

Representation - Draft Modification Report 0550

Project Nexus: Incentivising Central Project Delivery

Responses invited by: **10 March 2016**

To: enquiries@gasgovernance.co.uk

Representative:	Colette Baldwin
Organisation:	E.ON
Date of Representation:	8 th March 2016
Support or oppose implementation?	Support
Relevant Objective:	f) Positive

Reason for support/opposition: Please summarise (in one paragraph) the key reason(s)

This is an important programme for the industry, and it's imperative that the central system is ready, fit for purpose and available for the market to go-live with the new arrangements to ensure that the competitive market can continue to function. It's disappointing that we have already had to descope elements of the Nexus Modifications to facilitate the central system readiness for a 1st October 2016 delivery, particularly given the financial and resource investments we have already made for this project. Any further delays or descope of any other elements of the modifications will cause additional costs to participants (and ultimately customers) who already have faced increased costs from extending their programmes, and so E.ON believes that placing an incentive on the Gas Transporters to make the system available on time will be beneficial.

Typically incentives create greater management focus on control and delivery of programmes; they encourage greater co-operation between those delivering and those receiving the services and stimulates greater ownership and commitment to delivery.

The delays and overruns of certain elements of this programme has repeatedly been caused by the limited subject matter experts who have been available to support the multiple delivery strands of the project, whether through design, Q & As, or UAT; we have repeatedly been told that these resource constraints have affected their ability to meet the project milestones. Co-incident with progression of the proposal to introduce incentives, PWC reported that the Transporter Agency had procured additional resources to support the delivery in their update to the PNSG on the 2nd November. It could be argued that the suggestion of incentives have already seen a beneficial impact on the delivery of the programme.

Implementation: *What lead-time do you wish to see prior to implementation and why?*

As quickly as possible, the implementation date is fast approaching and we need to increase confidence in the timely delivery of the central system.

Impacts and Costs: *What analysis, development and ongoing costs would you face?*

We wouldn't see any increased costs for implementing this modification, but hopefully the implementation would help avoid future costs if it successfully incentivised timely delivery.

Legal Text: *Are you satisfied that the legal text will deliver the intent of the Solution?*

Yes

Are there any errors or omissions in this Modification Report that you think should be taken into account? *Include details of any impacts/costs to your organisation that are directly related to this.*

No

Please provide below any additional analysis or information to support your representation

I would refer you to the PNSG update of 2nd November 2015 where an update was given of the additional resources that were added to the programme following the introduction of this modification into development.