposals within five core focus areas that represent the priorities for the upcoming business plan period:

- Exceptional Customer Experience
- Opening-Up Our Data
- Gemini Roadmap
- UK Link Roadmap
- Protecting Against Cyber Crime

In addition, there are three focus areas which capture work driven by BEIS/Ofgem, the Retail Energy Code (REC) and the Uniform Network Code (UNC):

- Decarbonisation
- REC Change
- General Change



Investment Area Focus

1. Exceptional Customer Service

Customer Centricity is at the heart of our strategy. Our vision is to 'Deliver an exceptional customer experience at every opportunity that is designed around customer needs and provides value to their business'. To achieve this, Xoserve relentlessly seeks to make every customer contact an exceptional experience through our multi-channel services.

In BP20 we launched our Customer Experience (CX) Transformation Programme as a way to centrally manage and control all in-flight customer service improvement initiatives and Xoserve will continue to develop and build on this throughout the BP22 period.

The private investment possible through Correla has enabled Xoserve to remove the costs of a number of the investment areas within Exceptional Customer Experience (Customer Relationship Management, Customer Journey Continuous Improvements, Process Automation and Customer Service Centre). From 2022/23 onwards, these building blocks of customer experience will be funded by Correla, instead of customers, reflecting Correla's ongoing commitment to the market. These will continue to be delivered as before. Consequently, the only investment funding for Exceptional Customer Experience remaining in BP22 is for the continuation of the transformation of our website.

Our website is becoming increasingly popular with customers and usage has grown 75% between 2020 and 2021. It is however still underutilised, and investment is required to take the digital experience to an industry leading one. Digital maturity will move this channel from an 'emergent' platform to one which is user driven and allows actionable insights via analytics to continually move with changes in customer demand proactively. Solid foundations are being laid with current investment funding which will provide a platform to truly grow the digital channel, however further funding is required to serve customer needs quicker and easier than ever before.

The current challenge with Xoserve.com is that it is content based and serves customers with documents and static information which is often difficult to find. We want to provide a digital hub that links all of our services in one place and routes customers quickly to the answers they need, appropriate to their market segment.

We will demonstrate the value of this transformation through a significant improvement in Right First Time (RFT), On-time Delivery (OTD) and Customer Effort (CE) measured primarily but not exclusively by the annual Customer Satisfaction Survey, provided by the Institute of Customer Service (ICS). As such, our progress will be measurable and visible to our customers, who will be able to hold us accountable for delivering the improvements we promise.

Digital transformation deliverables and benefits include:

- Provision of a self-service capability that will prevent the need for customers to contact us, reducing query volumes by 20% year on year, and therefore increasing Right First Time as we connect customers to the information they need at the very first opportunity.
- Enabling customers to get to the outcome they need faster than before, improving our On-time Delivery and exceeding the utilities sector average score of 7.5 in our 2023 ICS survey.
- Making interacting with us easy, maintaining or improving on our much-improved ICS customer effort score of 4.1 and increasing the Ease of Using Website score to 8 out of 10.

The benefits listed above, all contribute to an exceptional customer experience, which will enable us to achieve our target of a Customer Service Index (UKCSI) all sector average benchmark of 80% and at least a +10 increase in our Net Promoter Score (NPS) in the March 2023 ICS survey.

To achieve this digital transformation, we will invest a further £315k in 2022/23 and £290k in 2023/24. Overall investment for 2022/23 will reduce by £250k (£350k over two years) from the total approved in BP21 as the result of Correla's investment in Customer Relationship Management (CRM), Continuous Improvement and Improvement in Customer Communications.

In BP20 we set out an intention to re-platform the Contact Management Service (CMS), which was due to commence in 2021. During the BP21 process, customers indicated a very clear desire to see CMS rebuilt in full, with processes having moved on significantly since its inception and customers suffering from a poor user experience. It was agreed that as funding was unknown for a rebuild plan, the previous re-platform value (of £0.6m) would be carried forward into BP21 with the provision that any draw down on those funds would need prior approval from the Contract Management Committee (CoMC).

We have been working closely with customers to understand key requirements and how processes need to change to reduce customer effort and provide a speedier resolution. There are two possible funding options, either through DSC funding or Correla investment. It is expected that customers will choose their favoured option later this year. At present, we believe that the most likely opportunity for optimal value for our customers, will be through the Correla investment option and on that basis, for the purposes of this first draft CMS is assumed to be delivered as a Correla subscription-based service. These costs are shown as additions to MTB from 2023/24.



BP21 Approved (£'000)	21/22	22/23	23/24
CRM	100	100	100
Digital	370	315	290
CMS	600	-	-
Customer Journey Continuous Improvement	50	50	-
Improvement in Customer Communications	150	100	-
Customer Service Centre	200	-	-
Investment Total	1,470	565	390
Reclassification to MTB	-	-	-
Total Expenditure	1,470	565	390

BP22 Proposed (£'000)	21/22	22/23	23/24	24/25
CRM	100	-	-	-
Digital	370	315	290	-
CMS	600	-	-	-
Customer Journey Continuous Improvement	50	-	-	-
Improvement in Customer Communications	150	-	-	-
Customer Service Centre	200	-	-	-
Investment Total	1,470	315	290	-
Reclassification to MTB	-	-	-	-
Total Expenditure	1,470	315	290	-

Investment Funding Split %			
NTS	GDN	IGT	Shipper
-	-	-	-
7.2%	46.4%	1.5%	44.9%
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-

Variance BP21 vs BP22 (+ = increase) (£'000)	21/22	22/23	23/24	24/25
CRM	-	-100	-100	N/A
Digital	-	-	-	N/A
CMS	-	-	-	N/A
Customer Journey Continuous Improvement	-	-50	-	N/A
Improvement in Customer Communications	-	-100	-	N/A
Customer Service Centre	-	-	-	N/A
Investment Total	-	-250	-100	N/A
Reclassification to MTB	-	-	-	N/A
Total Expenditure	-	-250	-100	N/A

Investment Area Focus

2. Opening Up Our Data

As our customers' need for data grows, so does the expectation for Xoserve to provision data in a secure, governed and timely fashion. Opening-Up Our Data is part of a multi-year investment that focuses on improvements in how we manage and provision data to DSC customers. For BP22, investment will be a continuation of two investment initiatives:

- **Governed Data:** The continuation of our journey along the Data Governance maturity path, which includes the development of a Data Glossary, underpinning a step change in data quality.
- **Open and Timely Data:** The continuation of improvements in how we provision data to customers through DDP, allowing customers to self-serve and access increased amounts of actionable insight.

These initiatives continue to focus on tackling key challenges faced by customers around the timeliness, quality, access and the associated costs to provision new data. Investment will remain focused on tackling customers' pain points, with key benefits highlighted below:

- **Improved access:** Ability to navigate data through drillable dashboards and integrate directly with our systems using Application Programming Interfaces (APIs).
- **Reduced cost:** Self-serve data reducing the need to raise and manage change requests.
- **Improved quality:** Improved transparency of data flows and sourcing data from one location, driving consistency and quality in outputs.
- **Improved decision making:** Access to the latest data held by Xoserve, improving customers' ability to take corrective action based on the actionable insight DDP provides.

Open and Timely Data

Through the introduction of the core Data Discovery Platform capability (DDP Core), we have been able provide a service that helps tackle customer pain points and with continued investment we can ensure that customers have further flexibility in accessing the data they need to help drive key business decisions, whether that be through DDP Visualisations, APIs, Reports or Data Extracts.

We will use investment funding to support DDP Core services, improving data access and generating actionable insight that helps customers meet industry obligations. Investment will support the ongoing infrastructure, software and support costs required to maintain DDP services alongside six regular releases per year that continue to enhance the availability of data in line with customer needs and priorities. There is currently a healthy pipeline of requirements that will deliver a range of benefits for customers that support performance improvements through the provision of actionable insight.

Governed Data

With ever increasing demands for data it is vital that Xoserve has a robust Data Governance Framework in place to ensure that we meet customer expectations of a Central Data Service Provider (CDSP). We must ensure that our data processing is understandable and produces quality outputs that customers trust and can be relied upon in their day to day activities.

In BP21, we began to lay the foundation of a more sophisticated Data Governance Framework that enables innovation. This investment helped foster a deep understanding of organisational and external data usage which enables us to support industry wide initiatives to develop a data common language across the sector that in turn drives value from the data. Against an increase in regulatory obligations, specifically for the newly formed Retail Energy Code Company (RECCo), the initiative was a launchpad to help drive best practice in line with Ofgem's Data Best Practice guidelines.

In BP22 we will be maturing the Data Glossary that was started within BP21. We now have a platform that has ingested the industry file formats and associated system linkages together with a subset of reports fully described. Throughout the BP22 period we will build on this foundation and incorporate more systems and more data outputs to give customers a more comprehensive view of all data outputs. The Data Glossary will be a software solution that captures all aspects of how we use, transform and provision the data we hold as the CDSP.

In line with previous years' initiatives, investment will aim to align with key recommendations of the Energy Data Taskforce (Data Visibility, Infrastructure and Asset Visibility, Operational Optimisation, Open Markets, Agile Regulation) who have been commissioned by the Department for Business, Energy and Industrial Strategy (BEIS), Ofgem and Innovate UK to modernise data across the energy industry.

Finally, following feedback received from customers during the consultation period we have reclassified £172k of Demand Estimation costs into MTB from 2022/23. This service supports the Demand Estimation Sub-Committee (DESC) in meeting obligations to produce gas consumption profiles and estimates of peak usage demand. From 2023/24 onwards, the remaining ongoing run costs associated with DDP Core releases (£349k) have also been reclassified as MTB.



BP21 Approved (£'000)	21/22	22/23	23/24
Timely & Open Data	1,180	821	521
Governance of Data	630	210	-
Investment Total	1,810	1,031	521
Reclassification to MTB	-	-	-
Total Expenditure	1,810	1,031	521

BP22 Proposed (£'000)	21/22	22/23	23/24	24/25
Timely & Open Data	1,180	649	-	-
Governance of Data	630	210	-	-
Investment Total	1,810	859	-	-
Reclassification to MTB	-	172	521	521
Total Expenditure	1,810	1,031	521	521

Variance BP21 vs BP22 (+ = increase) (£'000)	21/22	22/23	23/24	24/25
Timely & Open Data	-	-172	-521	N/A
Governance of Data	-	-	-	N/A
Investment Total	-	-172	-521	N/A
Reclassification to MTB	-	+172	+521	N/A
Total Expenditure	-	-	-	N/A

Investment Funding Split %			
NTS	GDN	IGT	Shipper
7.2%	46.4%	1.5%	44.9%
7.2%	46.4%	1.5%	44.9%

Investment Area Focus

3. Gemini Roadmap

Our Gemini Roadmap ensures we stay up to date with new obligations and changes within the Capacity and Balancing regimes. Our plan for annual releases will, as always, be built in partnership with National Grid to ensure that these obligations are met by the Gemini system.

We continue to review the applicability of the year-on-year phasing of the Gemini Roadmap to ensure that it meets the evolving demands from National Grid and the Industry. We are continuing with our plans to enhance the user experience following on from the early roadmap foundation stages. This is in line with National Grid's review of their ongoing needs for Balancing and Capacity Service Provision and the potential longer-term replacement of the current Gemini system.

We have been working closely with National Grid to ensure that the latest roadmap ensures that the provision of Gemini is maintained in a supported state and that enhancements continue to deliver beneficial relief of the identified industry pain points.

This is being achieved by retaining the core engine of the Gemini application, while delivering:

- Performance and reliability enhancements
- Simplification and modernisation of the user interface
- Improvements that make the platform easier and more cost efficient to change

The roadmap will deliver the necessary sustaining activities for the estate throughout the business planning period, user experience enhancements and the delivery of functional enhancements to support the evolving Uniform Network Code (UNC) obligations of the market. BP22 will concentrate on data archival, the ongoing sustaining of the platform and continuation of our test automation rollout (investment of £3.8m in 2022/23, £14.55m over three years). This will continue to drive improvements to reduce the overall time and therefore cost of future development.

BP21 Approved (£'000)	21/22	22/23	23/24
Gemini Enhancements	2,980	2,980	2,980
Future of Gemini	1,957	7,812	3,742
Investment Total	4,937	10,792	6,722
Reclassification to MTB	-	-	-
Total Expenditure	4,937	10,792	6,722

BP22 Proposed (£'000)	21/22	22/23	23/24	24/25
Gemini Regulatory Change*	2,980	2,980	2,980	2,980
Gemini Sustain *	1,957	3,800	5,900	4,850
Investment Total	4,937	6,780	8,880	7,830
Reclassification to MTB	-	-	-	-
Total Expenditure	4,937	6,780	8,880	7,830

*Gemini Enhancements renamed to Gemini Regulatory Change and Future of Gemini renamed as Gemini Sustain in BP22

Variance BP21 vs BP22 (+ = increase) (£'000)	21/22	22/23	23/24	24/25
Gemini Regulatory Change	-	-	-	N/A
Gemini Sustain	-	-4,012	+2,158	N/A
Investment Total	-	-4,012	+2,158	N/A
Reclassification to MTB	-	-	-	N/A
Total Expenditure	-	-4,012	+2,158	N/A

Investment Funding Split %			
NTS	GDN	IGT	Shipper
100%	0%	0%	0%
100%	0%	0%	0%



4. UK Link Roadmap

The UK Link Roadmap is a multiyear programme of work which establishes a controlled approach to delivering service both now and in the future and is focussed on three areas:

- Improving the reliability of service to customers
- Ensuring UK Link can support customer needs and the future transformation of the energy sector
- Reducing UK Link technical debt cost effectively, based on technology that optimises performance

The primary objective of the UK Link Roadmap has been to ensure this critical data processing platform is optimised and sustained to provide continued service for the UK Gas Sector. This Roadmap will be achieved in coming years through reducing and replacing the complex landscape of expensive and inflexible older technologies within Integration, Batch and Reporting by making it more real-time.

The UK Link Roadmap is also anticipated to achieve a reduction in operational costs (MTB) from 2023/24.

As described in BP21, the first step in achieving this is through a movement to cloud hosting and this activity is currently inflight with a target implementation date in early 2022. The Move to Cloud programme is delivering key initiatives to sustain and optimise the platform by ensuring that the existing technology components are updated and maintained, increasing performance, stability, and service provision.

We are continuing this journey in BP22 by sustaining and optimising our technology landscape further.

The UK Link Roadmap is made up of four investments:

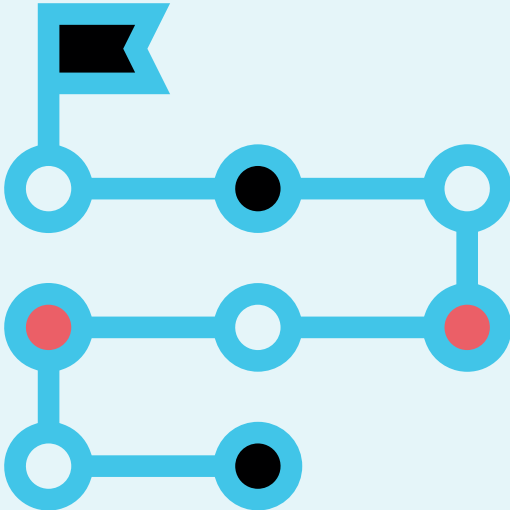
UK Link Future Enhancements

Through this investment, we will simplify the underlying technology components in UK Link, which will in turn reduce the cost of software licences and change delivery, improve flexibility, agility and platform performance. Our approach will also establish a foundation to enable Xoserve to support the sector's transition to more real-time data exchanges and real-time data processing (the visualisation and access to this data is delivered via our investments in Opening-Up our Data). Given the scale of our investment in Core Platform Migration and the proximity of the Central Switching Programme go live, this work will not commence until financial year 2023/24. Our forecast cost for this investment remains at £5.7m, as in BP21.

UK Link Service Essentials

This investment will continue to deliver improvements in the automation of our core service management processes and improvements in our application monitoring. We will invest £255k in 2022/23, unchanged from BP21. However, we have identified that our physical Information Exchange (IX) network requires maintenance and upgrade over 2023/24 and 2024/25 which has added an additional £360k each year to the numbers in BP22. The benefit of this investment is to ensure we deliver seamless connectivity to customers and remain able to handle increasing volumes of files and data and the industry demands for a performant integration layer.

Both the Central Switching Service Consequential (CSSC) programme and the movement of UK Link to cloud hosting have required, and will continue to require, significant investment in both functional and non-functional testing. We have sought to derive future value from this investment through the creation of an automated test framework which facilitates the testing of both functional, performance and regression test cycles for all future change initiatives; this will deliver substantial benefits to customers in assuring the quality of future change delivery whilst reducing the cost and time taken to perform test cycles.



Investment Area Focus

Capacity for Change

Our three-year investment which commenced in 2021/22 will deliver:

- A 25% reduction in project delivery timescales and project costs associated with UK Link major releases.
- A 25% reduction in post implementation defects associated with UK Link major releases.
- Ensure 75% of Xoserve core business process testing scenarios are fully automated, delivering a 25% reduction in customer testing effort per major release (where applicable).

Core Platform Migration

Following the move to the cloud planned in early 2022 this investment recognises the need to tackle a broader set of requirements than just replacement of on-premise hardware with cloud alternatives. We must also replace end of life and out of support components with optimised and proven cloud-native alternatives that deliver year-on-year cost savings. This will further enhance the cloud capabilities of the UK Link platform and achieves the key drivers for performance improvement, increased security and increased capacity and offers the greatest opportunity to reduce overall cost to serve, for which we have included the first annualised £0.7m benefit in MTB in 2023/24.

BP21 Approved (£'000)	21/22	22/23	23/24
UK Link Future Enhancements	-	-	5,712
UK Link Service Essentials	555	255	-
Capacity for Change	2,517	50	61
Core Platform Migration	5,244	1,550	228
Investment Total	8,316	1,855	6,001
Reclassification to MTB	-	-	-
MTB Savings	-	-	700
Total Expenditure	8,316	1,855	5,301

BP22 Proposed (£'000)	21/22	22/23	23/24	24/25
UK Link Future Enhancements	-	-	5,712	250
UK Link Service Essentials	555	255	360	360
Capacity for Change	2,517	50	61	-
Core Platform Migration	5,244	1,550	228	-
Investment Total	8,316	1,855	6,361	610
Reclassification to MTB	-	-	-	-
MTB Savings	-	-	700	700
Total Expenditure	8,316	1,855	5,661	90

Variance BP21 vs BP22 (* = increase) (£'000)	21/22	22/23	23/24	24/25
UK Link Future Enhancements	-	-	-	N/A
UK Link Service Essentials	-	-	+360	N/A
Capacity for Change	-	-	-	N/A
Core Platform Migration	-	-	-	N/A
Investment Total	-	-	+360	N/A
Reclassification to MTB	-	-	-	N/A
MTB Savings	-	-	-	N/A
Total Expenditure	-	-	+360	N/A

Investment Funding Split %			
NTS	GDN	IGT	Shipper
7.2%	46.4%	1.5%	44.9%
7.2%	46.4%	1.5%	44.9%
0.0%	34.5%	0.0%	65.5%
0.0%	90.0%	0.0%	10.0%



5. Protecting Against Cyber Crime

There are two areas of investment in relation to the delivery of the Information Security and Privacy Strategy:

Information Cyber Security Strategy

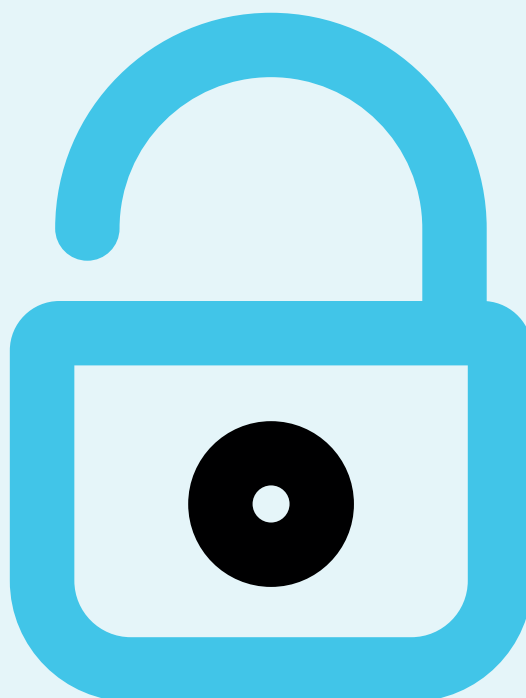
Xoserve is a pivotal hub for the UK gas industry's customers, where one serious cyber-attack can potentially impact the entire gas industry's data services and market, making both organisations a cyber-attack target. By further developing our approach to Opening-Up Our Data to provide more centralised analysis across industry-wide data and the benefits this provides, we become an increasingly attractive target for malicious attacks. Therefore, protecting customer, consumer and industry assets is a key component of our strategy. A peer organisation was successfully attacked in 2020, and whilst the attack did not reach the core customer platform, it highlighted the need to operate as the strongest link in the chain.

A mature and effective information cyber security capability increases business cyber resilience and reduces the risk likelihood and impact of a cyber-attack or data breach. Cyber threats continuously evolve and are becoming increasingly sophisticated at an extremely rapid rate, in some cases, more rapidly than the technology, data and people landscape of an organisation and those it is linked to. Therefore, continued focus in this area is required to ensure information cyber security controls are effective, current, and future proof in preventing, detecting and responding to major Cyber Security attacks and data breaches.

Data Privacy Law Compliance (UK GDPR)

Within BP21, an Information Security and Privacy Strategy and a four-year transformation programme was developed and initiated, which will continue to be delivered across the periods covered by BP21 and BP22. This incrementally increases our cyber security resilience capabilities and maturity while decreasing the operational information security and privacy risk and reducing any potential financial and reputational impact year-on-year, in-line with industry frameworks and DSC commitments. The strategy matures data privacy operations and controls, supporting our customers to fulfil their obligations as Data Controllers and our obligation as a Data Processor and Sub-Processor, whilst demonstrating compliance with Data Privacy Law (UK General Data Protection Regulation - GDPR).

The strategy and approach have been independently assessed and externally ratified by NCC Group and the British Standards Institution (BSI), for appropriateness, proportionality, and best practice.



Investment Area Focus

The benefits of the Information Security and Privacy programme include:

- Reduced impact and likelihood of a cyber-attack
- Reduced likelihood of a customer data breach
- The ability to share enhanced threat intelligence with customers and the industry
- Lower Cost to Serve (C2S) through selection of a hybrid operating model
- Improved On-Time Delivery (OTD) of individual rights requests (supporting a 72 hour turnaround where applicable) for customers
- Full compliance with UK GDPR privacy regulations

The newly delivered initiatives within the four-year investment will be transitioned into MTB from 2023/24 along with the associated Information Cyber Security and Privacy service run costs (£2.0m) to ensure realised benefits are maintained including mature Cyber Resilience, NIST, ISO27001 and UK GDPR compliance in-line with industry and legal standards and obligations.

BP21 Approved (£'000)	21/22	22/23	23/24	
Information Cyber Security Strategy	3,260	2,460	2,260	
Data Privacy Law Compliance	1,050	525	160	
Investment Total	4,310	2,985	2,420	
Reclassification to MTB	-	-	-	
Total Expenditure	4,310	2,985	2,420	
BP22 Proposed (£'000)	21/22	22/23	23/24	24/25
Information Cyber Security Strategy	3,260	2,460	424	-
Data Privacy Law Compliance	1,050	525	-	-
Investment Total	4,310	2,985	424	-
Reclassification to MTB	-	-	1,996	2,097
Total Expenditure	4,310	2,985	2,420	2,097
Variance BP21 vs BP22 (* = increase) (£'000)	21/22	22/23	23/24	24/25
Information Cyber Security Strategy	-	-	-1,836	N/A
Data Privacy Law Compliance	-	-	-160	N/A
Investment Total	-	-	-1,996	N/A
Reclassification to MTB	-	-	+1,996	N/A
Total Expenditure	-	-	-	N/A

Investment Funding Split %			
NTS	GDN	IGT	Shipper
7.2%	46.4%	1.5%	44.9%
7.2%	46.4%	1.5%	44.9%



6. Decarbonisation

Decarbonisation is an increasing priority across the energy sector, as highlighted by the BEIS Energy White paper released in December 2020. The Government’s 10-point plan includes driving the growth of low-carbon hydrogen. Understanding how Xoserve can enable industry processes and systems to support hydrogen/biomethane development in the most cost effective and future proof way is crucial to supporting the Government’s plan, particularly relating to the decarbonisation of heat.

Xoserve will continue to drive support for decarbonisation trials and pilots, whilst actively engaging with the industry to build decarbonisation journeys for customers and end consumers, whilst providing relevant data to support industry decisions. We see this work as essential to the future development of the gas industry and our activities in this space will be funded by the Decarbonisation investment line as already planned in BP21.

Following feedback from customers during the BP22 Principles and Approach consultation period, we have separated this out from General Change into its own Investment Focus Area, to ensure it receives the attention it deserves.

In 2022/23 we see the number of pilots increasing and we are proposing to develop the existing resource reviewing Decarbonisation requirements into a dedicated Decarbonisation Programme team focusing on three areas:

- Industry Engagement – working with all industry customer and stakeholder groups, ensuring a full level of understanding across the Governance, Process, Data requirements and System changes required to meet gas industry Net Zero objectives by 2050.
- Design, develop and build minimum impact process and system changes to support Pilot projects supporting Hydrogen Biomethane and other Net Zero development projects.
- Design in detail a programme of work that will enable delivery of a multi-stage transition to facilitate accurate settlement and invoicing, starting with the end in mind of 100% Net Zero energy systems to ensure that the industry is ready to go when UK Decarbonisation policy decisions are made.

In BP21 we forecast investment spend of £1.5m for 2022/23. At the request of the Gas Distribution Networks (GDNs), for BP22, this has increased to £3m due to increased project scope and technical design requirements.

BP21 Approved (£'000)	21/22	22/23	23/24
Decarbonisation	1,500	1,500	1,500
Investment Total	1,500	1,500	1,500
Reclassification to MTB	-	-	-
Total Expenditure	1,500	1,500	1,500

BP22 Proposed (£'000)	21/22	22/23	23/24	24/25
Decarbonisation	1,500	3,000	3,000	3,000
Investment Total	1,500	3,000	3,000	3,000
Reclassification to MTB	-	-	-	-
Total Expenditure	1,500	3,000	3,000	3,000

Variance BP21 vs BP22 (* = increase) (£'000)	21/22	22/23	23/24	24/25
Decarbonisation	-	+1,500	+1,500	N/A
Investment Total	-	+1,500	+1,500	N/A
Reclassification to MTB	-	-	-	N/A
Total Expenditure	-	+1,500	+1,500	N/A

Investment Funding Split %			
NTS	GDN	IGT	Shipper
0%	100%	0%	0%

Investment Area Focus

7. REC Change

The introduction of the Retail Energy Code (REC) brings together the code requirements relating to retail energy activities under one umbrella and is intended to provide a consistent set of arrangements for gas/electricity suppliers as well as consumers. Among other things, it will govern the operation of faster and more reliable arrangements for consumers to switch their energy supply, which will be delivered via the Central Switching Service (CSS).

The introduction of the REC to replace SPAA and MRA also introduces a set of new governance and change delivery processes for Xoserve, including the introduction of the new Gas Enquiry Services (GES) to RECCo (rather than through the Data Enquiry Service (DES) in UNC) and the requirement to connect REC Systems & UK Link under Gas Retail Data Agent (GRDA). While the REC and associated administration are still in the process of being defined, it is expected that additional resources will be required, at least in the initial years of operation, to support both change management and the new, additional contractual relationships between Xoserve and RECCo that will be required.

Additionally, RECCo is actively considering the inclusion of a third major release for UK Link each year, the impact of which is currently being assessed. For the purposes of this plan we have assumed that this will not require an increased DSC Change Budget.

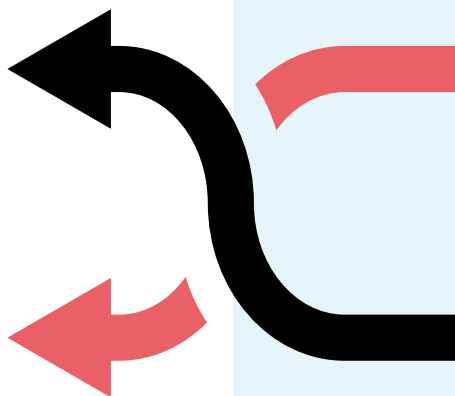
Ofgem are yet to confirm the Go-live date for CSS, however it is anticipated to occur between June and August 2022. We are currently assuming the latest date for Go-Live (August 2022) and a three-month Post Implementation Support (PIS) window (September 2022 to November 2022) thereafter, transitioning to an MTB footing from April 2023.

Our investment cost forecast for BP22 remains the same as last year's submission (£8.5m) however, areas of significant risk remain within the CSS programme, which could result in an increase in project expenditure up to conclusion of the PIS period, including:

- Central programme definition of scope and accountabilities/SLAs during Post Implementation phase is not yet defined to sufficient level of detail to allow for accurate estimation/planning
- PIS and MTB volumetrics have not been defined by the central industry programme and are therefore based on our experience of change delivery. Actual volumes may be different, depending on the approach taken by other organisations involved in the switching programme.
- PIS period could be extended, with associated costs, should the central programme not achieve stability within the 3 months period planned within the Central Programme currently.

We have not proposed any contingency for these delays in this draft but would estimate that a delay to the closure of PIS of 3 months could result in c.£2.5m of additional costs.

We currently forecast MTB run costs as a direct result of the CSS programme at £3.9m per annum from 2023/24; this includes both system and resource costs and is an increase on the BP21 forecast (£3.4m) following the further elaboration of service requirements by RECCo (highlighted as risks in our BP21 Plan).





The Central Switching Programme will continue to evolve past its initial launch and will therefore likely generate a steady stream of change requirements following implementation. We are already aware of a number of significant post-implementation changes which have been deferred by the CSS programme for implementation post CSS Go-live. We have included £250k a year for the support of customer change processes and this plan assumes that any consequential solution delivery funding would draw from the DSC Change Budget under General Change.

BP21 Approved (£'000)	21/22	22/23	23/24
Central Switching Service	13,000	8,500	-
REC Change Budget	-	-	-
Investment Total	13,000	8,500	-
Reclassification to MTB	-	-	-
MTB run costs	-	-	3,349
Total Expenditure	13,000	8,500	3,349

BP22 Proposed (£'000)	21/22	22/23	23/24	24/25
Central Switching Service	13,000	8,500	-	-
REC Change Budget	-	250	250	250
Investment Total	13,000	8,750	250	250
Reclassification to MTB	-	-	-	-
MTB run costs	-	-	3,888	3,888
Total Expenditure	13,000	8,750	4,138	4,138

Variance BP21 vs BP22 (+ = increase) (£'000)	21/22	22/23	23/24	24/25
Central Switching Service	-	-	-	N/A
REC Change Budget	-	+250	+250	
Investment Total	-	+250	+250	N/A
Reclassification to MTB	-	-	-	N/A
MTB run costs	-	-	+539	N/A
Total Expenditure	-	+250	+789	N/A

Investment Funding Split %			
NTS	GDN	IGT	Shipper
0%	0%	0%	100%
2.1%	34.8%	5.4%	57.7%

Investment Area Focus

8. General Change

The General Change Budget is an annual investment made by customers to deliver changes approved for design and implementation by the industry elected DSC Change Management Committee (ChMC).

In previous years, the DSC Change Budget has been dominated by UNC driven change. Following feedback from customers during the consultation period, we have renamed this Investment Area to General Change, to reflect that changes may come from a broader range of market drivers than just UNC. We have also separated out Decarbonisation, which was introduced in this Investment Area in BP21, into its own to ensure it receives the attention it needs.

Changes that are selected for implementation in any given financial year have been through extensive industry consultation, passing through the 'capture' process. Consultation includes the opportunity to engage with each individual change in meetings (at the ChMC Delivery Sub-Group), in writing (via engagement with the UK Link Change Pack process) and in discussion at the ChMC.

For changes that are driven by regulatory (e.g. UNC) amendments, consultation also includes the code modification process.

The benefits for each individual change, be that compliance with amended code rules, or the greater efficiency of UK Link and related industry processes, are discussed and assessed in ChMC.

On 11th August 2021, the ChMC endorsed an annual DSC Change budget based on its view of potential costs associated with:

- Major / standalone releases that may draw on the BP22 budget
- Development and delivery of changes that emanate from the Retail Energy Code (REC)
- Market Trials, changes associated with the Performance Assurance Committee (PAC)

The recommended BP22 DSC Change Budget is £3.25m p.a. (£9.75m across three years) of which £250k p.a. is shown in the REC Change focus area. In the second and third years of the plan, placeholders of £1.5m and £9.1m respectively for Unallocated Investment has been included to reflect a flat profile of investment spend for all constituencies across the plan period.

We have seen a continued requirement for Non-Standard Data Items for Reporting usage and so we have added this back in to BP22. Whilst this has been included for the full plan period, we will monitor if this is required going forward.

BP21 Approved (£'000)	21/22	22/23	23/24	
DSC Change Budget	3,590	3,590	3,590	
Unallocated Investment Pot	-	-	6,400	
Non Standard Items for Data Reporting	110	-	-	
Investment Total	3,700	3,590	9,990	
Reclassification to MTB	-	-	-	
Total Expenditure	3,700	3,590	9,990	
BP22 Proposed (£'000)	21/22	22/23	23/24	24/25
DSC Change Budget	3,590	3,000	3,000	3,000
Unallocated Investment Pot	-	-	1,471	9,099
Non Standard Items for Data Reporting	110	110	110	110
Investment Total	3,700	3,110	4,581	12,209
Reclassification to MTB	-	-	-	-
Total Expenditure	3,700	3,110	4,581	12,209
Variance BP21 vs BP22 (+ = increase) (£'000)	21/22	22/23	23/24	24/25
DSC Change Budget	-	-590	-590	N/A
Unallocated Investment Pot	-	-	-4,929	
Non Standard Items for Data Reporting	-	+110	+110	N/A
Investment Total	-	-480	-5,409	N/A
Reclassification to MTB	-	-	-	N/A
Total Expenditure	-	-480	-5,409	N/A

Investment Funding Split %			
NTS	GDN	IGT	Shipper
2.1%	34.8%	5.4%	57.7%
7.2%	46.4%	1.5%	44.9%
7.2%	46.4%	1.5%	44.9%

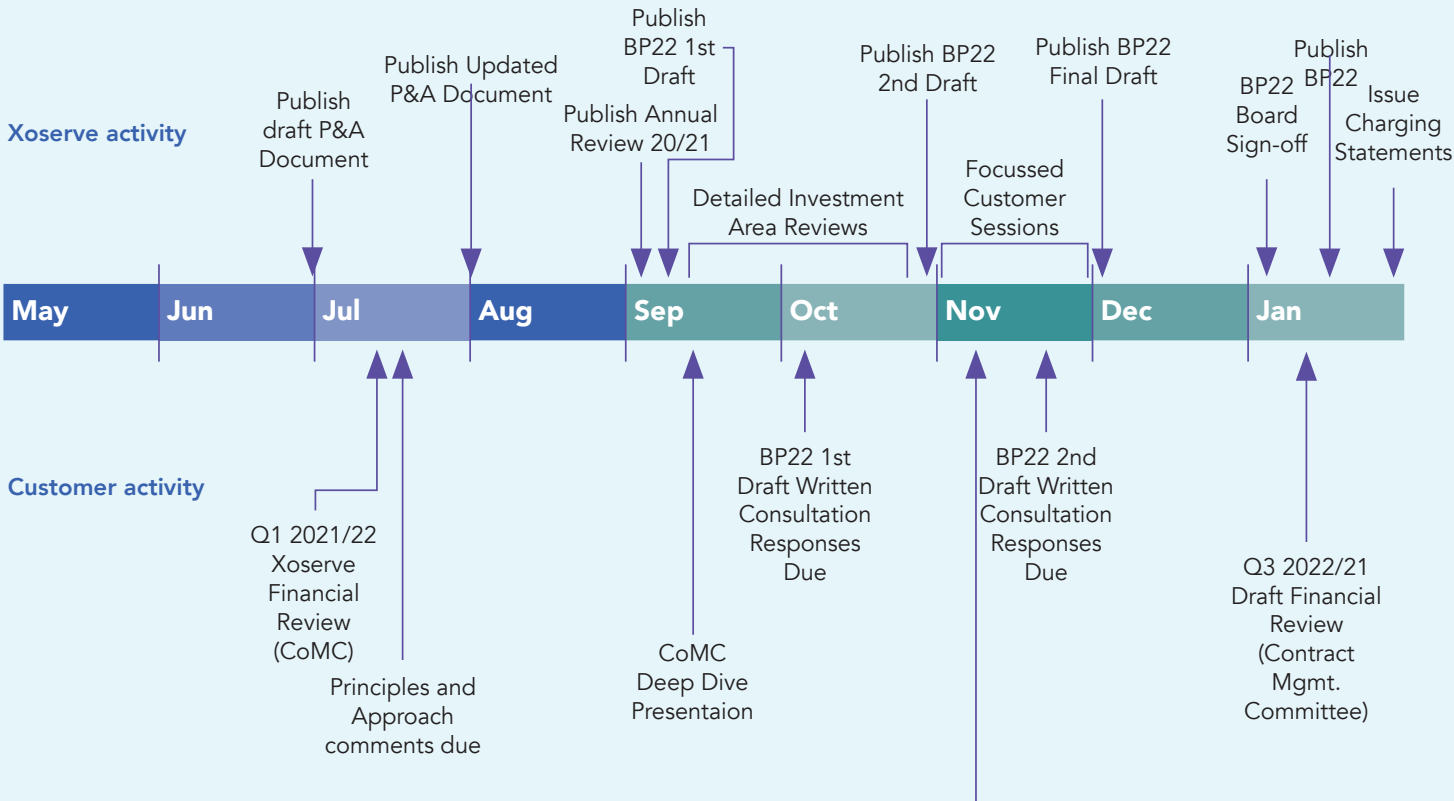


Customer Engagement

We are keen to offer as many opportunities as possible for all our customers to provide us with their feedback on this draft plan. To enable this, we will repeat and continue to improve on our Consultation engagement approach used in BP21 for BP22 and will be making use of the following engagement channels:

- Publishing written consultation documents and inviting customers to respond in writing.
- Meetings with customer organisations to conduct in-depth reviews of the draft plan content and associated funding requirements, to help customers understand what the draft plan means for their organisations.
- Provision of updates to customers and receipt of feedback via DSC Contract Management Committee and Change Management Committee Meetings.
- Presentation of focus area deep dives at the September Contract Management Committee.
- Provision of investment business cases to all DSC Contract Managers.
- Engagement through advocate-led sessions.
- Bespoke security deep dives engaging customer Chief Information Security Officer (CISO) / Head of security (or equivalent).

We have set out below a summary of the engagement phases and their timings.



Half Year 2021/22
Financial Review
(Contract Mgmt.
Committee)

Customer Engagement

Timeline for consultation with customers

Step	Date	Action	Provider	Receiver	Deliverable
1	10th Sep	Consult 1: Issue draft Business Plan for consultation (one)	Xoserve	All Customers	Draft Business Plan
2	15th Sep	Consult 1: Deep dive presentations at the Contract Management Committee (CoMC) meeting	Xoserve	All Customers	Teams Presentation
3	15th Sep	Consult 1: Provide feedback at the Contract Management Committee (CoMC) meeting	CoMC	Xoserve	Feedback notes and actions
4	07th Oct	Consult 1: Deep dive presentations at the Change Management Committee (ChMC)	Xoserve	All Customers	Teams Presentation
5	15th Sep to 15th Oct	Individual and Constituency customer meetings	Xoserve	All Customers	Microsoft Teams Calls
6	15th Oct	Consult 1: Provide written feedback	All Customers	Xoserve	Written feedback
7	29th Oct	Consult 2: Issue updated draft Business Plan for consultation (two)	Xoserve	All Customers	Updated draft business plan
8	19th Nov	Consult 2: Provide written feedback	All Customers	Xoserve	Written feedback
9	03rd Dec	Consult 3: Issue updated final draft Business Plan for consultation (three)	Xoserve	All Customers	Updated draft business plan
10	10th Dec	Consultation period ends.			

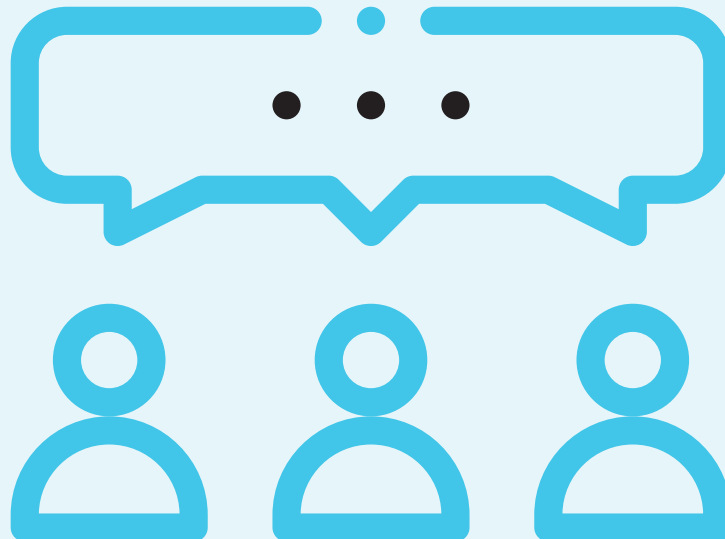


Customer Feedback

Having listened to Customer feedback, we have looked to provide more information earlier in the process. We welcome your views on the information we have set out and on anything that you think we may have missed. We will thoroughly review all the responses and will issue a Customer Feedback Report alongside an updated draft plan by Friday 29th October 2021.

We have set out below some key questions, where we would appreciate your comments. Please send these to **CustomerExperience@xoserve.com** by Friday 15th October 2021.

- Do you agree with our view of the required investments detailed in the plan?
- Would your organisation be able to support the level of change being proposed? If you have capacity constraints, which initiatives would you prioritise and why?
- Has the information issued in support of the investment areas provided you with the additional level of detail required to better understand the investments being proposed?
- Would you prefer for the plan to include a value for contingency in the CSS programme, in case the programme is further delayed or PIS reshaped/extended?
- What additional information would you need in order to identify your preferred funding option for CMS?



The feedback we received from customers on the draft Principles and Approach (except feedback sent in confidence) and our responses to that feedback will be published alongside this first draft of BP22.

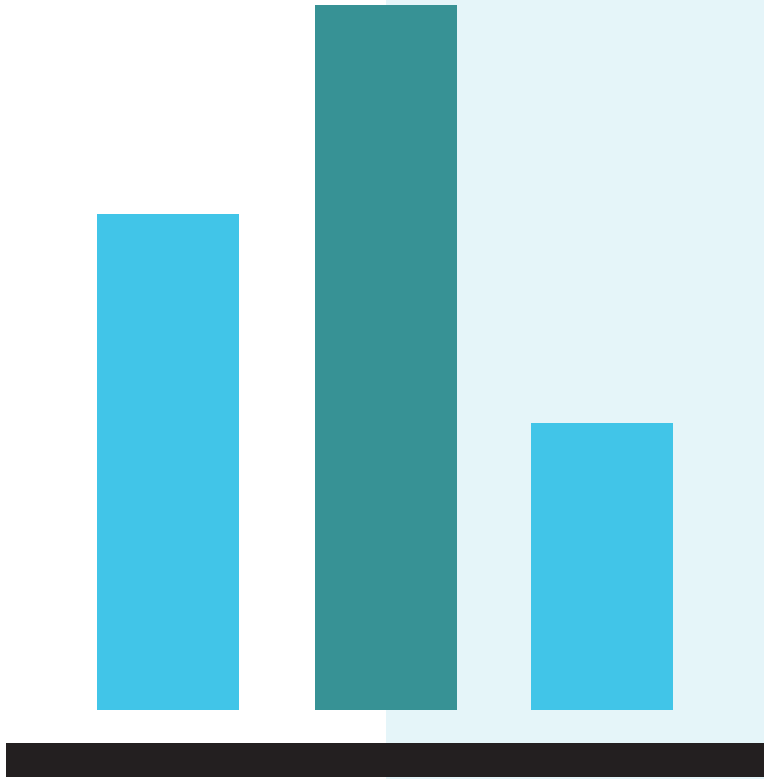
Customer Constituency Funding

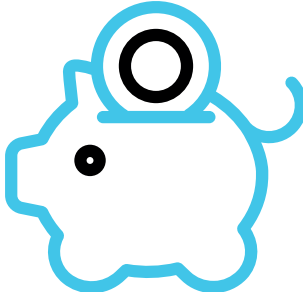
Customer Constituency Funding

The schedules of Customer Constituency Funding continue to reflect the application of our updated Cost Allocation and Charging Methodology, which was used for the first time in BP21.

For each constituency we have provided a chart which compares:

- A view of current year funding plus three-year forecast and
- The BP21 three-year forecast inflated by CPIH (2%) to show 2021/22 prices.





Gas Distribution Networks

For our Gas Distribution Network (GDN) customers, the projected MTB expenditure for 2022/23 is forecast to reduce by £0.7m from the 2021/22 position which is consistent with BP21.

In 2023/24 MTB costs are forecast to increase by £0.9m when compared to BP21 as Information Security and CMS run costs are introduced.

The investment profile for GDNs shows an investment forecast of £7.7m for 2022/23 compared to the £12.4m spent in 2021/22. This is an increase from the BP21 forecast of £ 6.5m for 2022/23. Inclusion of additional funds for Decarbonisation (+£1.5m) being the main driver for this increase.



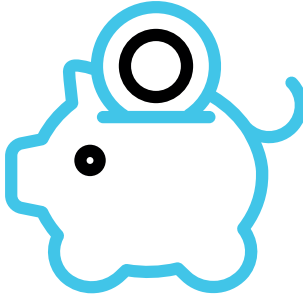
Customer Constituency Funding

Independent Gas Transporters

For our Independent Gas Transporter (IGT) customers, the projected MTB expenditure for 2022/23 is forecast to reduce by £0.03m from the 2021/22 position. In 2023/24 MTB costs are forecast to increase by £0.03m when compared to BP21 as Information Security run costs are introduced.

The investment profile for IGTs has reduced slightly vs the forecast in BP21 for 2022/23 (£0.03m). This is due to lower Change Budget spend profile agreed by customers.





Shippers

For our Shipper customers, the projected MTB expenditure for 2022/23 is forecast to reduce by £0.6m from the 2021/22 position. The overall charges for 2022/23 are £0.3m lower than the BP21 value.

MTB has increased by £3.1m in 2023/24 against the BP21 position. This is due to the CSS run costs which are wholly funded by Shippers, which have increased by £0.5m from BP21. In addition, the introduction of Information Security run costs in MTB and CMS run costs account for the remainder of the increase.

The investment profile for Shippers continues to be dominated by CSS which remains at £8.5m for 2022/23.



Customer Constituency Funding

National Grid

For National Grid, the projected MTB expenditure for 2022/23 is forecast to reduce by £0.3m from the 2021/22 position and is consistent with the BP21 value. MTB costs rise by £0.3m in 2023/24 resulting from the inclusion of Information Security run costs.

The majority of the investment profile variances for National Grid relates to the Gemini roadmap and beginning the next phase of modernisation for the Gemini system and services.



Glossary



API	Application Programming Interface	DSC	Data Services Contract
AUGE	Allocation of Unidentified Gas Expert	GDN	Gas Distribution Network
BEIS	Department for Business, Energy and Industrial Strategy	GDPR	General Data Protection Regulation
BP	Business Plan	GES	Gas Enquiry Service
BSI	British Standards Institution	GRDA	Gas Retail Data Agent
CDSP	Central Data Service Provider	ICS	Institute of Customer Service
CE	Customer Effort	IX	Information Exchange
ChMC	Change Management Committee	MRA	Master Registration Agreement
CoMC	Contract Management Committee	MTB	Maintain the business
CMS	Contact Management Service	NDM	Non-Daily Metered
CPIH	Consumer Prices Index including owner occupiers' housing costs	NPS	Net Promoter Score
CR	Change Request	OTD	On-Time Delivery
CRM	Customer Relationship Management	PAC	Performance Assurance Committee
CSS	Central Switching Service	PAFA	Performance Assurance Framework Administrator
CSSC	Central Switching Service Consequential	PIS	Post-Implementation Support
C2S	Cost to Serve	REC	Retail Energy Code
CX	Customer Experience	RECCo	Retail Energy Code Company
CXTP	Customer Experience Transformation Programme	RFT	Right First Time
DDP	Data Discovery Platform	SPAA	Supply Point Administration Agreement
DES	Data Enquiry Service	TOTEX	Total Expenditure
DESC	Demand Estimation Sub-Committee	UKCSI	UK Customer Service Index
		UNC	Uniform Network Code

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