xoserve

2019 Business Plan
Principles and Approach

Contents *(click/tap to navigate)*

Foreword from Xoserve CEO, Sian Jones

I am delighted to be able to share with you today our proposals for the development of our 2019 Business Plan. We've listened to and reflected on your feedback from last year's planning cycle, including the many helpful comments that we received at our Customer Day in April.

We want to run a process that gives you lots of opportunity to engage with us and tell us your views. We also want to make sure that you get all the information you need at the right time and at a sufficient level of detail to help you understand the impact on your organisation.

This first consultation sets out our approach to developing the Plan and talks about some of the key issues that we need to consider when building the Plan and a picture of our funding requirements. At the same time as we have placed a significant emphasis on building our organisational capability over the past 12 months, it has become ever more evident that both an increasingly complex market and the pace of change in customers' demands for our services are asking more of us than we had previously anticipated. We want to set out a Plan that doesn't just mean we catch up but that we also can continue to evolve our capabilities to meet our customer's needs.

The consultation is open until 27th June, and you'll find information on how to respond on page 22. We will set aside a significant part of the Data Services Contract (DSC) Contract Management Committee meeting on 20th June to discuss our approach, and we are also hosting a webcast at 10.00am on 22nd June where we will provide an overview of the consultation material and give you the opportunity to ask questions.

I look forward to receiving your valuable feedback.

Kind regards,

Sian Jones

Chief Executive Officer

Introduction

This document is the start of a process to seek customers' views on our 2019 Business Plan. Our aim is to deliver a three year Business Plan for the period from April 2019 to March 2022. It will include a Budget for 2019/20, refreshing the view of funding requirements that was in our 2018 Business Plan.

We set the scene for the Plan, describing our strategic ambitions and the outcomes that we believe customers want us to deliver over the next three years. As this is our first Plan since the Board approved a new strategy for the company, we have also included additional information on the thinking behind the strategy.

> **We set the scene for the Plan, describing our strategic ambitions and the outcomes that we believe customers want us to deliver over the next three years.**

We talk about possible business and service scenarios during the Plan period and the customer choices that go with these. We have also included information on our proposals for customer engagement and the presentation of customer funding requirements.

Our aim in this first consultation is to encourage a high quality dialogue with our customers and to gather feedback on how best we can increase the level of engagement. The assumptions and scenarios that we describe provide the basis for our Plan, and we want to know if customers agree with these or have alternative views.

We have not included any financial information at this stage. The timetable on page 20 shows when we expect to publish the draft Plan, the process for customer consultation and the steps to achieve approval.

Our Strategy

Background

The energy market that has developed since privatisation in the 1980s and 1990s is characterised by complexity and a lack of consistency. Operating from the centre of a highly complex market, we can see a proliferation of different central service models in the gas and electricity markets, with no two service providers operating under the same set of arrangements.

Much of this complexity has arisen from the way in which incremental reforms have been delivered over time. Each new set of requirements has been tendered on the open market, introducing new companies, each with their own Board and management team, new industry codes and new governance bodies. Each evolution has also introduced new IT infrastructure and a new set of interfaces between new and existing companies and their respective systems. Each instance has added further cost and integrating each new piece of IT with what is already in place has introduced greater risk and complexity.

Historically, our focus has been on delivering the services that our customers need in order to meet their industry code obligations. We've tended to react to changes when they were put in front of us, and haven't spent much time looking at what's going on in the energy market more widely. Following an extensive review by Ofgem, we were appointed into a new role as the gas industry's Central Data Service Provider in April 2017. Today, all of our customers – Shippers, Gas Transporters and independent Gas Transporters – have a say in the services that we provide, and are able to appoint Directors to our Board. All of our customers are involved in setting and collectively meeting our funding requirements. When we beat our budget, or operate in a way that minimises investment required by our customers, they all benefit from reduced charges or a reinvestment of funds, rather than us paying dividends to our shareholders.

We've also delivered a replacement UK Link system. It doesn't just meet today's gas customer requirements for registration, switching, invoicing and settlement; it's also a technology platform with considerable potential for providing services to both the gas and electricity markets. At the same time, rapid advances in technology are changing radically the ways in which we are all able to access data, share it with others and use it to inform the decisions that we make.

> Operating from the centre of a highly complex market, we can see a proliferation of different central service models in the gas and electricity markets, with no two service providers operating under the same set of arrangements.

We've reflected on all of this, and we've reached some conclusions that we believe will make us a very different organisation in the future. We're shifting our thinking from reactive to strategic. It starts with thinking differently about our obligations, not those that are enshrined in industry codes and licences, but our moral and social obligations. We believe that we have a responsibility to do all we can to not burden energy consumers with additional costs but to allow them to realise fully the benefits of the significant investment in industry assets that they have funded previously.

We know that it's the right thing to do, and that our operating model – which distributes the benefits of a well-run business out to our customers and ultimately energy consumers – encourages us to think this way. We also know that the impacts of this way of thinking become even more powerful when applied to all energy industry assets, not just those that we look after here at Xoserve.

We have encapsulated this thinking in our Vision:

> "We believe in radically simplifying the energy market through maintaining and leveraging industry assets for the benefit of all."

Explaining our Vision

"Radically simplifying" is about ensuring that new industry bodies, systems and codes are only created when absolutely necessary and when we are sure that the potential in the investments that consumers have already made has been fully realised. If we don't think and operate this way, then we will add unnecessary costs onto consumers' bills. It's about getting the industry to a point where the first question to be asked when faced with reform is "How can we make better use of the assets that we already have to meet this requirement, rather than creating something new?" It's about looking for solutions that can be achieved at the lowest total cost to the whole industry over the lifetime of the investment, rather than being concerned with local costs and benefits for individual players in the market. It's also about looking on a voluntary basis for opportunities for simplification through collaboration and consolidation, not waiting for a regulatory directive or mandate.

We have identified four different classes of *"industry assets"*:

People – their skills, knowledge and industry understanding

Process – documentation, maintenance and modelling of key industry business processes

Technology – platforms, capacity and capability

Data – using the data attributes that we hold on behalf of the industry to provide market intelligence and insight

"Maintaining" is about discharging our primary responsibility to our customers to ensure that the level of service we provide - and that our customers rely on in order to operate their businesses - is efficient, is of consistently high quality, and offers value for money at all times. We know that we can never afford to lose sight of this core aspect of our business. It's also about incremental investment in assets to ensure they remain relevant and future looking in terms of their quality, speed and cost effectiveness for our customers.

"Leveraging" is about offering up our assets, enabling our customers and other market participants to make greater use of them, to unlock more of their value and deliver maximum benefit for the least cost. It's about placing this additional value and benefit in the hands of our customers and ultimately end consumers. Importantly, it's also about a controlled approach that assesses the value that can be extracted; that considers the extent of asset re-use and the capability to pursue the opportunity; and that evaluates the risk associated with the leverage opportunity and how this might be mitigated to an acceptable level.

We don't want a focus on asset re-use to suppress the innovation that is so essential in bringing new products and services to market. We think this can be easily avoided if the industry gives priority to making its data readily available and accessible to innovators who will apply their expertise to that data to develop new products and services. This is important because attempts to incorporate innovation into data platform design don't always work. In reality, innovation will nearly always find its own way to flourish if the conditions are correct. We believe that if the energy market opens up its data to innovators freely and affordably, then innovation won't need to be built into the design upfront.

Leveraging draws on assets and capabilities that already exist and does so in a controlled and responsible manner. We've designed a filter to robustly test strategic opportunities, ensuring that there is real value and progressing only where risk can be mitigated to an acceptable level. We do not have a growth agenda, which would see us investing speculatively and diversifying into new markets and services where we have limited capability and lack inherent strength to pursue the opportunity. Realising leveraging opportunities might well mean that we end up doing new things and doing them for different people, but we will always do this in such a way that the value and benefit sits with our customers, and ultimately the energy consumer.
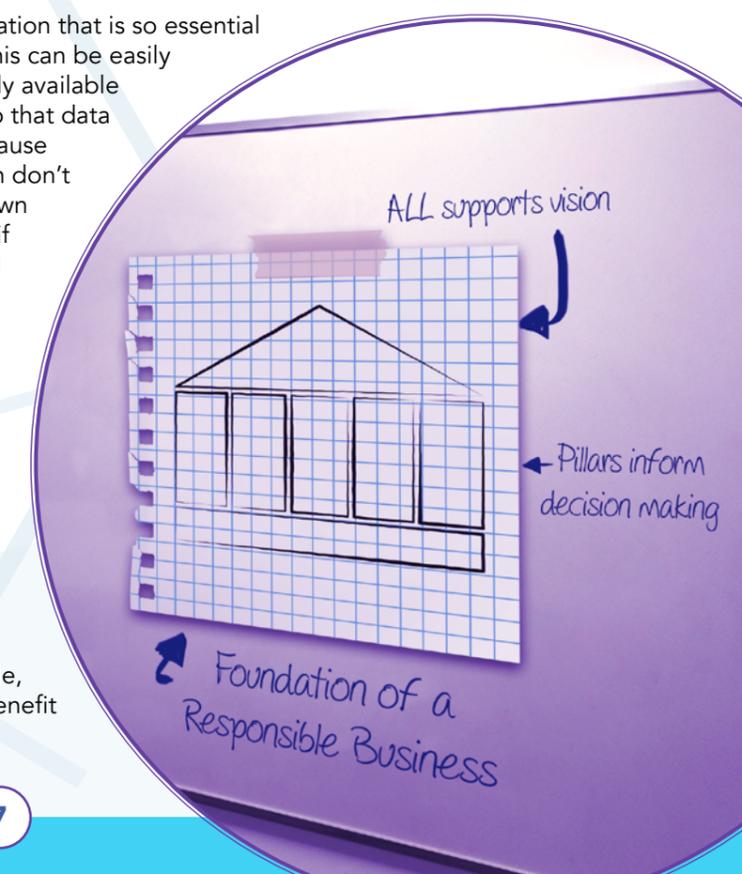
Strategic Objectives

To help turn our Vision into a reality for our customers, we have defined a number of Strategic Objectives. They tell us about how we need to operate and behave as an organisation.

Some of our Objectives have been shaped by our learning and experience, as well as by what our customers have told us, specifically around our day to day operations and our handling of Project Nexus:

1. We have a good track record of **operational excellence** in delivering services and meeting our contractual commitments, and we need to build on this strength.

2. We need to become truly **customer centric**, consistently and reliably creating value for our customers by understanding and prioritising our customers' desired outcomes in our decisions and practices.

3. We need to grow into a **change leading** role that helps customers successfully land changes into their organisations, as well as into our own.

Thinking about our assets, we have recognised two other important Objectives:

4. To be a **data driven** organisation that understands the value to our customers of the data attributes that we hold and makes data accessible to them in ways that best serve their individual business models.

5. To be **people powered**, unlocking our employees' hugely valuable industry process skills and expertise, enabling them to operate as effectively as possible in a new, more open and commercially focused environment. We know that sometimes we also need our people to be more agile in the way that we respond to customer requests and challenges, and to accelerate the way we go about developing solutions.

Finally, we continue to prioritise behaving as a **responsible business**, being commercially minded, ensuring that our services offer demonstrable value for money and having the appropriate level of independent risk management and assurance. We offer a safe and stimulating environment for our employees, and work closely with suppliers and the local community to ensure we operate ethically and responsibly.
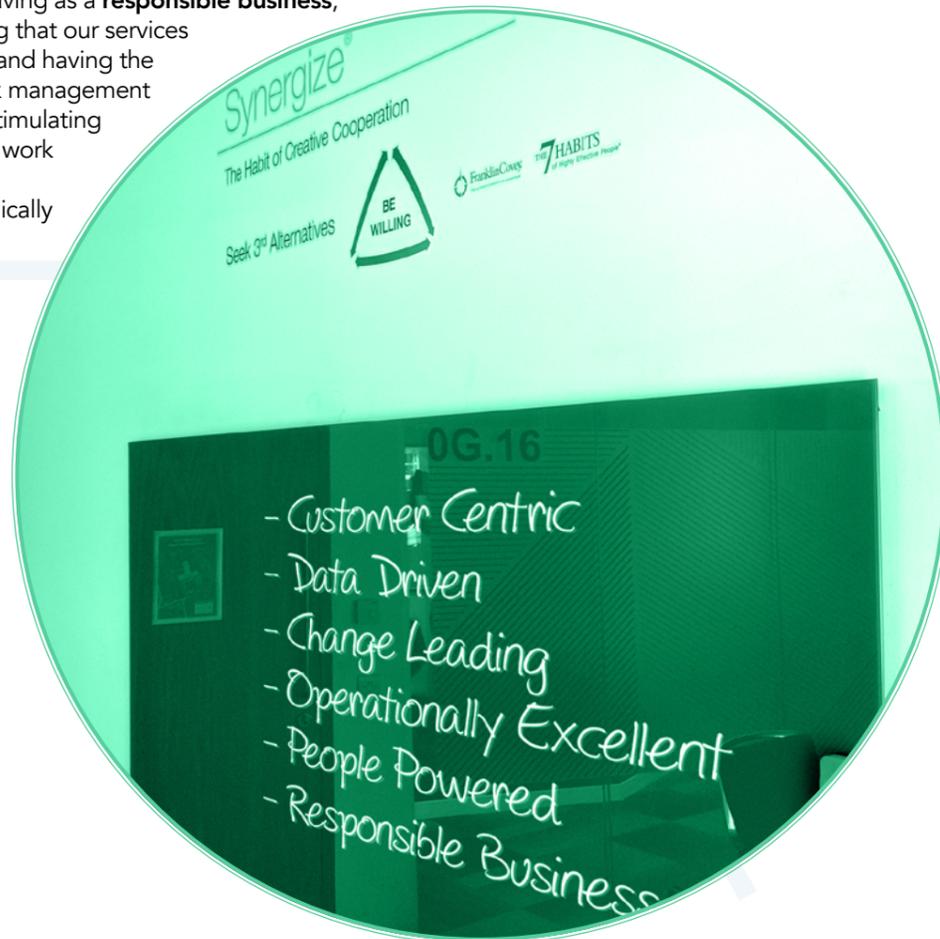
Strategy House

We have brought our Strategy and Objectives together to create the Xoserve Strategy House.

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

Customer Centric

Data Driven

Change Leading

Operationally Excellent

People Powered

Responsible Business
Assurance, commercial, suppliers, social and safety

Ambitions and Customer Outcomes

The table below sets out our current year and ultimate ambitions for each Strategic Objective, and provides a summary statement of the customer outcomes that we are aiming to achieve. In the 2019 Business Plan, we will articulate the initiatives that we expect to undertake in order to progress towards each ultimate ambition. Some of these initiatives will be getting underway during 2018/19.

Strategic Objectives	Year 1 ambition	Ultimate ambition	Outcome
Customer Centric	We are seen as *reliable* by our customers because we provide an increasingly transparent and consistent customer experience whilst delivering exactly what we have committed to.	Our customers *trust* us completely, because we understand their businesses and can effectively anticipate their needs.	From Reliability to Trust
Data Driven	We give customers *easy access* to the data we hold on their behalf, in a controlled, secure and flexible way via our *data platform*.	We provide a platform and data foundation for *innovators* to drive and enable *value creation* for our customers and end consumers.	From Stewardship to Value Creation
Change Leading	When we deliver customer change, we engage early, *consistently* provide exceptional documentation and accessible training and communicate clearly throughout.	We are the first choice to deliver change, because we provide delivery *certainty* in an increasingly complex and fast-paced market.	From Consistency to Certainty
Operationally Excellent	We are a provider of *efficient and reliable* services that our customers can access easily.	We are the service provider of *choice* for our customers for delivery of processes which connect the energy market.	From Necessity to Choice
People Powered	We are increasing employee engagement across the business whilst enhancing our capabilities and learning and practicing *highly effective behaviours*.	We attract and retain people with the highest engagement, capabilities and behaviours, providing fulfilling career paths for them and exemplary, *market-leading* service for our customers, which clearly distinguish us from other providers.	From Learning to Leading
Responsible Business	Our customers are *assured* that we have appropriate frameworks to enable us to understand and manage business risks, enhance our commercial and financial capability and operate in a socially responsible way.	Our customers are *confident* 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

Context

We continue to fulfil our core role as the gas industry's Central Data Service Provider (CDSP), collectively funded and governed by Shippers, Gas Distribution Networks, National Grid Gas Transmission, and the independent Gas Transporters. The Data Services Contract (DSC) defines the large majority of the services that we provide, sets out how we recover service costs from our customers, and provides customers with a governance framework for managing service performance and change requirements.

> ## We continue to fulfil our core role as the gas industry's Central Data Service Provider

In our 2018 Business Plan, signed off by the Board in January, we set a budget for 2018/19 and provided forecasts for 2019/20. Funding requirements for the two years reflected an ambition to maintain our assets to a high standard, delivering continuous improvement against the backdrop of a rapidly changing market. Since that time, the initiatives that we think are necessary for making progress towards meeting our strategic ambitions have come into much sharper focus, and a number of new market and service challenges have surfaced that demand industry leadership.

Following Project Nexus implementation on 1st June 2017, we have achieved a quicker than expected transition through a post go live hyper-care period and a rapid reduction in the number of exceptions. We are on a path to business as usual arrangements, but know that we must address customer concerns about Retrospective Adjustments, Unidentified Gas and the timeliness and accuracy of the Amendment Invoice and its supporting information.

We are working with our customers to agree the scope of future UK Link and Gemini releases, delivering new customer requirements and cost benefit driven business process improvements. We also have a programme of ongoing investment to enhance or replace elements of systems infrastructure, ensuring that service quality and reliability is maintained. Most significantly, this includes working with National Grid Gas Transmission to define a path for investment in the Gemini infrastructure.

Ofgem has started to set out its thinking for the next price control (RIIO-2), and we have commenced early engagement with the RIIO-2 process. We will build a view of funding requirements for the RIIO-2 period (April 2021 to March 2026) through an extension of our business planning cycle, but will not include forecasts for the period beyond March 2022 in the Plan itself.

Market and Service Challenges

Since setting our 2018 Business Plan, a number of new market and service challenges have surfaced that demand industry leadership. Taken together, it is evident that more is being required of Xoserve than was the case twelve months ago and there is an increasing risk that the industry is facing a period of change congestion, presenting challenges in providing the services that our customers demand.

> ## Since setting our 2018 Business Plan, a number of new market and service challenges have surfaced that demand industry leadership

Some of these challenges are concerned with market arrangements that are not working well for customers, others with the quality of the service that we are providing. For each of the challenges, there are a range of potential responses that we can give, with each one attracting a different level of funding and accruing different levels of customer benefit.

We know that our Shipper customers continue to have particular concerns around the absolute levels and volatility of **Unidentified Gas**. We created a dedicated team in 2017 in response to industry wide concerns, seeking to provide leadership through information, analysis and insight, and supporting customers in the development of urgent Uniform Network Code (UNC) Modifications. These concerns persist, so we want to stand up a dedicated team again, and bring in specialist data science and machine learning expertise. We want to deliver three things to our customers – an understanding of the cause and effect of each movement in the level of Unidentified Gas, improved model accuracy, and personalised action plans for each customer. More information about our work on Unidentified Gas is available on the **Xoserve website**.

We know that we have to address customer concerns about the timeliness and accuracy of the **Amendment Invoice** and its supporting information. We have identified a possible solution design that can address these concerns, and once this has been confirmed as a viable solution that is acceptable to customers we will want to move forward to solution development and delivery.

Delivery of a solution for **Retrospective Adjustments** remains a key topic. We are working towards the implementation of UNC requirements in late 2019, recognising that there are considerable challenges for both ourselves and our customers in designing and delivering a sustainable solution. We are aware that some customers are putting forward alternative market requirements and that we need to be mindful of these and any associated regulatory direction prior to making investment decisions.

As we transition away from legacy service provision by National Grid, we need to implement a new and much improved **Data Security Framework**. This will mean a significant strengthening of our capabilities to provide more robust controls over customers' data and introducing a security layer that is more suited to an environment in which systems are more open and data is more readily and frequently accessed by and shared with other organisations.

Central Switching Service

The funding of the design, development and delivery of the Central Switching Service (CSS) is a material matter for our 2019 Business Plan. There are two distinct aspects to consider – the consequential changes to CDSP systems and services that are required as a result of the introduction of the CSS, and the leveraging of the UK Link asset in the event that Xoserve bids for and is appointed as the Central Registration Service Provider (CRSP).

We included a limited view of consequential change funding requirements in our 2018 Business Plan, based on our early 2017 response to Ofgem's Request for Information (RFI) and our understanding of the preferred reform package option. Our subsequent dialogue and engagement with Ofgem and the Data Communications Company (DCC) has revealed that, as an industry incumbent, we are expected to bear the costs of activities that were outside the scope of the RFI and which, in a different model, might reasonably have been expected at the time to have been funded centrally by the DCC. Such activities include market trials participation, responsibility for data cleansing and data preparation, a number of newly identified DCC integration requirements and the cost of being part of and subject to a large scale programme management and assurance activity. We must also play an important part in helping to address and respond to questions from prospective CRSP parties about requirements for interfacing with CDSP systems and processes.

> **In September 2017, we set out our case to Ofgem to leverage the UK Link asset to provide the CSS platform**

The introduction of the CSS requires the establishment of the Retail Energy Code (REC). We are already providing resources to support the development of the REC, and we expect this to continue through its development phases until CSS go live. It is also likely that some customers will be required to take on new obligations under the REC and will require us to deliver the systems and processes that discharge their obligations.

In September 2017, we set out our case to Ofgem to leverage the UK Link asset to provide the CSS platform as an alternative to a third party undertaking a new system build, and opening up UK Link to interface with that system. Ofgem concluded in early 2018 that we should be allowed to participate in a CSS procurement event. Whilst some level of CDSP consequential change cost is unavoidable, we consider that the appointment of Xoserve as CRSP would help substantively in reducing the level of CDSP costs and the risk profile attached to these. Specifically, it would limit the extent of opening up existing UK Link functionality, would remove the need to build and test interfaces between UK Link and a third party CSS platform, and would eliminate a management interface between Xoserve and the CSS provider. We think that there would also be economies of scale in programme management and assurance activities. We propose therefore to include bid funding and an early estimate of cost savings for our customers (if we were to become the CRSP) in the draft Plan.

Data

We understand the ever-increasing importance that our customers are placing on data that is timely, reliable and readily accessible and that we have significant room for improvement here. We know that our customers want us to go further than simply making data available - we also need to provide analysis and insight.

We think that the industry needs to give priority to making its data readily available and accessible to innovators who will then apply their expertise to that data to develop new products and services. With this in mind, we are drawing up plans to strengthen our capabilities and services in this space. Some of this work is already underway, and we expect much of it to continue into the Plan period.

- We will enhance our data warehouse in terms of both the data that it holds and its accessibility to reduce report production timescales, and will invest in new tools and products to reduce response times to report requests

- We are engaging with market leading providers of analytics tools and services to enhance our data insight, recognising that this will be critical to the effective investigation of issues underlying the levels and volatility of Unidentified Gas. We have a long-term ambition to make these tools and services available to customers for their own use

- We will evolve our data security controls, making them appropriate to a more open environment in which data can be accessed by and shared with multiple parties, and ensuring that access is granted in line with a data permissions framework

- We will investigate data quality issues that customers bring to our attention, identifying the processes that lead to data inconsistencies, and reporting our findings and recommendations to appropriate industry governance bodies

Assumptions, Risks and Uncertainties

We recognise that during the development of the Plan it will be necessary to make planning assumptions and to recognise the risks associated with those assumptions not holding good. Because of the range of possible outcomes and limitations on the extent to which we can influence or control these, we will consider the inclusion of a contingency within our financial forecasts, expressed as a percentage risk margin.

We will be wholly transparent with our customers

We will be wholly transparent with our customers about the assumptions underpinning the draft Plan and will test their robustness through the consultation process. We will also articulate to customers our view of the consequential risk of an assumption not holding good, expressed in terms of the impact on customer funding requirements and the likelihood of risk crystallisation.

We recognise that there may be a particular challenge in getting to robust assumptions about market reforms, which are the subject of ongoing industry debate and do not yet have clear regulatory direction. We think that there is a particular role for the DSC Change Committee to develop a consensus position on Xoserve funding requirements arising from such reforms as part of its work to shape and define the DSC Change Budget. We think that the principal market reforms that display these characteristics are Unidentified Gas, Retrospective Adjustments, the consequential impacts to the CDSP of the introduction of a Central Switching Service and the Gas Transmission Charging Regime.

In addition to market-led reforms, we will also be making assumptions about investment requirements for internally led initiatives. These include the ongoing refresh and maintenance of the IT estate, and the level of investment in data and cyber security solutions.

There may also be areas of such high levels of uncertainty where it is not meaningful to make provision in the Plan, but to commit to conduct a further review for the subsequent annual planning cycle commencing in Q1 of the 2019/20 Performance Year. An example of this is any impact arising from Ofgem's work on Code Governance Remedies, where progression has been deferred until the latter part of the 2018/19 year.

Customer Engagement

We are keen to offer as many opportunities as possible for all of our customers to provide us with their feedback on the draft Plan. We are proposing to make use of four particular engagement channels:

- Publishing written consultation documents and inviting customers to respond in writing

- Hosting webcasts that present information to customers and allow customers to submit questions and receive responses, with all presentation material - including questions and answers - published following each webcast

- Holding meetings with customer bodies where individual customer constituencies are represented – including Energy UK, ICOSS, the Networks Constituency Meeting and the AIGT – to conduct in depth reviews of the draft Plan content and associated funding requirements and help customers understand what the draft Plan means for their organisations

- Meetings of the DSC Contract Management Committee, which is the forum that is formally recognised in the DSC for customer engagement on the Business Plan, and of the DSC Change Management Committee, which has a specific responsibility within the planning cycle for developing and setting the DSC Change Budget.

The table below summarises the key engagements during the Plan development cycle, their timings, and the different forms of engagement that we propose to use. A more detailed consultation timeline is available on Page 20. We also expect to use the July, August and September meetings of the two DSC Committees to discuss potential Plan content, although funding information will not be available prior to the issue of the draft Plan in late September.

Engagement Phase	Start	End	Duration	Forms of Engagement
Principles and Approach	13/06/18	27/06/18	2 weeks	Webcast DSC Contract Management Committee Written consultation
Draft Plan	24/09/18	02/11/18	6 weeks	Webcast DSC Contract Management Committee DSC Change Management Committee Meetings with customer bodies Written consultation
Updated draft Plan	26/11/18	07/12/18	2 weeks	Webcast DSC Contract Management Committee Meetings with customer bodies Written consultation
Final draft Plan	09/01/19	16/01/19	1 week	DSC Contract Management Committee

Presentation of Financial Information

We know that our customers value transparency so that they can easily understand what our Plan means for their organisation, particularly the levels of funding and the services and investments that they are being asked to pay for. We also want to be able to demonstrate to our customers how the funding that we are asking for responds to demand for services and delivers the activities that turn our strategy and ambition into practical action.

It is in this context that we are planning to present Plan financial information to customers in the following ways:

- Differentiating between funding that:
  - Maintains the business, retaining the high quality assets necessary to deliver our services
  - Invests in assets in order to access and realise leverage opportunities

- Being transparent about the initiatives that contribute to the delivery of our Strategic Objectives and what these mean for customer funding

- Segmenting funding requirements by customer constituencies and by business drivers, as illustrated below:
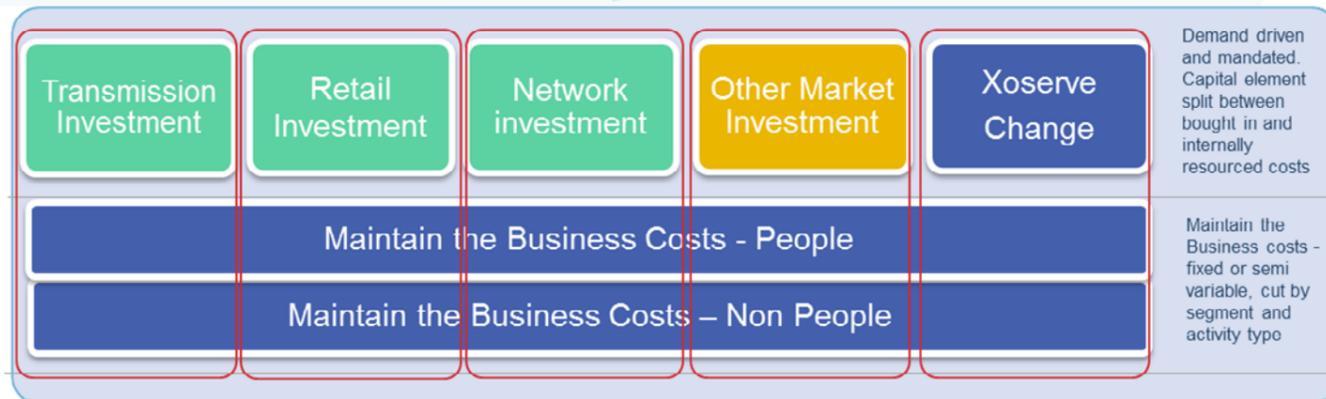
Customer Demand Driven Investment
Xoserve propose, Customers choose including timings and consequential costs
Examples: UK Link , Gemini, DSC

Market Driven Investment
Xoserve and Customers respond jointly to regulatory / market demand
CSS

Xoserve Change and Maintain the Business
Xoserve develop, Customers consulted
TransformUs

In addition to these different views of the whole Plan, we will also provide customer information packs that are tailored to give customer constituencies specific insight to what the Plan means for them, the funding that we are asking them to provide, and the services that they will receive.

We are also aware of the importance that some customers place on the differentiation of revenue and capital expenditure, and we will ensure that this information is included in the relevant customer packs.

Review of Cost Allocation Model

We use a Cost Allocation Model to attribute and allocate our costs to the services that we provide. The DSC classifies the services into a number of Service Areas, and defines in a Charging Methodology how these Service Area costs are recovered from customers.

Following Project Nexus implementation and the introduction of new market processes, as well as a significant restructuring and resizing of the organisation during 2017/18, we consider that it is appropriate that we review and validate the efficacy of our Cost Allocation Model alongside the development of the Plan. The focus of our review will be on the allocation of costs to services, rather than on changing the Charging Methodology. Whilst we wouldn't expect the review to change our total funding requirements, it may result in some costs being reallocated between Service Areas and therefore some funding requirements being redistributed between customers.

We will ensure that all information presented to customers during this review is fully transparent so that you can see the potential impact on your organisation. We are proposing the following timetable for the review.

Cost Allocation Model Review

Step	Status	Date	Action	Provider	Receiver	Deliverables
1	Not yet started	11/07/18	Issue initial review findings to customers	Xoserve	All customers CoMC	Initial review findings
2	Not yet started	18/07/18	CoMC review of findings	CoMC	Xoserve	Customer feedback
3	Not yet started	08/08/18	Issue updated review findings to customers	Xoserve	All customers CoMC	Updated review findings
4	Not yet started	15/08/18	CoMC approval of review findings	CoMC	Xoserve	Approved review findings
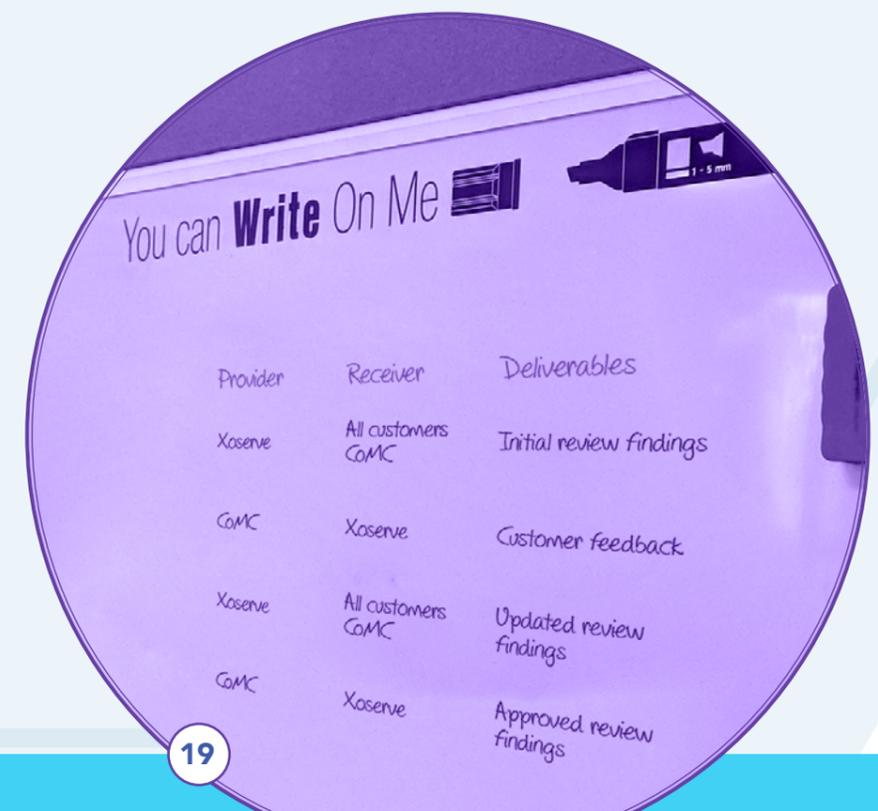
Consultation Timeline

Phase 1 - Plan Approach and Principles

Step	Status	Date	Action	Provider	Receiver	Deliverables
1.1	Complete	13/06/18	Issue Plan Approach and Principles for customer consultation	Xoserve	All customers CoMC	Plan Approach and Principles Consultation Document
1.2	Not yet started	20/06/18	Provide feedback at CoMC meeting	CoMC	Xoserve	-
1.3	Not yet started	22/06/18	Xoserve hosts webcast	Xoserve	All customers	Webcast presentation Customer questions and Xoserve answers
1.3	Not yet started	27/06/18	Provide written feedback	All customers	Xoserve	Written feedback
1.4	Not yet started	11/07/18	Issue updated Plan Approach and Principles reflecting customer feedback	Xoserve	All customers CoMC	Final Plan Approach and Principles
1.5	Not yet started	18/07/18	Consider updated Plan Approach and Principles and note updates	CoMC	Xoserve	-

Phase 2 - Draft Business Plan

Step	Status	Date	Action	Provider	Receiver	Deliverables
2.1	Not yet started	13/09/18	Issue draft Business Plan to Board	Xoserve	Board	Draft Business Plan
2.2	Not yet started	20/09/18	Agree draft Business Plan for issue for consultation	Board	Xoserve	Draft Business Plan
2.3	Not yet started	24/09/18	Issue draft Business Plan for consultation (including Change Budget requirements)	Xoserve	All customers CoMC	Draft Business Plan
2.4	Not yet started	03/10/18	Xoserve hosts webcast	Xoserve	All customers	Webcast presentation Customer questions and Xoserve answers
2.5	Not yet started	10/10/18	Sign off Change Budget requirements	ChMC	Xoserve	Change Budget
2.6	Not yet started	17/10/18	Provide feedback at CoMC meeting	CoMC	Xoserve	Feedback notes and actions
2.7	Not yet started	02/11/18	Provide written feedback	All customers	Xoserve	Written feedback
2.8	Not yet started	15/11/18	Issue feedback report	Xoserve	Board	Feedback report
2.9	Not yet started	22/11/18	Consider feedback report and agree updates to draft Business Plan	Board	Xoserve	-
2.10	Not yet started	26/11/18	Issue updated draft Business Plan for consultation	Xoserve	All customers CoMC	Updated draft Business Plan
2.11	Not yet started	28/11/18	Xoserve hosts webcast	Xoserve	All customers	Webcast presentation Customer questions and Xoserve answers
2.12	Not yet started	29/11/18	Provide feedback at CoMC meeting	CoMC	Xoserve	-
2.13	Not yet started	07/12/18	Provide written feedback	All customers	Xoserve	Written feedback
2.14	Not yet started	12/12/18	Issue feedback report	Xoserve	Board	Feedback report
2.15	Not yet started	19/12/18	Consider feedback report and agree final updates to draft Business Plan	Board	Xoserve	-

Phase 3 - Final Business Plan

Step	Status	Date	Action	Provider	Receiver	Deliverables
3.1	Not yet started	09/01/19	Issue draft Business Plan Consultation Report	Xoserve	All customers CoMC	Draft Business Plan Consultation Report
3.2	Not yet started	09/01/19	Issue final draft Business Plan	Xoserve	All customers CoMC	Final draft Business Plan
3.3	Not yet started	16/01/19	Consider draft Business Plan Consultation Report and final draft Business Plan	CoMC	Xoserve	-
3.4	Not yet started	17/01/19	Issue 'for approval' Business Plan and Business Plan Consultation Report	Xoserve	Board	'For approval' Business Plan and Business Plan Consultation Report
3.5	Not yet started	24/01/19	Approve Business Plan	Board	Xoserve	-
3.6	Not yet started	28/01/19	Issue approved Business Plan	Xoserve	All customers	Approved Business Plan
3.7	Not yet started	29/01/19	Issue 2019/20 Annual Charging Statement	Xoserve	All customers	2019/20 Annual Charging Statement
3.8	Not yet started	15/02/19	Issue 2019/20 Charging Schedules	Xoserve	All customers	2019/20 Charging Schedules

Questions

This document is the first step in working with our customers to develop our Plan. We welcome your views on all of the information we have set out and on anything that you think we may have missed.

We have set out below some key questions, where we would appreciate your comments. Please send these to **xoserve.customeropscomms@xoserve.com** by 27th June 2018.

1) To what extent does the information on our strategy, ambition and target outcomes provide a meaningful basis and foundation for our Business Plan?

2) Do you think that we have identified all of the significant matters that we should consider during Plan development?

3) Do you consider that we have sufficient capability to provide competent and timely leadership on market issues and to respond effectively to customers' demand for services?

4) Do you consider that we should continue to pursue re-use of the UK Link asset as an effective means of containing the level of customer exposure to CSS consequential change costs?

5) Do you agree with our planning assumptions? Please tell us if you think we that should be adopting different assumptions when we prepare the draft Plan.

6) Do you think that our approach offers sufficient engagement opportunities for your organisation?

7) Do you have any comments on the proposed timeline? Does it meet your organisation's needs?

8) To what extent do our proposals for the presentation of financial information meet your organisation's needs? Please tell us if you have any particular requirements that we have not identified.

9) Do you agree that it is appropriate to include a review of the Cost Allocation Model alongside the development of the Plan?