

Project Nexus Steering Group Minutes
Thursday 24 March 2016
via teleconference

Attendees

Alan Dion	(AD)	PwC
Alex Travell	(AT)	E.ON (Representing large, mixed portfolio shippers)
Angelita Bradney	(AB)	Ofgem
Chris Warner	(CW)	National Grid Distribution (Representing gas transporters, distribution)
Darren Jackson	(DJ)	Xoserve
Gareth Davies	(GD)	National Grid NTS (Representing gas transporter, transmission)
Gareth Evans	(GE)	Waters Wye Associates (Representing industrial and commercial shippers)
Gill Williams	(GW)	PwC
James Beverley	(JB)	Baringa
Jeremy Guard	(JG)	First Utility (Representing small, new entrant shippers)
Jon Dixon	(JD)	Ofgem
Les Jenkins (Chair)	(LJ)	Joint Office
Lorna Dupont (Secretary)	(LD)	Joint Office
Mike Harding	(MH)	Brookfield Utilities (Representing gas transporters, independent)
Nick Salter	(NS)	Xoserve
Richard Shilton	(RS)	PwC
Rob Salter-Church	(RSC)	Ofgem
Steve Jennings	(SJ)	PwC
Steve Mullins	(SM)	PwC

Copies of papers are available at: <http://www.gasgovernance.co.uk/NexusSG/240316>

Key Messages from this meeting:

Unique Sites		
	<ul style="list-style-type: none"> • PNSG considers that, in principle, Unique Sites (US) should remain in scope. • MTWG requested to consider the impact on MT and to report back before decision is confirmed. • In the interim, all parties are encouraged to continue with development of US functionality as per the plan. 	INFORMATION
RGMA		
	<ul style="list-style-type: none"> • PwC have identified three key indicators of achievability: a detailed/achievable UAT plan, completion of build and functional testing, and a 	INFORMATION AND ACTION

	<p>resolution plan for defects.</p> <ul style="list-style-type: none"> • Current assessment is that PwC cannot confidently state that full RGMA delivery into MT on 15 April 2016 is achievable. • Further assessment to understand what can be delivered by that date will be carried out over the next week. • Shippers are asked to note that their own assessment of what is RGMA core and non-core will be required as a matter of urgency – PwC will advise the timeline on 29 March 2016. • PNSG to consider progress on this assessment on 04 April (towards a decision on what can be delivered by 15 April 2016, what can be delivered at a future date and the impact on MT). • Parties are urged to continue with development in the interim. 	
Market Trials		
	<ul style="list-style-type: none"> • Much higher level of participation welcomed by PNSG. • Interim assessment details four key challenges identified by parties – to be followed up by PwC. • Further interim assessment/s to follow. • Defect resolution a key priority for Xoserve. 	INFORMATION
Enhanced Project Management Arrangements		
	<ul style="list-style-type: none"> • Project Director has been appointed – Steve Mullins. • Mobilised a small PwC team to deliver the new arrangements • Ofgem will be engaging more widely during April. 	INFORMATION

1.0 Introduction and Note of Alternates

The ‘Chatham House Rule’ applies to general discussion.

LJ welcomed all to the meeting.

1.1. Note of Alternates

Gareth Davies for Phil Lucas, and Nick Salter for Sandra Simpson.

1.2 Apologies received

Phil Lucas and Sandra Simpson.

2.0 Review of Minutes (14 March 2016)

The minutes of the previous meeting were approved.

3.0 Programme Report (next report in April 2016)

The next report will be provided at the meeting on 11 April 2016.

4.0 Matters for consideration

4.1 Unique Sites (US): decision on continuation (PwC)

LJ gave a very brief reminder of the position, noting that Xoserve believed it should remain in scope because the risk is greater if an attempt was to be made to remove it. Industry feedback appeared to agree with that view. GW believed it to be important that the view of MTWG should also be formally reflected. (The MTWG was convened to meet in the next week.)

LJ summarised that in principle parties were in favour of US remaining in scope, but there was a need to consider the impact on MTs.

A Shipper constituent representative outlined the views of his constituents, that PwC should do a 'deep dive' into US to identify any issues, and that there was a preference for a formal recommendation from PwC before moving forward. GW confirmed this was already in progress (the current view being that it remains in scope) with the reconvening MTWG to seek views/decide impacts of in/out of scope.

In the meantime, all parties were encouraged to continue with development of US functionality as set out in the plan.

4.2 RGMA: determine achievability (PwC)

GW presented the interim review, explaining the purpose was to provide an early sight of any issues with any critical milestones. RGMA is a critical piece of functionality in this respect, and parties need confidence that it will be delivered on time.

Xoserve's plan was to deliver on 15 April 2016. PwC had met with Xoserve, Wipro and Baringa to form a view and explain expectations. It had been hoped to get UAT test plan and build information by today. PwC's current view was that there was not sufficient confidence on full delivery to plan. In discussions with Xoserve, the latest report was 70%. It is hoped to better understand the difference between core/non-core functionality, and that it can be established what can be delivered by 15 April 2016 (and that it will be the majority of core functionality).

Responding to questions, GW reiterated that PwC was trying to understand and define core and non-core, and will confirm this view with the market. It is also trying to understand what proportion (of core and non-core) is already built and whether are any related defects. If these can be managed appropriately there is the possibility to progress to MTs. It was hoped to have the definitions by the end of the week. It was suggested it would be helpful to parties to recognise what scenarios can/cannot be tested on 15 April 2016, in the event that core or some parts of it be available.

GW outlined the activities being undertaken to gather additional information/evidence. PwC intended to engage with market participants once definitions had been established, to ascertain/agree an alignment of views (in respect of core) so that RGMA can be moved forward. In the meantime it would be useful if Shippers could make their own assessment of what is RGMA core and non-core.

It was asked if non-core would be delivered eventually into MTs or be dropped completely. GW believed this would depend on what was defined as core, and the level of importance to market participants of whatever was defined as non-core. Assuming their feasibility, core elements would be prioritised for delivery on 15 April 2016. Non-core elements would then be replanned. A better understanding of what has been currently built/not built is required before a meaningful set of functionalities can be identified for testing.

It was observed that having to do testing twice over would have a potentially major impact on Shippers; there seems to be a continual reduction of the testing window and therefore the quality of testing may worsen and lead to an increase in the risk of problems surfacing on 01 October 2016. There were concerns regarding this constant compression of testing timeframes, and resulting compromises on the quality of testing may have consumer impacts. GW noted that this was of concern to a number of parties. DJ explained that testing had already been carried out on various parts of the functionality and key scenarios used often by a large proportion of the Shipper community (it can be rechecked at a later date).

Summarising, GW confirmed that PwC was actively working with Xoserve to understand the definition of RGMA core and would be clarifying/aligning with the market participant view; and that the core functions will be mapped against the testing scenarios to understand the extent to which they can be delivered into MTs for testing.

It was suggested that it also needs to be understood/clarified when any functionalities not capable for delivering on 15 April 2016 would actually be delivered, and what were the implications for any delays. GW reiterated that it was hoped to have a definition (for core) available by 29 March 2016, and following an assessment this would then be shared with market participants. To quicken the process it would be useful if Shippers could make their own evaluation of what is RGMA core and non-core in preparation for these discussions. It was suggested that GW include expected timescales for responses when sending out the information to parties.

RSC believes that a good way forward has been established and that Ofgem expects this to be done at pace to provide a quick turnaround in getting information delivered/responded to. Quick reaction times will be expected of all parties.

Action 0301: RGMA functionalities

- a) **Shipper representatives to encourage constituents to make their own evaluations of definitions of core/non-core RGMA functionalities, ready for comparison with PwC definitions.**
- b) **PwC (with Xoserve support) to establish definitions of core/non-core RGMA functionalities and provide to Shippers for evaluation/comparison, together with a timescale for response.**
- c) **If not ready by 29 March 2016, PwC to provide an update on 29 March 2016 to clarify when the definitions are anticipated to be available for sharing.**

It was agreed the PNSG should monitor progress on this at a short teleconference on 04 April 2016 (towards a decision on what can be delivered by 15 April 2016, what can be delivered at a future date and the impact on MT).

All parties are urged to continue with planned development in the meantime.

4.3 MT L3/4 Progress – progress including understanding barriers (PwC/SS)

Xoserve Presentation - Market Trials update

On behalf of Xoserve, DJ gave a brief update. The system was said to be fully automated and operating to production timescales. File flows are operating as expected (real and dummy data type). Some figures were noted: 31 out of 43 organisations are now

participating. Over 87,000 transactions had been processed up to 18 March 2016 - an almost 100% increase since last PNSG meeting - for which DJ thanked participants. Within the MT environment, successful transfers indicate that the Transfer of Ownership functionality is working as expected (here have been a few defects raised, the majority have been transferred successfully). The Rolling AQ process has run successfully with small volumes to date.

A Shipper constituent representative had received different views from his constituents, who believed they were not seeing a fully automated system, mainly because of defects interrupting processing. DJ asked for more details of these differing perceptions and indicated that he would address any concerns outside of this meeting.

DJ then outlined the key issues that were being addressed. Details of some defects were briefly explained; resolutions were being worked on and these should be fixed fairly soon.

Market Trials Level 3/4 Interim Exit Assessment - Data and PwC portal responses at 21 March 2016

GW summarised the assessment based on information on the PwC Portal as at 21 March 2016 (portal entries are still being received and a better view is anticipated in the next week). All organisations that responded are experiencing challenges.

Key challenges included solution gaps relating to RGMA/invoicing, higher than expected effort for test preparation/coordination, blocking defects, and data issues. These challenges combined may have resulted in lower than anticipated test volumes in Trials. Information is passed on to Xoserve so that any defects can be included in its plan to resolve.

Asked about tracking/reporting by the Programme Manager, AD confirmed that PwC was working on providing the transparency that market participants were looking for.

PwC will continue to review the self-assessments evidence and validate participant status, and further report to PNSG.

NS noted that issues within the Xoserve environment were flagged, and assumed that PwC would also note concerns/issues/particular problems regarding market participants' own (internal) systems. GW confirmed that PwC would report on what Shippers tell PwC, whether it is to do with their own individual systems or the MT environment. NS observed that there did not seem to be any self-declared issues in Shippers' own systems. DJ commented that Xoserve had daily calls and offered significant one to one interaction and support for any defect raised with Xoserve, however it was assumed that individual organisations also looked within their own systems for defects. GW believed there was no reason why organisations would not self-declare any significant internal issues.

5.0 New Project Management Arrangements - progress

RSC gave an update, noting that good progress had been made regarding the new arrangements, and reiterated that all parties should continue to direct their efforts towards achieving implementation on 01 October 2016.

Ofgem had met with Xoserve and Baringa to better understand the position and had mobilised a small team with Steve Mullins (PwC) as Director. RSC outlined the three weeks mobilisation plan.

Ofgem had received confirmation of their support for the new arrangements from all the GDNs, and Shippers will be expected to meet with Ofgem for an assessment of individual positions and to engage more widely in the new arrangements.

RSC expected that all arrangements would be in place by the end of April.

6.0 Key Milestones

It was agreed to defer consideration, pending a review of the Plan by the newly appointed Project Director (Steve Mullins (SM)).

6.1 M1.3c: Xoserve RGMA UAT Complete (due 29 February 2016) - *Approval*

Deferred to 11 April 2016.

6.2 M2.4c: L3/4 MT Core Start (due 01 March 2016) - *Approval*

Deferred to 11 April 2016.

6.3 M3.2: Unique Sites (US) Build and Unit Test Complete (due 04 March 2016) – *Approval*

Deferred to 11 April 2016.

7.0 Programme Risks and Issues for consideration (*by exception*)

7.1 Risk Log

RS advised that these had been updated to reflect the current position. Attention was drawn to the following Risks and these were reviewed by PNSG.

R.01 - Likelihood of not meeting key industry milestones increased from 3 to 4 due to current Market Trials progress.

R.20 - Description updated to reflect current situation and status in terms of RGMA Invoicing, etc.

The changes made to date were approved by the PNSG.

7.2 Issues Log

None for review at this stage.

7.3 Future reviews

LJ asked if the PNSG would like carry out a more detailed review of both registers.

SM confirmed that he would be looking at the Risk and Issue management process and will return with a view.

It was agreed that further detailed review of the Risks and Issues Logs should be deferred until such time as PwC had reviewed the Plan, in light of the new arrangements.

8.0 Any Other Business

8.1 RAASP Delivery Plan – Update

LJ referred to the update provided by SS (in her absence) via email:

“In early January, when PNSG discussed the referral of RAASP functionality from the 1st October 2016 delivery plan, there was a requirement to have any related modifications raised by the end of February and an aspiration for a revised delivery plan for RAASP by the end of March. Since that time the deferral modification has been raised and includes a date of 1st October 2017 for the latest delivery date of RAASP functionality.

We have assigned a Project Manager within Xoserve to look at the scoping of Release 2 and both RAASP and the PNUNC requirements log are expected to be included within

this release. As a result, the RAASP delivery plan will be included within the Release 2 plan once it has been fully scoped and discussed with the industry. Any delivery plan at the end of March would be incomplete and subject to change dependent on the scope of the release.”

Recognising that this will be in Nexus Phase 2 and therefore outside of the scope of PNSG, it was questioned where and when parties might see more details of this future release; more clarity/information would be welcomed as to what might be happening post go-live. NS noted parties concerns regarding this.

8.2 Scotia Gas Networks (SGN) Letter to PwC

LJ referred to SGN’s letter wherein SGN stated that it believed its position to have been misrepresented in respect of its readiness status. GW stated that PwC recognised the points made and had responded to SGN; a further response from SGN had yet to be received.

The PNSG noted the comments made.

8.3 General comments

Noting the new arrangements that Ofgem was putting in place, Shipper constituent representatives reiterated the need for a high level of confidence that the implementation date would be met. Recognising that clarity on the GONG criteria was needed, RSC noted their concerns. Once the development plan was in place and there was more information on the partial delivery and the new arrangements were settled RSC will clarify the position.

9.0 Outstanding Actions

Due to time constraints it was agreed that all action owners would provide appropriate updates for publication ahead of the next meeting. All actions were therefore carried forward.

0111: *Data Quality/Cleansing (Risk R.19)* - AS to liaise with SS to examine previous work carried out (by Emma Lyndon, Xoserve) in this area and ascertain if this can be built upon, and return to PNSG with a plan.

Update: Deferred. **Carried forward**

0205: *US delivery to plan* - CW to assess effects on Modification 0432.

Update: Deferred. **Carried forward**

0209: *RGMA potential items for descopeing* - Xoserve to provide further details/statistics on ‘odd, infrequent scenarios’ so that these can be assessed for potential de-scoping.

Update: Deferred. **Carried forward**

0210: *US Delivery (retention/removal)* - PwC to seek participant feedback on any ‘big picture’ negative impacts of continuing with legacy systems or other interim arrangements to cover US, and report back to next meeting (07 March 2016).

Update: Deferred. **Carried forward**

0211: *US Delivery (retention/removal)* - AS to seek MTWG views on reasons to justify retaining US in the Core delivery; and in the event of US exclusion/deferral, to if/how MT can deal with any adjustments and how July MT would be reprioritised, and report back to the next PNSG meeting.

Update: Deferred. **Carried forward**

0212: *'Release 2'* - Ofgem to consider what, if any, formalised arrangements should be put in place to provide a continuing oversight/assurance of the delivery of 'Release 2' and to enable a seamless transition.

Update: Deferred. **Carried forward**

0213: *Risk R.28 Release Reporting (clarity on dates)* - SS to provide relevant Update Pack slide to Shipper constituency representatives(s) for circulation to Shipper constituents, and AS to publish relevant information on PwC portal.

Update: Deferred. **Carried forward**

0214: *Programme Contingency* - SS and AS to look at appropriate options.

Update: Deferred. **Carried forward**

10.0 Key Messages and Items for Publication

The Key Messages were discussed and agreed. The table including the information, circulated by email following this meeting, is provided at the head of these minutes (see page 1, above).

Publication of meeting papers was agreed.

11.0 Next Agenda and Diary Planning

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

It was agreed to hold a short teleconference meeting 10:00 - 10:30 on Monday 04 April 2016 (prior to the Change Overview Board meeting scheduled for that day). The expectation will be to receive an update on

- RGMA: achievability assessment.

The next 'face to face' meeting will be held on Monday 11 April 2016 at Ofgem's Offices, 9 Millbank, London SW1P 3GE, starting at 10:00.

At this meeting the expectation will be to cover the following:

- Review/approve minutes
- Programme Report (PwC)
- Matters for consideration
 - *Unique Sites: decision on continuation (PwC)*
 - *RGMA: achievability (PwC)*
 - *MT L3/4 Progress – progress including understanding barriers (PwC/SS)*
- Key Milestones

- M1.3c: Xoserve RGMA UAT Complete (due 29 February 2016) - approval
- M2.4c: L3/4 MT Core Start (due 01 March 2016) - approval
- M3.2: Unique Sites Build and Unit Test Complete (due 04 March 2016) - approval
- Programme Risks and Issues for consideration (*by exception*)
- Any Other Business
- Review outstanding actions.

Attendance

It is assumed that all members will attend/participate unless the Chair is notified otherwise and that any meeting papers for publication should be provided to the Joint Office as soon as possible and in advance of each meeting.

Members are reminded they must formally notify the Joint Office of any absence and the attendance of their Alternate.

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

Time/Date	Venue	Workgroup Programme
10:00 - 10:30, Monday 04 April 2016	Teleconference: 020 7950 1251, followed by 21870295# (<i>prior to the Change Overview Board meeting taking place at Ofgem's offices at 10:30</i>).	RGMA: Update on achievability assessment
10:00 - 13:00, Monday 11 April 2016	Ofgem, 9 Millbank, London SW1P 3GE	See items at 11.0, above.
10:00 - 12:00, Monday 25 April 2016	Teleconference	<i>To be confirmed</i>
10:00 - 13:00, Monday 16 May 2016	Ofgem, 9 Millbank, London SW1P 3GE.	Formal checkpoint meeting
10:00 - 13:00, Friday 27 May 2016	Ofgem, 9 Millbank, London SW1P 3GE	Formal checkpoint meeting
10:00 - 13:00, Monday 13 June 2016	Ofgem, 9 Millbank, London SW1P 3GE	<i>To be confirmed</i>
10:00 - 12:00, Monday 27 June 2016	Teleconference	<i>To be confirmed</i>
10:00 - 13:00, Monday 11 July	Ofgem, 9 Millbank, London SW1P 3GE	<i>To be confirmed</i>

2016		
10:00 - 13:00, Wednesday 27 July 2016	Ofgem, 9 Millbank, London SWIP 3GE	Formal checkpoint meeting
10:00 - 13:00, Monday 08 August 2016	Ofgem, 9 Millbank, London SWIP 3GE	<i>To be confirmed</i>
10:00 - 12:00, Monday 22 August 2016	Teleconference	<i>To be confirmed</i>
10:00 - 13:00, Monday 05 September 2016	Ofgem, 9 Millbank, London SWIP 3GE	<i>To be confirmed</i>
10:00 - 13:00, Monday 19 September 2016	Ofgem, 9 Millbank, London SWIP 3GE	Formal checkpoint meeting

Action Table (24 March 2016)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0111	18/01/16	6.1	<i>Data Quality/Cleansing (Risk R.19)</i> - AS to liaise with SS to examine previous work carried out (by Emma Lyndon, Xoserve) in this area and ascertain if this can be built upon, and return to PNSG with a plan for a plan.	Xoserve (SS) and PwC (AS)	Due at 11 April 2016 meeting Carried forward
0205	08/02/16	3.0	<i>US delivery to plan</i> - CW to assess effects on Modification 0432.	National Grid Distribution (CW)	Due at 11 April 2016 meeting Carried forward
0209	22/02/16	4.1	<i>RGMA potential items for descopeing</i> - Xoserve to provide further details/statistics on 'odd, infrequent scenarios' so that these can be assessed for potential de-scoping.	Xoserve (SS)	Due at 11 April 2016 meeting Carried forward
0210	22/02/16	4.3	<i>US Delivery (retention/removal)</i> - PwC to seek participant feedback on any 'big picture' negative	PwC (AS)	Due at 11 April 2016 meeting Carried

Action Table (24 March 2016)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
			impacts of continuing with legacy systems or other interim arrangements to cover US, and report back to next meeting (07 March 2016).		forward
0211	22/02/16	4.3	<i>US Delivery (retention/removal)</i> - AS to seek MTWG views on reasons to justify retaining US in the Core delivery; and in the event of US exclusion/deferral, to if/how MT can deal with any adjustments and how July MT would be reprioritised, and report back to the next PNSG meeting.	PwC (AS)	<i>Due at 11 April 2016 meeting</i> Carried forward
0212	22/02/16	4.3	'Release 2' - Ofgem to consider what, if any, formalised arrangements should be put in place to provide a continuing oversight/assurance of the delivery of 'Release 2' and to enable a seamless transition.	Ofgem (AB/JD)	<i>Due at 11 April 2016 meeting</i> Carried forward
0213	22/02/16	6.1	<i>Risk R.28 Release Reporting (clarity on dates)</i> - SS to provide relevant Update Pack slide to Shipper constituency representatives(s) for circulation to Shipper constituents, and AS to publish relevant information on PwC portal.	Xoserve (SS) and PwC (AS)	<i>Due at 11 April 2016 meeting</i> Carried forward
0214	22/02/16	8.0	<i>Programme Contingency</i> - SS and AS to look at appropriate options.	Xoserve (SS) and PwC (AS)	<i>Due at 11 April 2016 meeting</i> Carried forward
0301	24/03/16	4.2	<i>RGMA functionalities</i> a) Shipper representatives to encourage constituents to make their own evaluations of definitions of core/non-	Shipper constituent representatives, Xoserve and PwC	<i>Due by 29 March 2016 or as soon as possible thereafter</i> Pending

Action Table (24 March 2016)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
			<p>core RGMA functionalities, ready for comparison with PwC definitions.</p> <p>b) PwC (with Xoserve support) to establish definitions of core/non-core RGMA functionalities and provide to Shippers for evaluation/comparison, together with a timescale for response.</p> <p>c) If not ready by 29 March 2016, PwC to provide an update on 29 March 2016 to clarify when the definitions are anticipated to be available for sharing.</p>		