

Project Nexus

Project Nexus Steering Group

28th September 2015

***Please note:** The information contained within this reporting framework is intended to be supported by verbal update during the PNSG and therefore should be considered in this context when being read in isolation.*

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1. Key Messages and Recommendations

Current Status

- The project is in a critical phase as the market moves towards Level 2 Market Trials ('MT'). **The following is needed to maintain stability in the plan:**
 - No further changes to file formats are experienced prior to entering L2 MT;
 - Xoserve and market participants complete the testing activities required to enter L2 MT; and
 - The data anonymisation issue escalated at the PNSG on 14th September 2015 is resolved quickly.

Highlights

- The **MTWG approved and published the L2 MT approach** document on 15 September 2015.
- The MT entry and exit criteria have been rolled out on the PwC Assurance Hub. **The deadline for submissions from participants is the 2nd October 2015** to support decision making at the PNSG checkpoint on 12th October.
- The 'Nexus Joint Industry Level 1 plan', risk / issues log and governance recommendations are in the final stages of development to **address the identified gaps in market-wide project foundations**.
- The **'single view of the truth' communication is developing** – Xoserve UAT defects and FAQ resolution progress is incorporated from this month.
- We have published an **updated assurance plan** to ensure transparency around our ongoing market-wide assurance

activity (see Appendix 4).

Areas of Focus

- Development of the L3/4 approach is progressing. We request the PNSG approve an extension of this milestone to 14th October 2015. This will support the delivery of a high quality and practical approach **without impacting the overall programme timeline**.
- Resolution of the data anonymisation issue - analysis with key market participants is underway and a PwC expert (**Stewart Room**) is attending the MTWG on Thursday 24 September.

Key decisions / actions:

#	Decision / action	Responsible
1	Remind constituents of the 2 nd October deadline for the 'first pass' completion of L2 entry criteria self-assessment.	PNSG
2	Approve completion of the 'L2 MT Approach Approved' milestone	PNSG
2	Approve an extension to 'L3/4 MT Approach Approved' milestone.	PNSG

Key Risks and Issues:

- Continuation of risk / issue log 'deep dive' in this meeting.

1.2 Key Milestone Status

28 September 2015



Overall RAG: the overall programme status is **amber**. The project is in a critical phase as the market moves towards Level 2 Market Trials ('MT'). The following is needed to maintain stability in the plan:

1. No further changes to file formats are experienced prior to entering L2 MT;
2. Xoserve and market participants complete the testing activities required to enter L2 MT; and
3. The data anonymisation issue escalated at the PNSG on 14th September 2015 is resolved quickly.

Current Milestones	RAG	Key metrics	Additional Commentary
1 Sept L2 MT Approach Approved		<ul style="list-style-type: none"> ✓ L2 MT Approach document approved by MTWG and published on Xoserve.com <p>PNSG asked to approve completion of the L2 MT Approach Milestone</p>	See MWTG update on page 16
1 Oct L3/L4 MT Approach Approved		<ul style="list-style-type: none"> • Development of the L3/4 MT approach document is progressing • The milestone to approve the document on 1st October 2015 will not be achieved due to the complexity encountered in some of the areas and to ensure focus on quality. 	See MWTG update on page 16 It is requested that the PNSG approve an extension of the milestone to 14 October 2015
1 Oct Industry / Xoserve testing complete for L2 MT		<ul style="list-style-type: none"> • Industry testing for L2 - Part of L2 MT Entry Readiness Assessment. • Xoserve File Format testing – 176 successfully completed tests vs. 189 planned to date (202 total planned). 	See Appendix 1 for Xoserve testing and defect progress update
12 Oct Data Cut Taken		<ul style="list-style-type: none"> • Data anonymization and 'Terms of Engagement' issue raised at MTWG on 10 September may impact the ability to take the data cut, as planned. • This could delay the start of Market Trials if the issue is not satisfactorily resolved quickly. 	Further verbal update to be provided following PwC DP expert attendance at MTWG on 24 th September.

Milestone RAG Key



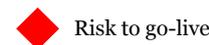
Complete



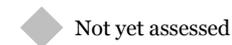
On Track



Risk to individual milestone(s)



Risk to go-live

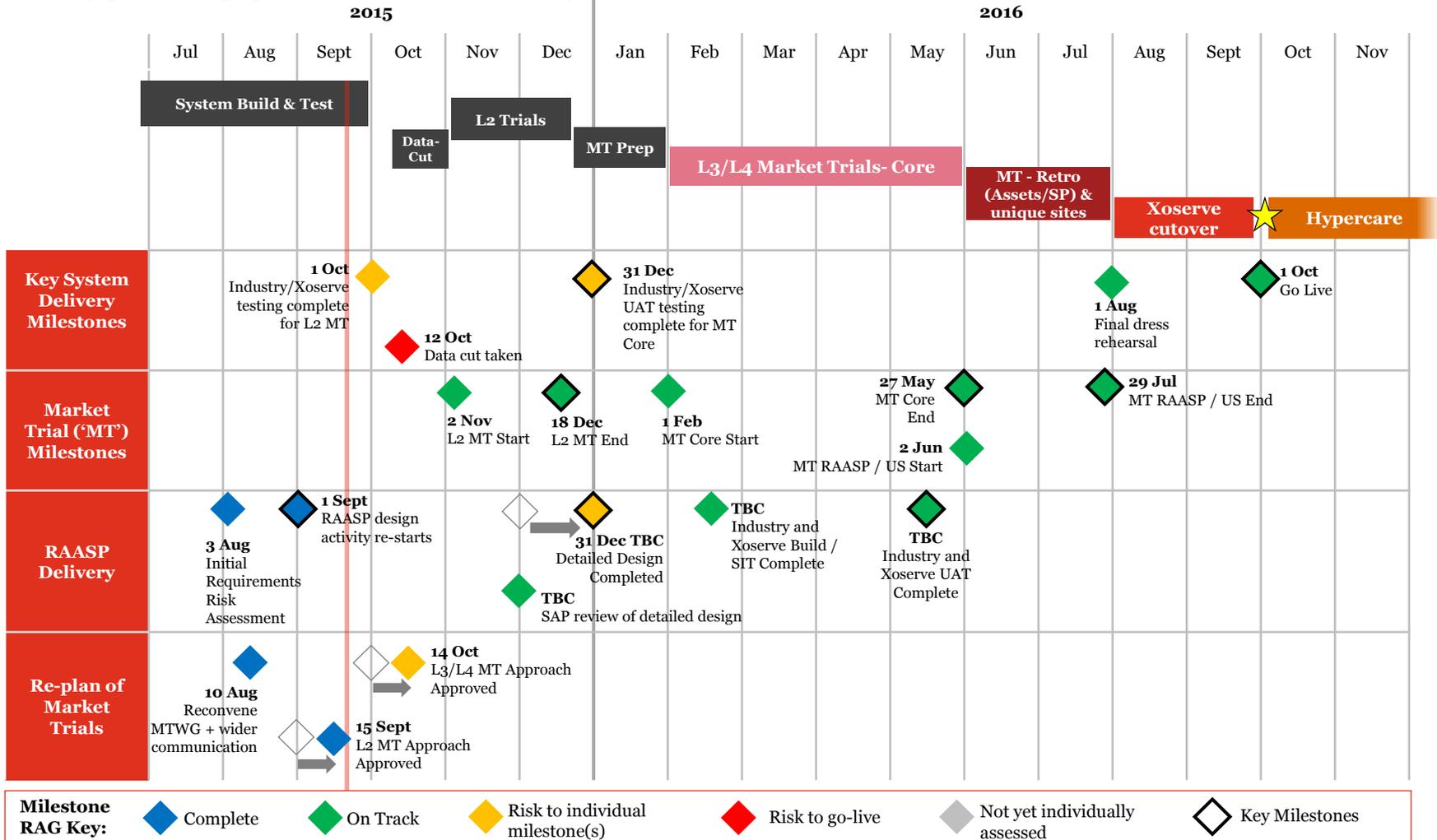


Not yet assessed

1.3 Industry Plan on a Page – Milestone Status at a Glance

28 September 2015

‘Industry plan on a page’, with a RAG status of key milestones



2. Update on requirements and actions from 14 September 2015 PNSG

2.1 Update on PwC Related Actions and Requirements

INFORMATION

Reference	Actions	Update
Action 0907	Nexus Governance Interactions / Recommendation 2 - PwC, Xoserve and Baringa to consider what constitutes a regular update.	The 'single view of the truth' communication is developing – Xoserve UAT defects and FAQ resolution progress is incorporated from this month.
Action 0908	Nexus Governance Interactions / Recommendation 3 - PwC to revise the Governance paper, reissue for review / comment, and publish by 23 September 2015.	An updated version following PNSG feedback was issued on 23 September for approval by PNSG. Recommend next step: PwC to create a 'light' version to communicate to the industry the key Nexus related governance forums and how they interact.
MTWG Update	Update on Market Trials Working Group (MTWG) progress	See Appendix 2 for MTWG update
MTWG Proposed Role During MT	MTWG to propose a role for the group during the Market Trials phase	See Appendix 3 for MWTG proposal
Joint Industry Plan	To produce a straw man for a 'Nexus Joint Industry Level 1 Plan' along the lines of the Joint Industry Plan for SMART DCC.	Initial straw man provided for PNSG on 1 September 2015. Final feedback requested from PNSG.
Assurance Overview	PwC to provide an overview of current assurance plan and touchpoints over Nexus	See Appendix 4 for assurance overview

Appendices

Appendix 1 – Xoserve UKLP Testing, Defect and FAQ progress update

MTL2 Readiness

- There are a total of 202 file formats to be tested in readiness for L2 Market Trials. (Although 44 of these incorporate July changes)
- A base-lined position has been agreed with MT participants; all file format changes up to the end of July are included in the MT baseline. Any future changes will be managed through a release management process.
- Validation of all 202 files for 30/9/15 is at risk, but there is confidence in achieving 12/10/15 MT readiness checkpoint.
- All 202 files have been through a testing cycle: -
 - 186 passed to date
 - Of the 44 in development to deliver July changes, 34 have been tested and passed
 - Further 16 outstanding - most of the way through defect resolution life-cycle and are forecast to be complete early October
 - FRJ/ERR will only be delivered late in MTL2 plan, and may not be ready in time for MTL2
 - 9 of the 26 outstanding are not externally affecting

Item	Value
Total planned tests	202
Test planned to complete to date	189
Successfully passed to date	176

Readiness for MT L2

2nd Nov 2015

Area	Status	Commentary
Pre-requisite Testing	A	<ul style="list-style-type: none">Majority of files passed (176 of 202). 16 defects in resolution progress and 10 July changes remain in development; all expected to complete ahead of MTL2.Additionally, broader testing continues within Xoserve; any significant defects that may impact confidence in MTL2 will be highlighted to MTWG / PNISG.Specific area of concern: reverting ERR / FRJ design to legacy functionality will not be ready for start of MTL2 and may not be available in MTL2. Impact to be assessed within MTWG.
Industry Engagement & Communications	G	<ul style="list-style-type: none">MT L2 Approach document approved by MTWG & publishedWeekly Progress Calls taking place, and Open Day planned for 08/10/15File Format Repository issued 18/09/15 (MT L2 starting baseline).
Environment Readiness	G	<ul style="list-style-type: none">Pre-prod environment on track for L2 readiness. Penetration testing for MT L2 successfully completed; no major issues identified.
Fix Lifecycle, including governance	A	<ul style="list-style-type: none">External defect management process documented and shared with Industry.Accelerated Change Management process, including industry governance, being defined for review by stakeholders.Following external Change Management process agreement, internal code management processes being updated and finalised.
Reporting	G	<ul style="list-style-type: none">Xoserve Reporting process approved in L2 Approach documentNB: PwC responsible for organisation-level assurance reporting.
Outbound files	A	<ul style="list-style-type: none">High level outbound file schedule agreed.Significant body of work to generate, anonymise and produce for each industry participant all required outbound file variants. On track but challenging.

MTL3/4 Readiness

xserve



respect > commitment > teamwork

MTL3/4 Readiness

Target Testing	Item	Sept
	Total planned tests	1104
	Test planned to complete to date	1100
	Successfully passed to date	1071
	Defects P1	18
	Defects P2	69

E2E Testing*	Item	Sept
	Total planned test scenarios	98
	Test planned to complete to date	0
	Successfully passed to date	0
	Scenarios in Progress	25
	Defects P1	3
	Defects P2	13

*E2E Testing scenarios take place over an extended duration & through numerous invoicing cycles

xserve



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Defect Overview and Progress

Update on defects to be provided separately by Xoserve



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UKLP Q&A Process M.I.

Query Topic by Status

Topic Area	Open	Closed
AQ	11	255
BRD	0	22
Check Reads	0	17
CMS	1	7
Faulty Meters	1	27
File Formats	85	225
Gemini	1	16
iGT	17	163
Invoices	6	79
Market Trials	12	11
Other	32	223
Reads & Settlement	10	232
Reconciliation	2	19
RAASP	5	85
SPA & RGMA	19	273
Unique Sites	0	2

Key Messages:

- 89% of all queries received now closed.
- File Format queries constitutes most significant volume of Open queries and is Xoserve's focus area; these are also the most aged queries.

Query Status By Stakeholder Type

	DMSP	Network	Shipper	Total
Closed	10	63	1583	1656
Open	4	50	149	203
Grand Total	14	113	1732	1859

Age Analysis

	Open	Closed	%
< 10 days	26	383	23%
11 – 20 days	17	504	28%
21 – 30 days	15	331	18%
31 – 40 days	6	160	9%
> 40 days	139	278	22%

xoserve



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A2. Requirement: Market Trials Working Group Update

INFORMATION AND ACTION

PNSG Requirement

Update

Update on Market Trials Working Group (MTWG)

Key updates:

- **L2 Approach** - MTWG L2 Approach document finalised and issued as V1.0;
- **L3/4 Approach** - The original plan was to agree the Level 3 and 4 approach by the 30th September. Due to the complexity encountered in some of the areas and the desire to achieve a quality output this milestone has extended to **14th October 2015**.
- Current focus areas with respect to L3/4 Approach Document:
 - Mandatory processes for testing are currently being captured. These will be an expansion on the 3 high level processes agreed at the COB in March and the 27 'suggested scenario's originally proposed by Xoserve. As with L2 the there will be three tiers of process; C1 (Market critical), C2 (organisation critical) and C3 (non-critical but recommended);
 - Concerns have been raised about the anonymisation of this data and the suitability of the Terms of Engagement to mitigate the potential for a breach of the Data Protection Act. PwC Legal have been engaged to advise on the matter.
 - The extension to role of the MTWG to cover activity required during the Market Trial phase has been proposed and is pending review and approval by the PNSG.
 - The remaining topics to complete the L3 and 4 approach include; reporting, support schedule, structured testing and entry/exit criteria. Whilst these areas have been discussed, finalisation of each area is dependent on agreement of the mandatory processes for testing.

A2. Requirement: Market Trials Working Group Update (Cont.)

INFORMATION AND ACTION

Update

Key Issues:

- If the concerns around data anonymisation are not resolved there is a risk that the MTWG will not be able to agree the L3 and 4 approach as planned.
- Furthermore, the work to extract data for L3 and 4 trials will start on the 1st October 2015 and be made available to the market on the 24th October 2015. This is to allow adequate time to prepare for Market Trials L3 and 4. If the data anonymisation rules are deemed insufficient to cover the requirements in the DPA, this process is very likely to be delayed to allow for remediation. The consequence is a likely delay to the Market Trials L3 and 4 phase and may also place the 1st October 2016 go-live at risk.
- Uncertainty around the specification of non-functional requirements, specifically sizing and volumetrics. (i.e. will the infrastructure and systems deal with day 1 volumes) remains an open issue. Ownership has been assigned to the relevant forums (UKLC & Transition Forum) but resolution will need to be tracked to completion.

Key Risks:

- Timescales remain tight to update and finalise the L3 and 4 Market Trials Approach document for 14 October 15.

PNSG Action

Review and approve the proposed role of the MTWG during Market Trials phases

A3. Proposed role of the MTWG during the Market Trials phase

Proposed Overall Role – to provide market input into impacting assessing, resolving and /or mitigating market wide risks and issues that arise during Market Trials.

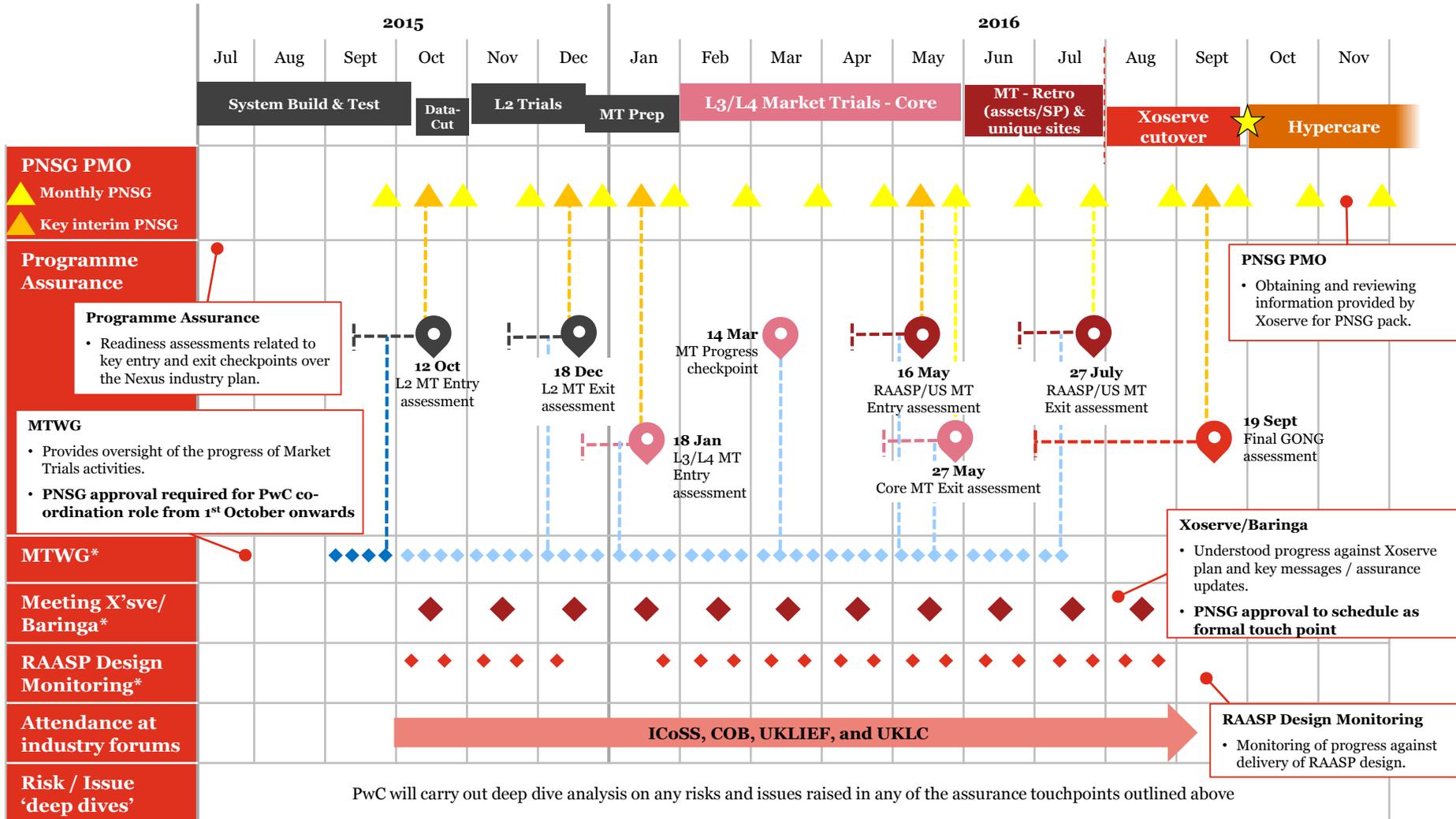
Role	Key Responsibilities	When
Provide market input into the impact assessment of exceptions arising during MT Entry / Exit Readiness Assessments.	<ul style="list-style-type: none"> Consider the market wide impact of criteria that are not met by one or more participants during MT entry / exit readiness assessments to support PNSG decision making over entry or exit to Market Trials. <p>Note – individual participants will remain responsible for completing and providing evidence for entry and exit criteria within the PwC Assurance Hub.</p>	In the lead up to MT Entry and Exit Gates
Provide market input into the impact assessment, resolution and / or mitigation of market wide risks and issues that emerge during Market Trials.	<ul style="list-style-type: none"> Identify market wide themes or ‘problems’ that arise during Market Trials and pro-actively identify and propose resolution and / or mitigation actions. Act as an initial escalation point for market wide risks or issues that arise during market trials phases (includes pro-active MT and wider risk / issue identification). Input into impact assessments for change requests arising during Market Trials. <p>Note – Market wide risks or issues includes:</p> <ul style="list-style-type: none"> Risks or issues that pose a threat the timely exit of the MT phase. Specific challenges to participants that may have a wider impact on the market or other market participants. 	During the execution of Market Trials
Identify and capture Lessons Learned from each Market Trials phase and oversee implementation of these lessons learned into the next phase.	<ul style="list-style-type: none"> Undertake lessons learned workshops at the end of each Market Trials Phase. Identify subsequent actions for the next Market Trials phase an oversee their implementation. 	Shortly after or at the end of Market Trials phases.

Not included in the proposed role:

- Day-to-day defect or issues management during Market Trials. This will be performed as part of the standard defect management process outlined in the L2 and L3/4 Market Trials Approach documents.
- Support in resolving issues for individual organisations unless they constitute a market wide risk. Individual organisations will raise issues through the standard defect resolution process.

A4. PwC Assurance Plan and Key Touchpoints

Overview of the assurance plan and touchpoints to provide transparency around our ongoing market-wide assurance



A5. Current Top Industry Risks & Issues

See PNSG agenda item '5.0' - Full Nexus risks and issues log provided to PNSG as part of programme risks and issues 'deep dive'.

A6. RAG and risk/issue Score Definitions

Overall and Key Milestone RAG Definitions

- **Risk to go-live** - One or more milestones are at risk of delay (**greater than 5 days**) or not achieving the required quality that will likely cause a delay to the go-live or increase the risk of quality issues during go-live. Mitigating actions have not yet been identified or no mitigating action is possible at the current time.
- **Risk to individual milestone(s)**– One or more milestones are at risk of delay (**greater than 5 days**) or not achieving the required quality but it is unlikely, at this stage, to result in a delay to go-live or increase the risk of quality issues during go-live. Mitigating actions have been identified and are underway.
- **On Track** – Milestone(s) are on track to time and quality and no significant risks have been identified that may impact the go-live date or pose a significant risk to the industry at go-live.

Risk/Issue Score Definition

Likelihood / Proximity	5	10	15	20	25
	4	8	12	16	20
	3	6	9	12	15
	2	4	6	8	10
	1	2	3	4	5
	Impact				

Likelihood / Proximity

- 5** Almost certain /Now
- 4** Likely /1 week
- 3** Moderate /2 weeks
- 2** Unlikely /1 month
- 1** Rare /1 month+

Impact

- 5** Severe
 - 4** Major
 - 3** Significant
 - 2** Minor
 - 1** Insignificant
- Delay to go-live and / or quality issues that compromise the integrity of the critical market processes, such as change of ownership.
- Go-live date not impacted and/or minor defects that can be easily fixed.