

Project Nexus

Market Trials Level 3/4 Interim Exit Assessment

Data and portal responses at 21 March 2016, presented to 24 March PNSG meeting

March 2016

This document has been prepared only for Ofgem and solely for the purpose and on the terms agreed with Ofgem in our statement of work and under the framework agreement dated **26 August 2015**. We accept no liability (including for negligence) to anyone else in connection with our work or this document.

© 2015 PricewaterhouseCoopers LLP. All rights reserved. In this document, "PwC" refers to the UK member firm, and may sometimes refer to the PwC network. Each member firm is a separate legal entity. Please see www.pwc.com/structure for further details.

1. *Executive Summary*

30 organisations (95% AQ) made a self assessment submission on the PwC Portal. All organisations making a submission indicated that they had commenced trials, but less than 50% are on track with their detailed test plan.

The assessment is based on information on the PwC Portal as at 21 March 2016. We will continue to iteratively review evidence and validate participant status and further report to PNSG.

All organisations that responded are experiencing challenges including; known solution gap relating to RGMA/invoicing, higher than expected effort for test coordination and other defects or data issues. These challenges combined may have resulted in lower than anticipated test volumes in Trials.

Participants identified the key challenges as solution gaps (21 participants), blocking defects at Xoserve (16) data (8) and greater than expected test preparation time (5).

22 participants are not currently planning to execute regression testing once Unique Sites ('US') functionality is deployed to Market Trials. 3 participants stated it was unfeasible to re-plan due to resource demands. Participants highlight that a detailed technical impact assessment would assist.

The number of successful Transfer of Ownership ('ToO') scenarios completed ranges from 1 to 816 across 9 participants. 11 participants are yet to complete successful ToO scenario.

28 organisations have reported as 'red' or 'amber' for the completion of C1 scenarios, with 29 reporting this status for C2 scenarios. This is likely reflecting the ongoing challenges as well as how the assessment descriptions have been interpreted. PwC will enhance this for future interim assessments.

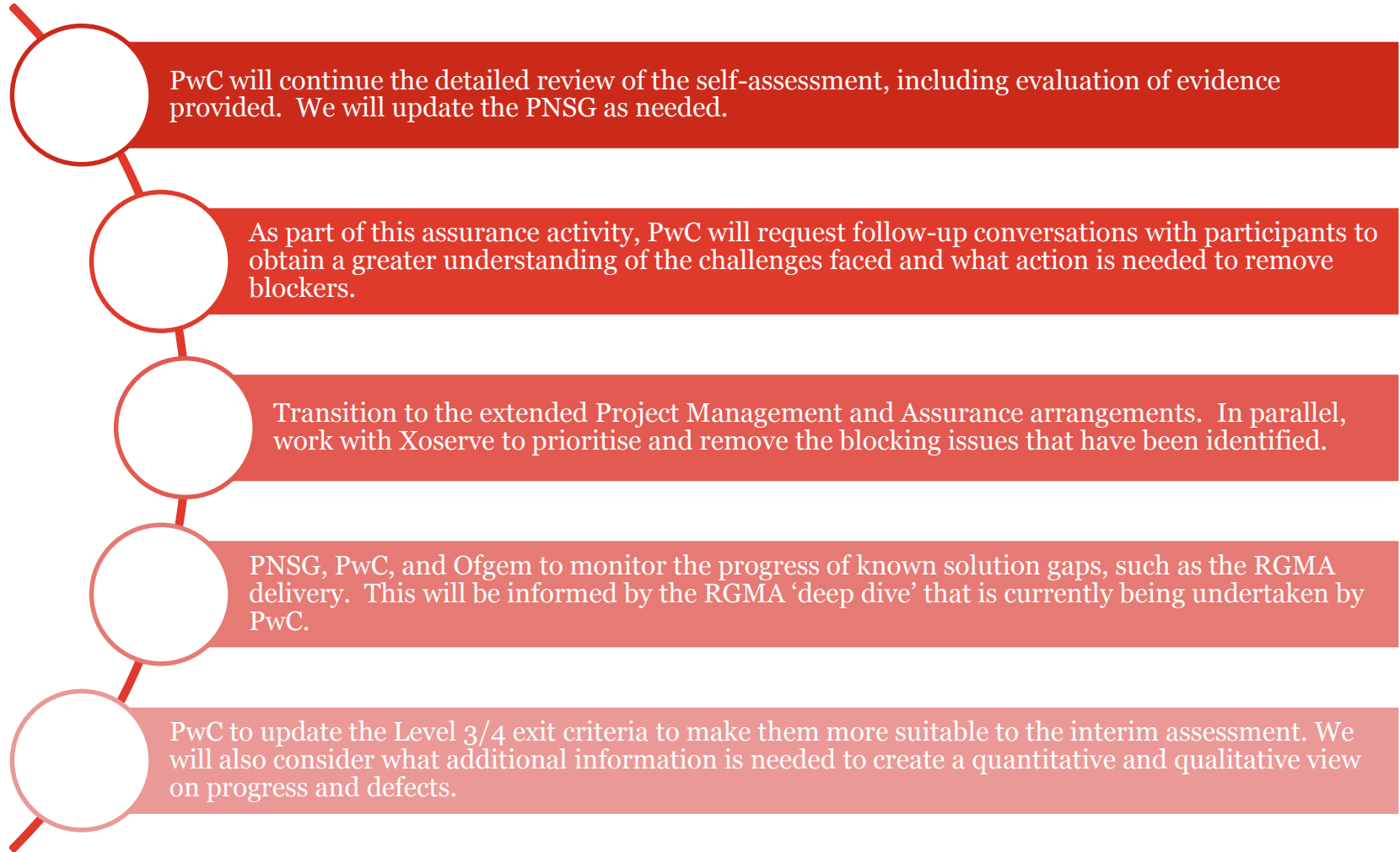
2. *The key challenges arising from L3/L4 market trials*

On 14 March, PNSG requested that PwC add two additional questions to the Market Trials L3/4 exit criteria to better understand how participants are tracking against their test plans and to provide an opportunity to describe the challenges being experienced. Participants were also asked to consider whether they have identified a requirement for regression testing when Unique Sites (“US”) functionality is introduced into the market trials environment.

Key Challenges identified by participant responses at 21 March 2016

<p>Solution Gaps (21 participants)</p>	<ul style="list-style-type: none"> The primary solution gap stated as an impediment to testing is RGMA functionality. 12 organisations flagged this as a concern, however, no organisation stated it had prevented testing in totality. 4 of the 6 ‘Large Shippers’ stated that delays to RGMA delivery were impacting their ability to execute the planned integrated test scenarios. One organisation specifically stated that proposed workarounds for RGMA were not reflective of the real life market conditions. The other solution gaps referenced related to provision of the EWS file and invoicing functionality, which was identified by 6 participants including both Shippers & DNOs.
<p>Blocking Defects at Xoserve (11 participants)</p>	<ul style="list-style-type: none"> The ‘Leading Zero’ was issue raised by 2 of the ‘Large Shippers’. This relates to a field that has been changed and participants believe now does not adhere to the published Xoserve File Standards. Issue with confirmation effective dates has specifically impacted 4 Shippers in their ability to progress Transfer of Ownership testing. 5 organisations identified that delays in defect resolution and response files being sent from Xoserve were causing scenario ‘timeout’, requiring scenarios to be re-run.
<p>Data (8 participants)</p>	<ul style="list-style-type: none"> 8 Organisations stated that an increase in the number of fallout and exclusions has reduced the number of valid supply points that can be used in their trial activity. This is causing issues with testing Transfer of Ownership (using historic transactions) and with iGT data availability.
<p>Test prep/execution (5 participants)</p>	<ul style="list-style-type: none"> 5 Organisations have expressed a concern at the greater than expected coordination effort required to 1. agree and source data; 2. prepare a data history; and 3. and restart tests when issues are encountered. This is resulting in more time than anticipated in executing Market Trials. This is especially the case for multi-party testing scenarios.

3. *Recommended next steps*



4. Detailed response summary – response rate

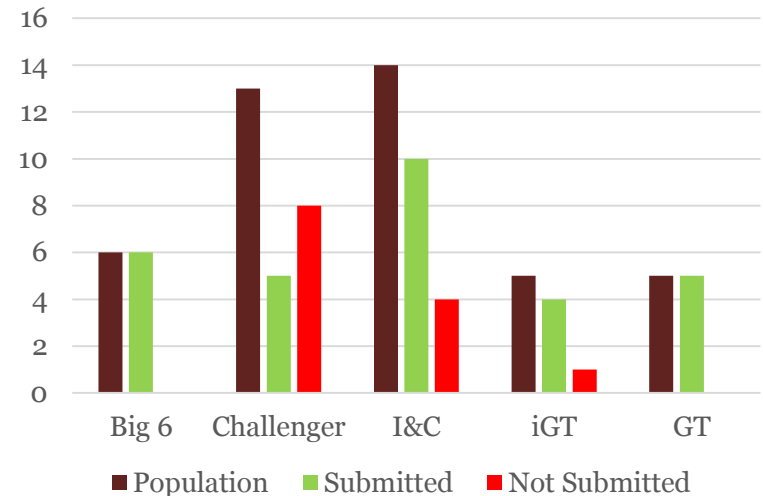
The interim submission requested participants to make a self assessment against the agreed Market Trials Level 3/4 Exit Criteria. The following slides summarise the participant positions directly as recorded. Our follow up work will determine a ‘normalised’ RAG status –for example, where participants may not have taken a consistent interpretation.

We contacted 43 organisations, representing **99% total market AQ and 98% of supply points**.*

Of the 43 organisations contacted:

- **30 organisations** have made a self-assessment submission, through the portal (**96% of supply points and 95% of AQ**);
- We have received **no submission or contact from 13 organisations**, representing **3.8%** of overall market AQ;
- **5 of the 30 organisations** that have self-assessed have not yet submitted any evidence to fully support their self-assessment (1.7% AQ);

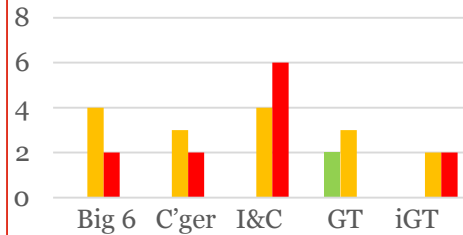
Graph 1 – Portal submissions by ‘constituency’



	Number of organisations	% Supply Points*	% Annual Quantity*
Responded	30	96%	95%
No data provided	13	2%	4%

4. Detailed response summary – readiness to exit L3/4 trials

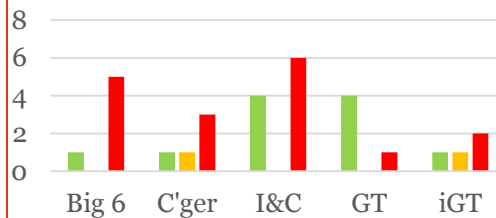
5.1.1 % completion of market trials test scenarios relating to C1 scenarios



Insights:

- Across industry groups, the majority status is ‘amber’ – “*Less than 100% with credible mitigation plan*” (16/30).
- No. of successful Transfer of Ownership scenarios completed ranges from 1 – 816. However, 11 organisations have not yet completed a successful scenario.
- No. of ‘other’ multi-party tests completed range from 2 to 85.

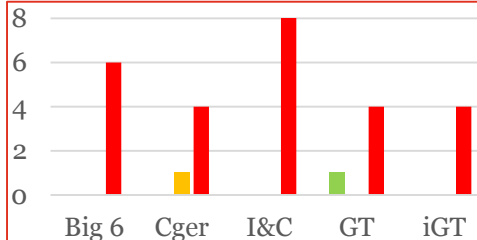
5.1.2 Number of unresolved critical and high impact defects from market trials relating to C1 scenarios



Insights:

- “*1 or more critical or high defects*” is the majority response across 4 industry groups relating to C1 scenarios.
- PwC will follow up with individual organisations to ensure that there is consistency in reporting. It is unclear whether all those reporting as ‘amber’ or ‘red’ are referencing internal defects or defects residing with Xoserve.

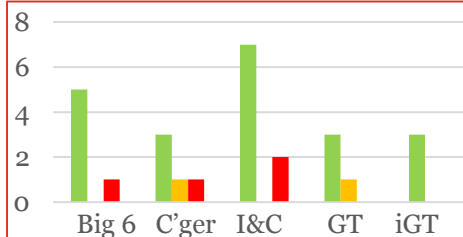
5.1.3 % completion of market trials test scenarios relating to C2 scenarios



Insights:

- For C2 scenarios, ‘red’ was the majority response (27 of 29 participants).
- One member of the GT group marked ‘complete’ at this point in time, but noted that the delivery of full RGMA functionality, this would open up three additional scenarios to test.

5.1.4 Number of unresolved critical and high impact defects from market trials relating to C2 scenarios

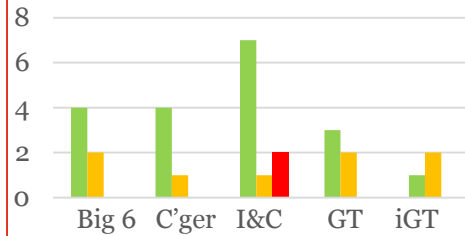


Insights:

- In all five industry groups, the majority response indicated that “*critical or high defects*” were impacting C2 scenarios. However, this may be a function of the low levels of progress.
- Only shippers (Big Six, Challenger and I&C) indicated that critical or high impact defects were having an impact on C2 scenarios.

4. Detailed response summary – readiness to exit L3/4 trials

5.1.5 Number and extent of workarounds identified during test phase



Insights:

- Four out of five industry groups responded in the majority that workarounds were not required at this stage to mitigate defects. However, two Shippers are enacting a workaround to combat the issue with the leading 'Zero'.
- Proportionally, GT and iGT industry groups are utilising workarounds more heavily and than supplier groups.