

Project Nexus Steering Group Minutes
Wednesday 01 July 2015
Ofgem, 9 Millbank, London SW1P 3GE

Attendees

Alex Travell	(AT)	E.ON
Alison Russell	(AR)	Utilita
Andy Sinclair	(AS)	PwC
Angelita Bradney	(AB)	Ofgem
Chris Warner	(CW)	National Grid Distribution
Gareth Evans	(GE)	Waters Wye Associates
Gill Williams	(GW)	PwC
James Beverley	(JB)	Baringa
Jeremy Adams Strump	(JAS)	Ofgem
Jon Dixon	(JD)	Ofgem
Les Jenkins (Chair)	(LJ)	Joint Office
Lorna Dupont (Secretary)	(LD)	Joint Office
Mike Harding	(MS)	ES Pipelines
Nick Salter	(NS)	Xoserve
Sandra Simpson	(SS)	Xoserve
Sean McGoldrick	(SM)	National Grid NTS
Stuart Cook	(SC)	PwC

Copies of all papers are available at: <http://www.gasgovernance.co.uk/NexusSG/010715>

Key Messages from this meeting:

Implementation Plan		
The Steering Group unanimously recommended adoption of the plan as shown in the PwC meeting pack (slide 4)	Three additional requirements for more detail in the plan were actioned (see below): <ol style="list-style-type: none"> 1. Checkpoints 2. Market Trials detailed plan 3. Retrospective Adjustments for Assets and Supply Points (RAASP), plus Unique Sites (US). 	INFORMATION AND ACTION
Requirement 1 – Checkpoints	<ul style="list-style-type: none"> • PwC to identify and add to the 1-page plan suitable checkpoints relating to key steps in the plan. 	FOR NOTE
Requirement 2 – Market Trials	<ul style="list-style-type: none"> • PwC with Xoserve and Partners to establish a detailed plan for Market Trials. 	Establish a plan to provide this for update at SG on 13 July

Requirement 3 – RAASP and US	<ul style="list-style-type: none"> • PwC, Baringa and SAP to coordinate in conducting a desktop risk assessment checkpoint of the high level requirements in the Business Requirements Documents for RAASP and US. • Further checkpoints to be identified and added to the plan. 	Report at SG on 03 August
Risk Management		
RAASP US	<ul style="list-style-type: none"> • PwC to start on impact assessments (including potential mitigation) for decoupling (from Core) RAASP and US, should this later be required. 	Update at SG on 03 August
UNC Modification		
	<ul style="list-style-type: none"> • The scope and content of the Code modification is under consideration. • Chris Warner has agreed to raise the modification. • Modification is expected to be Urgent. 	Update at SG on 13 July
iGT Data - Clarification		
	<ul style="list-style-type: none"> • SG noted that previous references to iGT data issues could have been misleading. • Issues refer to the translation of iGT data into SAP requirements only. 	FOR INFORMATION

1.0 Introduction

LJ welcomed all to the meeting and reminded that 'Chatham House Rules' were to apply to general discussion.

1.1 Note of Alternates

Alison Russell for Jeremy Guard.

1.2 Review of Minutes (15 June 2015)

The minutes of the previous meeting were approved.

2.0 Matters Affecting Re-planning

2.1. Industry Views from Informal Consultation

Following the last meeting industry views had been sought on the planning options via an informal consultation, with individual responses provided via the PwC portal by 29 June 2015.

The responses had been assessed and the information collated in a distributed slide pack. AS briefly summarised the views expressed that had led to the creation of the plan for the preferred industry option (illustrated on page 4) for go-live of 01 October 2016 (which avoids AQ Review/Appeals impacts). This plan had been prepared as the 'best fit' to the current expression of views and circumstances.

Views had appeared to be quite disparate in respect of what should be the duration of Market Trials and perhaps need to become better aligned. This might be because parties feel the need for greater clarity on how risks might be managed before committing. The longest duration suggested was 8 months. AS counselled that 6 months should be recommended and monitored to see what might be done.

It was observed that 72% of respondents (Shippers) would like a single release. It was confirmed the Transporters and iGTs had been contacted separately for their views; the iGTs were in favour of a single release and the Transporters were not.

A question had also been asked regarding perceptions of benefits in the delivery of Unique Sites (US); it was noted there was a very strong view for the delivery of Retrospective Adjustments for Assets and Supply Points (RAASP), with US being perceived as the less important of the two.

2.2 Discussion and Conclusions

There appeared to be an information deficit in respect of RAASP; was it in scope or not? Was it technically possible to deliver it within the timescales? - this would become a checkpoint. These aspects were discussed. Xoserve had a requirement to deliver RAASP but does not yet have detailed design/plans - there are questions relating to timescales and relevance to other deliveries. AS believed that clarity was required on both aspects - is it technically deliverable, and when. Transporters were strongly of the view that earlier delivery should not be discounted if that was possible. AS explained there may be other factors that arise that militate against early delivery. GW suggested RAASP be actively mapped into the plan to preserve dates - it is a critical milestone for assessment when other alternatives might arise.

Questions of relating to sufficiency of resourcing were considered. SC commented that respondents would have had this in mind when formulating their views. Asked if Xoserve had sufficient resources to deliver this proposed plan, SS affirmed this, noting there were concerns relating to RAASP and there may be other risks as progress is made through UAT - there were some challenges but when confident regarding those then UAT can release the appropriately experienced resources. Taking experienced people from UAT and deploying on RAASP heightens the risk of having to extend UAT.

Returning to the suggested inclusion of checkpoints, it was felt that an assessment was required of RAASP to identify what elements can be implemented and when, and what functionality might be tied inextricably to the core delivery. Elements that might affect delivery of Market Trials should also be ascertained. Whilst noting that SAP will be doing a Design verification at the end of December, it was felt that Design should also be assessed. It was suggested that, as these areas could also be considered as decision points, an independent high level view on these aspects should be provided to the Steering Group over the next two to three months to provide clarity and transparency. NS observed that the delivery of RAASP was only mandatory for Xoserve, not other parties. It was pointed out that industry parties have been urged to build systems to do automatic asset updates - if this did not work then that effort was wasted. Concerns were raised regarding which parties might have commercial exposure should the elements not be available. LJ pointed out that the Steering Group has to incrementally plan as circumstances become clearer - an intent can be agreed to keep things whole, but nothing firmer at this point.

It was suggested that inclusion of three mini-milestones with assessments of outcomes, and clearly defined potential courses of action to be followed, management of risks, and

how decisions were to be made in response to positive/negative findings would add a level of transparency and an approach evident to all.

SS observed that RAASP was not the only risk to the programme plan. AS suggested that the Steering Group should as a matter of course at every meeting be assessing the top 4 or 5 risks and considering what action should be taken.

It was questioned if SAP could carry out its verification earlier in the process. JB believed Baringa could do this (a paper based exercise). It was suggested that a partnership of Baringa, SAP and PwC should carry out this review (of completeness, alignment/misalignment, and technical feasibility to proceed with the implementation); it might be a one-two week job, with information on what it means for all parties to be available to the Steering Group in a month's time. NS observed that this might provide a level of confidence to help parties with their build plan (but may not give a definitive 'yes').

Action 0701: Add checkpoints for RAASP and US to the 1-page plan.

It was reiterated that the industry needed clarity regarding the risks and what mitigation has been/is applied; and to understand why a risk remains/cannot be addressed in other ways, and to know the justification for why a milestone has to remain where it is and cannot be moved.

AS suggested there was a need to consider what a reporting pack should look like, what were the expectations; this could develop over the next meetings.

Action 0702: PwC to prepare a straw-man reporting pack for consideration at the next meeting.

Option 2 had not been considered to be a viable option because there was no clarity regarding the risks and management. The previous view was that if RAASP failed testing it would not prevent 'go live', so this should not have an effect now. NS added there was a need to understand what mitigations were feasible. It was stressed that when the checkpoints are reached and the answer potentially is 'no', then the Steering Group cannot start all over again, or pause again for a couple of months - there ought to be a pre-determined plan in place to deal with whatever the outcome was and to be enacted accordingly. AS suggested this work could be started off now in parallel, with alternative impact assessment plans made ready to call upon; he offered to co-ordinate this.

AS then drew attention to the supporting information included in the distributed slide pack, which provided the detail used to construct the proposed plan. This will be published on the meeting page on the Joint Office website and members were encouraged to peruse at the conclusion of the meeting.

3.0 Recommendation Votes

LJ explained that the Steering Group must formalise its recommendations and invited the six members to vote on whether the proposed plan, with the additional milestones included as discussed above, should be accepted.

It was suggested that further detail be added to underpin Market Trials i.e. the approach, how various aspects would be executed (how issues/defects would be communicated and addressed, how decision making would work) etc, as this appears to warrant a level of co-ordination that is not currently apparent. It was agreed that milestones should be added aligned to critical risks, a deeper level of granularity of detail be added to give clarity to the holistic execution of Market Trials, together with an indication/assessment of what impact there might be should there be an eventual need to remove RAASP from the scope.

With these additions the Steering Group will be better placed monitor progress against the plan and make appropriate decisions.

The six members then **unanimously voted to accept and recommend the proposed plan**, with the additional milestones/information included, as agreed above.

Returning to the plan, LJ reiterated that it needs to be an actively resourced plan, not just a timeline, and sought views on which party or parties were best placed to do the work required. A discussion ensued.

For the Market Trials work scenarios need to be tested and a set of outcomes established, with clear approach and a co-ordinated action plan. Every party should test its own systems and take part in the appropriate industry trials. It was suggested that it should be mandatory to test certain activities/critical processes. It was questioned if the Steering Group should mandate testing/trialling - perhaps if a party's potential failure would contaminate the rest of the industry then it should be so.

GW observed that the three critical GONG processes have to be tested by all parties and reported on, but this aspect still appeared to lack any co-ordination. PwC could manage this in a holistic fashion (part of this may be included in the contract, part may not - the Steering Group Terms of Reference (ToR) may have to be reviewed and adapted).

Other trial elements will be optional and reports will be received on these. Obligation to trial needs to be built into the design principles; a full set of expected results that parties can test against and report on needs to be provided, e.g. guidelines to include expectations, degree of granularity, finer details, etc. Will parties be expected to self-certify? AS would expect to audit what is recorded for GONG, but not necessarily for optional testing. It was concluded there might be three levels of testing: mandatory (relating to the core processes in the Go/No Go criteria), recommended (where process failures might be likely to propagate poor quality information to other parties) and optional (less critical). JD indicated that Ofgem would have an interest in the reporting on the first two levels.

The Steering Group agreed that PwC and Baringa should manage this co-ordination and assurance work in partnership. PwC should confirm the timescales and an appropriate plan at the next meeting. Ofgem should consider how to mandate participation (perhaps by moving certain elements to sit with the GONG critical processes), and it needs to be made clear to the wider industry that testing/trialling is now going to have to be more prescriptive than first envisaged. It was suggested that Market Trials also needs to include clear information how issues are to be notified and a timeline for responses to issues raised.

Summarising the discussion, LJ captured the following actions:

Action 0703: PwC with Xoserve and partners to establish a detailed plan for Market Trials.

Action 0704: PwC to start on impact assessments (including potential mitigation) for decoupling (from Core) RAASP and US, should this later be required.

Action 0705: PwC, Xoserve and partners to co-ordinate in conducting a desktop risk assessment checkpoint of the high level requirements in the Business Requirements Documents for RAASP and US.

Now that the revised plan was recommended, LJ reminded the group that it was necessary to consider the consequential UNC modification. The imposition of a specific fixed implementation date was discussed, together with alternative forms of words, e.g. "... on a date as directed by the Authority..." that may prevent a 'locked in' position to avoid the subsequent need to raise a further modification to adjust the fixed date. It was suggested that Ofgem consider what might be the best approach to this. CW confirmed that when required National Grid Distribution will work with Ofgem to raise the modification.

Action 0706: Ofgem and National Grid Distribution to consider the form of a code modification for further discussion at the next meeting.

4.0 Readiness Criteria (PA/M / ALL)

Consideration deferred as revisions will be necessary as detailed planning is completed; to be revisited at a later date.

5.0 Outstanding Actions (ALL)

No outstanding actions to be considered.

6.0 Any Other Business

6.1 Approval of participation of additional non-voting party

Approval was given for James Beverley (Baringa) to participate in the Project Nexus Steering Group as a non-voting party.

6.2 ICOSS Letter

GE referred to the letter circulated to parties, and suggested that PwC might be offered a formal defined leadership role within the Steering Group, effectively replacing the current set up. This was discussed. GW indicated that PwC's intentions were to see the project successfully completed, but did not feel that it should take on a formalised leadership role. It can however take on the Market trials co-ordination role and responsibility for the preparation of the Steering Group information pack. It will monitor progress against the approved plan and counsel on the priorities to follow. Members were comfortable with this approach and believed more formal co-ordination between Baringa and PwC would be beneficial.

Baringa assures Xoserve's activity, and PwC reports into the Steering Group; both are capable of mounting challenges as appropriate. Members thanked the Joint Office for its support of the meeting to date, with one member observing that to have PwC formally leading the group as Chair and then to report to the meeting would create certain tensions and may prove to be a conflict of interest.

Members agreed to continue with the arrangements currently in place.

It was also agreed that all parties review the Terms of Reference now that the Group has been operating for a few months. LJ asked for comments to be routed via the Joint Office for a consolidated version to be considered at the next meeting.

Action 0707: Project Nexus Steering Group Terms of Reference to be reviewed (scope of work, interactions between Baringa and PwC, etc) by all. Comments to the Joint Office ahead of the next meeting.

6.3 iGT Data Quality Issues - Misperceptions

MH drew attention to views that iGT data quality issues were being wrongly perceived and that there was a distinction to be made between the data held and what is required by SAP.

SS confirmed there were two datasets - GT and iGT; the iGT dataset needs more work to get it into the system.

7.0 Next Agenda and Diary Planning

Further details of planned meetings are available at: www.gasgovernance.co.uk/Diary

Confirmation of intention to attend and any meeting papers for publication should be provided to the Joint Office as soon as possible and in advance of each meeting.

Unless otherwise notified, Project Nexus Steering Group meetings will take place as follows:

Time/Date	Venue	Workgroup Programme
10:00, Monday 13 July 2015	Teleconference	<ul style="list-style-type: none"> Market trials plan update Proposed UNC modification - views Reporting framework for the Steering Group - information pack Review of Steering Group Terms of Reference
Monday 03 August 2015	Ofgem, 9 Millbank, London SWIP 3GE. Approximate start time no earlier than 13:00 (<i>following Change Overview Board meeting</i>)	<i>To be confirmed</i>
10:00, Monday 17 August 2015	Teleconference	<i>To be confirmed</i>
10:00, Tuesday 01 September 2015	Ofgem, 9 Millbank, London SWIP 3GE	<i>To be confirmed</i>
10:00, Monday 14 September 2015	Teleconference	<i>To be confirmed</i>

Action Table (01 July 2015)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0701	01/07/15	2.2	Add checkpoints for RAASP and US to the 1-page plan.	PwC (AS)	By 13 July meeting Pending
0702	01/07/15	2.2	PwC to prepare a straw-man reporting pack for consideration at the next meeting.	PwC (AS)	By 13 July meeting Pending
0703	01/07/15	3.	PwC with Xoserve and partners to establish a detailed plan for Market Trials.	PwC (AS) and Xoserve (SS)	By 13 July meeting Pending
0704	01/07/15	3.	PwC to start on impact assessments (including potential mitigation) for decoupling (from Core) RAASP and US, should this later be required.	PwC (AS)	Update due 03 August meeting Pending
0705	01/07/15	3.	PwC, Xoserve and partners to co-ordinate in conducting a desktop risk assessment checkpoint of the high level requirements in the Business Requirements Documents for RAASP and US.	PwC (AS) and Xoserve (SS)	Update due 03 August meeting Pending
0706	01/07/15	3.	Ofgem and National Grid Distribution to consider the form of a code modification for further discussion at the next meeting.	Ofgem (JD) and National Grid Distribution (CW)	Update due 13 July meeting Pending
0707	01/07/15	6.2	Project Nexus Steering Group Terms of Reference to be reviewed (scope of work, interactions between Baringa and PwC, etc) by all. Comments to the Joint Office ahead of the next meeting.	ALL Parties	Comments to JO prior to 13 July meeting Pending