26. I want all the information I need to run my business, and to understand what you do and why

What is this stakeholder priority about?

Transparency and information are fundamental to our stakeholders being able to operate their businesses efficiently and effectively. Our data and insights provide value for consumers by ensuring that the gas market runs smoothly. Our work in this area also promotes competition – allowing participants to plan, prepare and operate effectively. We recognise that our stakeholders need us to provide good quality information and data to inform their business decisions.

What have you told us?

Through our engagement activity we've developed a more detailed understanding about the information that you value, and what you want to use it for. You have told us you want more information, faster access to it and an easy way to ask us for new kinds of information.

During RIIO-2 we will:

- champion open data sharing and governance across the energy industry
- collaborate and share data with network companies to build a whole system view
- invest in our people and IT systems, taking advantage of technology to develop new capabilities allowing us to share information better ways.
- provide more transparency around our operational performance.

There are risks associated with developing our information services in this way. For example, the growth in customer demand for information may outstrip our ability to absorb the costs through business efficiencies. We will be transparent about the fact that these resources are finite and work with the customer community when it's necessary to set priorities.

The total RIIO-2 spend for this area is £64m, with an annualised spend of £13m (compared to an annualised spend of £11m in RIIO-1). This is around 2% of the value of our total business plan.

Figure 26.1 RIIO-1 and RIIO-2 spend profile 'I want all the information I need to run my business and to understand what you do and why'
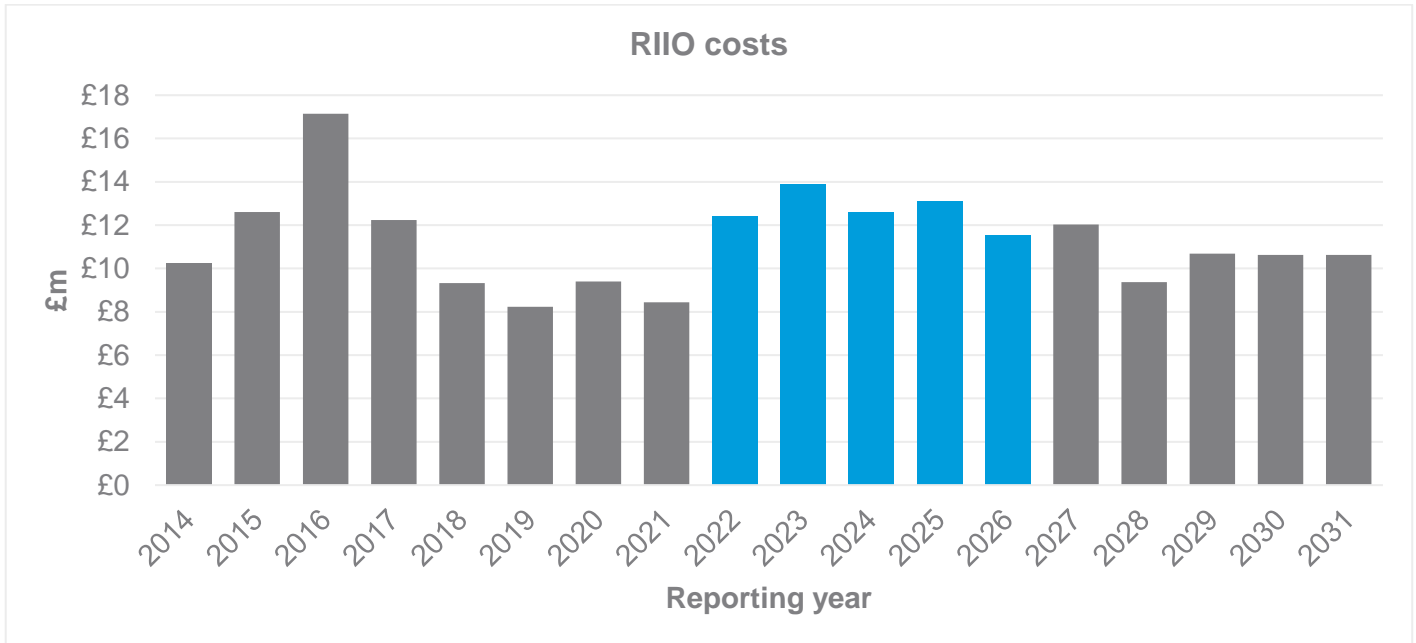
1. What is this stakeholder priority about?

This priority is about ensuring we provide the right levels of information to the wider industry to meet its needs. It's also about how we communicate with our stakeholders and provide transparency about our decision-making. Clear information enables stakeholders to operate their businesses efficiently and effectively.

The information we share allows market participants to make informed decisions. This might be about the investments they make, how they trade in the market or how they run their plant and equipment.

Our data and insights provide value for consumers by ensuring that the gas market runs smoothly. Our information also promotes competition in the wholesale market.

Being transparent about decisions enables our stakeholders to understand how we might act when similar events occur in future and how they could optimise their own operations. In short, information is crucial to the efficient operation of the gas industry which ultimately affects consumer bills.

2. Our activities and current performance

Our key activities associated with the information provision priority are summarised in figure 26.2 below. Much of the activity undertaken to operate the network is published as information for the industry. We provide information that covers a broad range of areas and timescales. We publish documents such

as the System Management Principles Statement and related procurement guidelines to set upfront expectations of how we will operate the system. Long-term insights show how the network could evolve in future and how we plan for that. They also provide transparency about the investment decisions we are making.

We provide guides and support for activities such as the connection and capacity reservation process. We do this so that people know what to expect from us as they go through these processes.

Figure 26.2 Our information provision
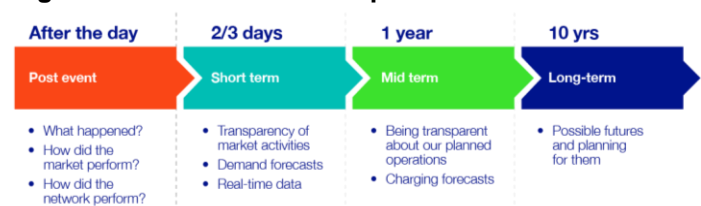
Our medium-term information informs the energy industry and allows it to prepare, offering a view on how they could use the system and the cost of doing so. The charging statements we publish set out how we calculate charges as well as the charges themselves.

Short-term 'on-day' and 'after-the-day' information supports efficiency in the capacity and energy markets. It does this by providing fair and timely access to operational and market information.

135

We intend that our information provides transparency to our stakeholders of what we do and why, in terms of our investment decisions, operational decisions and performance.

The next table lists the specific information that allows us to provide transparency in these areas.

Table 26.3 List of transparency Information

Activity	Information
Long term (>10 years)	Gas Ten Year Statement (GTYS) Gas Future Operability Planning Future Energy Scenarios document
Medium term (one year/within year)	Summer/Winter Outlook documents Winter Consultation document Maintenance plans Maintenance notices Capacity auctions Charging tariffs Operational Forums Collaboration site Liaison meetings Distribution network forums
Short term (a few days ahead / on-the-day)	REMIT information MIPI information PDWS information
Post event (after the day)	Incentives reporting MIPI information Collaboration site (day in brief) Winter Review document Charging and billing

Track record in RIIO-1
During RIIO-1 we have focused our efforts on being more proactive about the information we provide because we recognise that it has an important part to play in enabling society's transition to a low-carbon future and the shift to a 'whole energy system' approach.

You can see this in the changes made to the GTYS during RIIO-1 because it now shows our decision-making processes. It captures the thinking behind the choices we make as we move towards a low-carbon energy future.

During RIIO-1 we began producing the Gas Future Operability Planning (GFOP) document. The GFOP describes how a low-carbon energy future may impact gas network operability. Operability is a growing consideration for us and so we wanted to start a conversation about it so the market can work with us to meet these possible challenges.

Through 2018 we undertook a significant piece of work to engage with industry on ways to improve our operational data provision and we are putting new streams of information in place where demand from stakeholders is clear. One example is the week ahead pressure forecast launched in August 2018.[105] We have spent all our allowances to deliver these improvements.

We are supporting initiatives like the energy data taskforce. It brings together industry and the public sector to reduce costs and promote competition, innovation and new business models. It will review the data landscape, identify gaps and make recommendations for how data can be used more effectively in the energy system.

Learning from RIIO-1
We launched the Gas Operational Data Community[106] to create effective communications channels with our stakeholders and inform any improvements to information provision we make. To date, more than 250 customers have registered on the innovative and agile collaboration platform. The insights we've gathered provide an explicit link to consumer value. More than ever before, customers are sharing why they need the data they ask for.
Although primarily set up to inform our RIIO-1 information provision activities this insight has also been used to inform our RIIO-2 proposals.

3. What our stakeholders are telling us
You value the information we provide. You see the data we supply as crucial in managing your commercial processes. Data, information and insights are some of the most important outputs that we produce:

- information and data at a greater frequency – preferably as near real-time as possible
- the ability to pull data from our systems, less interest in having data pushed
- use of application programming interfaces (APIs) to manipulate raw data
- more consistency and accuracy of data
- more pressure and gas quality data
- more in-depth analysis and transparency around National Grid balancing actions

More information is available in our engagement log in annex A26.01

---

4. Our proposals for RIIO-2 and how they will benefit consumers

Our aim is to have a customer-focused, data centric approach, not just meeting our obligations on data provision but also enabling transparency that promotes efficiencies in the wholesale market. We have made significant strides to achieving this during RIIO-1 and will continue our efforts through RIIO-2.

Customers say the information we provide is important and there's an ever-growing list of improvements they would like to see, focusing both on the data itself and on how they can access it.

- We will be transparent in what we do, enabling competition and fostering innovation by sharing our data openly wherever possible. We will put an emphasis on collaborating and sharing data with network companies to build a whole system view.
- We will move towards providing open, automated, and machine-readable data wherever possible. Our data will be presumed open, with access only ever being restricted to mitigate security, privacy, legal or consumer impact risks.
- We will champion open data-sharing and governance across the energy industry. Data access improves market efficiency and creates the conditions for innovation across industry, leading to lower consumer bills and more benefits to society.

Transparency on our performance

Regulatory reporting

To make our performance transparent we publish annual information on our outputs and spend against our allowances.

This information can be complicated, but we will make it easy to understand what we have delivered for consumers and how our financial returns clearly link to what we delivered.

A key element of providing transparency on our performance is having targets for the service levels we will provide. In our annual RIIO-1 performance report we explain each year how well we have performed against our outputs. We will continue to do this throughout RIIO-2.

Updating our business plan with you

You told us that the opportunity to help shape updates to our annual business plan is something you expect. You want this to be a genuine two-way engagement process, although you'd also find it useful to have regular updates from us about what we're doing and how we're performing. Adopting a more externally-focused approach will increase transparency and ensure we deliver what is important for all stakeholders.

We will continue with our enhanced stakeholder engagement programme indefinitely outside of the price control preparation process, keeping up conversations about our long-term plans even when there is no regulatory or business need to do so. This should improve the outputs we deliver for all stakeholders and reduce the costs of delivery as resources become more focused on what people tell us they want.

Our proposal to retain the independent stakeholder user group during RIIO-2

We will increase the transparency of our performance by retaining an independent stakeholder user group during RIIO-2. The role of the group would be to continue to challenge our engagement activities, scrutinise our business plans and verify our annual reporting. We will increase the impact of our annual performance report by presenting it to the user group. The group will challenge us on the quality, transparency and accessibility of our reporting as well as our performance. This will build trust with our stakeholders and strengthen our reputation for transparency.

We recognise that on a periodic basis, members of the group will have to change, this allows continued independence and the opportunity to bring fresh perspectives. Following feedback from Citizens Advice we will also ensure that the group continues to have a strong consumer voice. This will provide added weight to consumers' views in our reporting.

For our annual stakeholder-led business planning process, we expect the independent stakeholder user group to continue to play a key role in challenging the way we engage and how we incorporate feedback into our plans. The group will provide challenge at the start of each year's process to ensure our plans are comprehensive, representative and inclusive. They will then provide further challenge at the end of each phase of engagement and prior to the next one. Their role will also be to challenge us on best practice and shape our engagement based on learning they have acquired from other sectors and organisations.

We are exploring how we tailor our reporting to our stakeholders' needs and clearly and simply set out what they want to know. We will continue to engage with our stakeholders to improve our annual

performance report and adapt it to our stakeholders' changing needs.

Outputs

Our information provision priority maps to Ofgem's output category: 'meet the needs of consumers and network users'. We propose retaining our existing RIIO-1 output delivery incentives around quality of demand forecasts. Stakeholders of all kinds gain value from this incentive.

We have summarised the incentives in this part of the chapter as follows. They are addressed in more detail in our incentives annex A29.03

Output Category	Output	Business Plan Proposal
Output Delivery Incentive	Quality of demand forecast – day ahead & 2-5 day schemes (D1/D2-5)	Retain schemes. Incentive set with appropriate rewards and penalties to meet the needs of consumers, recognising that demand forecasting is becoming increasingly challenging. Metrics to be agreed with Ofgem.

How do our RIIO-2 proposals benefit consumers?

Our information provision delivers benefits for industrial and domestic consumers:

Consumer Priorities	How does our plan support this?
"I want an affordable energy bill"	Our information and insights provide value for consumers by ensuring that the gas market runs smoothly. It also promotes competition in the wholesale market – allowing participants to plan, prepare and operate effectively.

5. How will we deliver?

We will deliver our RIIO-2 proposals by building a business capability that allows us to deliver change flexibly and to respond in an agile way to the deep insight we gain from customers. The capability will be built through the skills and capabilities of our people and the processes they follow. They will be supported by technology (or systems) to make these outputs available. We expect to deliver more for our customers during RIIO-2 with broadly the same number of people.

It is vital that we have a platform that is well maintained, secure and flexible enough to make as-yet unknown streams of data available externally.

Many of the IT systems that underpin our information provision platform will need enhancement or renewal during RIIO-2. Through investment in systems we will build a foundation that enables us to continue meeting our customers' expectations.

We will deliver an agile, industry-enhancing IT solution that meets the changing needs of the industry both now and into the future:

- upgrading the externally facing information provision platform, including a new enabling infrastructure to provide for the changing ways the industry views and utilises data
- maintaining an industry engagement platform to discuss and enable data enhancements.

6. Risk and uncertainty

There is a risk created, by developing our information services together with customers. As their expectations continue to grow, we may need to invest more in people and systems than we can absorb through more efficient processes. External uncertainty also exists about the potential impact on our systems and processes of changes that become necessary because of UNC evolution.

We propose that through our community development approach we will be transparent about the limits of our capacity to implement changes in information provision. We will use the customer community to prioritise and make it clear where we will flex or trade our effort and investment through the RIIO-2 period.

Positive	Negative
• Transparent process to improve customer engagement • De-risks potential variances in scope through price control period.	• Stakeholders may become dissatisfied with our lack of capacity to deliver what they want. • Obligatory change could utilise whole pot of money which pushes back potential customer enhancements.

We propose that allowances for these activities be fixed upfront. We will develop an open process to manage the fixed allowances that best delivers value for customers and consumers. We also recognise that we should be held to account to deliver the commitments we make against this stakeholder priority. We will continue to work to identify relevant and proportional metric. These metrics may be both quantitative and qualitative.

7. Our proposed costs for RIIO-2

The calculation and invoicing of customers' energy balancing, capacity and commodity charges are delivered by Xoserve either directly or through automated processes via the Gemini system. Operational costs of Xoserve are included in this priority. Capital investments in new systems are included in the chapter 25 because a primary driver is the change required to facilitate future markets and whole system ambitions.

Our direct operational costs remain consistent with RIIO-1 with the demands of change offset by our continued focus on efficiency.

There are several capital investments in our IT system that we expect to make during RIIO-2. These can be split into asset health-type upgrades to maintain our existing capabilities and those that will support us in continuing to meet the needs of our customers and the wider industry. Investment in these systems has been delayed through RIIO-1 whilst we undertook a significant upgrade to our core network control systems. There is therefore technical debt that needs to be addressed through the investments required during RIIO-2. These investments are explained in more detail in the IT Annex A28.03 and are tagged there to this chapter.

Table 26.4 Activity spend "I want all the information I need to run my business and to understand what you do and why"

Activity Spend (£m in 18/19 prices)	2022	2023	2024	2025	2026	Total RIIO-2	Annualised RIIO-2	Annualised RIIO-1
People	6.8	6.9	6.8	6.7	6.6	33.8	6.8	6.4
Systems	5.6	7.0	5.8	6.3	4.9	29.7	5.9	4.5
Grand Total	12.4	13.9	12.6	13.1	11.5	63.5	12.7	11.0

Business plan data templates

Our business plan is accompanied by a set of spreadsheet business plan data templates (BPDT) in a format required by Ofgem. The following table is provided to assist the reader in understanding how our information provision activity costs feed into the BPDTs.

Table 26.5 business plan data template spend "I want all the information I need to run my business and to understand what you do and why"

RRP Category (£m in 18/19 prices)	2022	2023	2024	2025	2026	Total RIIO-2	Annualised RIIO-2	Annualised RIIO-1
Direct costs	6.8	6.9	6.8	6.7	6.6	33.8	6.8	5.0
SO Capex	5.6	7.0	5.8	6.3	4.9	29.7	5.9	4.9
Grand Total	12.4	13.9	12.6	13.1	11.5	63.5	12.7	**9.8**

8. Next steps

We will continue to work to identify relevant and proportional metrics to make delivery of our commitments visible. These metrics may be both quantitative and qualitative.