

Meeting 02 - Change Overview Board Minutes
Monday 07 April 2014
Ellexon, 4th Floor, 350 Euston Road, London NW1 3AW

Attendees

Les Jenkins (Chair)	(LJ)	Joint Office
Lorna Dupont (Secretary)	(LD)	Joint Office
Alan Raper	(AR)	National Grid Distribution
Alex Travell	(AT)	E.ON UK
Andy Miller	(AM)	Xoserve
Angela Love	(AL)	ScottishPower
Chris Logue	(CL)	National Grid NTS
Hazel Ward	(HW)	RWE npower
Jayesh Parmar	(JP)	Baringa
Joanna Ferguson*	(JF)	Northern Gas Networks
Jon Dixon	(JD)	Ofgem
Lorna Lewin	(LL)	Dong Energy
Martin Brandt	(MB)	SSE
Nick Salter	(NS)	Xoserve
Phil Broom	(PB)	GDF Suez
Rosie McGlynn	(RM)	Energy UK
Sandra Simpson	(SS)	Xoserve
Sean McGoldrick	(SMc)	National Grid NTS
Sharon Johnson	(SJ)	British Gas
Steve Edwards	(SE)	Wales & West Utilities
Steve Simmons	(SSi)	Scotia Gas Networks

**via teleconference*

Copies of all papers are available at: www.gasgovernance.co.uk/cob/070414

1. Introduction

LJ welcomed participants to the meeting.

2. Review of Minutes and Actions

2.1 Minutes

The minutes were accepted.

2.2 Actions

COB 0101: Parties to provide any comments they have on the draft ToR by 14 March 2014.

Update: One comment was received and the ToR was republished. **Closed**

COB 0102: Xoserve to draft an initial report to set out the current position highlighting the risks and issues based on October delivery for both or separate delivery dates (October

and April) for each programme and any mitigating factors for these risks.

Update: Completed. **Closed**

COB 0103: LJ to seek views on the report content from board participants prior to its submission to Ofgem.

Update: Completed. **Closed**

COB 0104: Xoserve to provide a high-level programme plan for discussion at the next meeting.

Update: Provided, see 4.0 below. **Closed**

3. Terms of Reference (ToR)

The Terms of Reference were approved, and will be kept under review as work progresses.

4. Strategic Plan

4.1 UK Link Dashboard Report

SS provided an overview of activities and achievements, together with Programme milestones and a summary of Risks and key dependencies, and feedback was sought on the level of content provided in this format. A discussion ensued.

SS confirmed that a full list of dependencies, risks and issues is reviewed by PNAG each month.

AL suggested that risk scoring would be useful to see and provide some idea of priority. SS suggested making the Risk Log accessible to view to COB participants.

SJ indicated that she would like to see any impacts/actions logged with the aim of 'no surprises'.

SMc asked if this was limited to the UK Link Programme – could it be produced in this format for all the Change Programmes under review? It would be preferred as an overview document to bring all together in one place and assist easier identification of any pinch points. Concerns were expressed regarding too much information making the format 'too busy'. A 'swim lane' format was then suggested to make the presentation of information clearer. SS asked whether information should be produced solely regarding the Change Programmes in which Xoserve was involved, or should have a wider industry/cross-industry focus.

JD suggested that all pinch points in terms of systems changes that fell within the agreed timespan should be captured and flagged. It was essential to know what/when Shippers need to do something and also recognise that other industry changes will have an impact on time/resources. Shippers need to keep Xoserve informed of the wider impacts so that this can be included in the overview.

Consideration was given to what Change Programmes should be included. For example:

- European changes
- UK Link
- DCC smart
- Faster switching
- Change of Supplier
- Theft Risk Assessment (TRAS)
- Any SCR related changes.

HW suggested electricity change programmes should also be noted as these impacted Shippers also. Noting that this COB was to be primarily focused on changes to the gas industry and system changes specific to Xoserve, SE suggested that Shippers themselves could produce additional documents to highlight any issues in other areas that may have an impact and exert pressure on time and resources. RMc drew attention to the Smarter Markets Group, which had Project Nexus on its agenda. HW reiterated her belief that COB needed to be aware of wider impacts when making decisions. SJ agreed with HW that major changes needed to be sequenced carefully, and suggested that a risk should be raised on the register that Suppliers may not be ready, and that Shippers should keep Xoserve updated. JD noted that the Smarter Markets Group should also log this risk.

Action COB 0401: Shippers to provide a view on major initiatives occurring over the next 18 months.

SMc referred to the FGO programme, which Transporters had been asked to take forward, and suggested building towards that with a plan, i.e. what was wanted to support that.

JP referred to the ToR, and suggested that the Xoserve report could be shared with the Smarter Markets Group, rather than widen the scope of this forum. Xoserve can produce a 'swim lane' format for each of the four programmes in which it is involved. NS added that a richer picture could be developed, to capture the other programmes for the next two years and have all the deliverables visible.

JD suggested taking back interactions to the Smarter Markets Group to help establish a more cohesive strategic vision across the industry and to help in avoiding bottlenecks; increased granularity would help visibility in this arena. It was confirmed that Martin Baker was the representative for Xoserve in this group. NS observed there might be greater overlaps across areas and some meetings/groups should be made aware. JD commented that Ofgem was a common participant and would increase awareness where possible.

AL did not believe it was clear which forum could/would take responsibility and make decisions on certain issues, and that more clarity would be welcome. AL also asked how Shipper readiness would be considered/monitored.

SS indicated that, as far as possible, individual market participants' 'state of readiness' was being monitored and reviewed by Xoserve, with individual engagement with each organisation as necessary. A summary position could be produced to provide an overview of progress.

This raised questions and concerns: Did every party have to be in a state of complete readiness to proceed? Or could changes proceed without some party/parties who would then have to catch up? Or would one party's failure to be ready delay everything and everyone?

JD believed it to be preferable not to reach a position where one party's failure can hold up everyone. There ought to be a starting position where a firm degree of formal commitment and responsibility means that all can go ahead regardless. This was briefly discussed. The set of assumptions regarding progress and 'go' criteria needed clarification.

Action COB 0402: Xoserve to clarify assumptions, core actions, and initial criteria for 'go' positions on the Change Programmes (for review at the June COB meeting, or earlier if possible).

It was questioned how 'business as usual' aspects were to be handled against the backdrop of significant major change to systems, ie modifications that might propose or be reliant upon system changes for effective implementation and that might have to be accommodated alongside Change Programmes. JD suggested that this might be addressed by early advice to a Proposer as to what can be done, earlier or later, to avoid adding to congestion. Perhaps timelines could be available at Panel meetings so that congestion points can be borne in mind when considering implementation timescales.

Key Risks

SS explained the first Risk, and the mitigation in place to address, adding that the full list was being reviewed at PNAG. Looking at the three Risks, AL observed there was no sense of ranked priority. It was noted that the first key milestone was already going to be missed – was there an underlying cause to that failure that would have a ripple effect on the rest of the programme? SS explained the causes and advised it would not stop Xoserve going into Detailed Design. A further possible risk could be identified in that there was potential for industry process change and impact to come out of this. It was a theoretical risk that required more assessment. The solution selected should require minimum change, but what comes out may not meet what is required, and Xoserve does not want to be customising SAP. If the process was not as expected or not fit it could impact the detailed design. SS added that PNAG had addressed most of the issues arising out of logical analysis. It was suggested that it would be useful to understand the process for addressing issues arising from logical analysis, and the decision-making (a schematic would be useful to clarify where/who can make decisions, and criteria for agreement.)

Action COB 0403: Clarify process for addressing issues arising from logical analysis, including a decision-making schematic.

Concern was expressed that delays in routes to achieve resolution could add significantly to delivery timescales. LJ explained the various routes available through the UNC Modification process.

NS observed the role of this group is to understand what the particular risk is, how it could be mitigated and to whom it should be referred – in the first instance this was likely to be PNUNC, and then UK Link Committee (UKLC). LJ explained that the UKLC had a regulatory objective and was not really set up for Programme Management focus; a Shipper/Nexus interface group would be a more appropriate forum and offer the right audience.

AT referred back to market readiness and dependencies in respect of testing, etc, questioning what were the implications if not all Shippers were ready – how would the market operate? This suggested a further key risk/dependency to be addressed: what is it we have to be ready for (new systems, processes) and is everyone to be ready, and is it one party's problem if they are not ready, or everyone's problem?

SJ observed that DECC was already tracking readiness by key things that everyone had to do at the same time on smart metering. MB commented there was no obligation on a party in the gas market to do testing, unlike in the electricity market. SJ suggested that Shippers could fill in individual monthly reports. An escalation route to a dilatory party's Directors was also suggested, should insufficient progress be made?

Changes to Xoserve's Systems – risk mitigation

How these should be agreed across groups was discussed. SS referred to the Project Nexus Workgroup, which had a good level of engagement with the industry. Transitional developments were discussed in that forum. Ways/audiences to address urgent issues, agree a way forward and resolve was discussed. A directory of 'go to' persons, well qualified and experienced and respected by the industry, was suggested as an option. However, it was noted that not all organisations used the same operating systems so this might prove an obstacle to resolution, unless there was representation across all fronts that could recognise/reassure regarding any potential pitfalls/impacts relating to particular operating systems. MB suggested that it was better to use the existing committees, ie PNUNC and UK Link Committee, rather than creating yet another industry group (which would never be fully representative) and if necessary they could meet ex-committee. Views appeared to gravitate to this proposal. Shippers were asked to check and provide appropriate contacts for PNUNC and Project Nexus.

Action COB 0404: Shippers to check and provide appropriate contacts for PNUNC and Project Nexus.

SS confirmed that Xoserve would provide Dashboards as discussed and will publish 5 days ahead of the COB meetings.

4.2 Supporting Industry Change Planning

NS gave a presentation summarising the context in which the COB had been convened and outlining some approaches that could be adopted to enable it to fulfil its purpose effectively.

To do this it needed a consolidated view of where risks and dependencies reside across the current change portfolio, and how these might evolve over time. By understanding the level and the common areas of risk the COB can effectively prioritise mitigating activities.

Provision of pertinent and succinct information will ensure that debate within the COB is focused on the areas of greatest priority and that the recommendations of the Board are used to achieve the greatest benefit for the industry.

Forthcoming change events were identified and positioned within a 'line of sight' diagram. Were there any others to consider for inclusion? MB observed that new modifications could impact on Xoserve in various ways (resources, workload, system changes) – these might be likely to put other areas/deliverables at risk potentially. AL thought that would be a consideration for the UNC Modification Panel to highlight. AL also raised concerns that in the UNC Modification Panel meeting that had just taken place the Panel had agreed to recommend implementation of Modification 0491 (which sought to change the Nexus delivery date) without considering whether the proposed April 2016 date could be achieved by Xoserve. She also asked where any revised Project Plan would be considered – at the Change Board or at the PNUNC. It was also questioned what would happen if the industry tried and failed to deliver Nexus, what were the implications? JD indicated that Ofgem was considering this. SMC pointed out that the industry cannot plan *not* to deliver on time or against legal requirements for EU change; it has to prudently proceed on the basis that the change will happen. SS added that if Modification 0491 were approved then the new plan would be reflected in the swim lanes.

A risk assessment approach was illustrated and explained by JP, demonstrating a complete process that could be adopted. Several Risk Management parameters were considered – at operational and strategic levels.

Next Steps

Noting the Terms of Reference had been approved, agreement was sought and given to the following:

- Prepare an initial view of the Change Horizon, featuring events and potential timings for consideration by the COB – input from all COB members requested
- Define the mechanics of the risk assessment data capture process: templates, timelines etc
- Communicate the approach to all Industry Participants
- Agree a target/checkpoint for the next Change Overview Board meeting

JD pointed out that risk needs the context of reward; it was necessary to quantify the benefits of doing or not doing something. It is necessary to know what is at stake to then inform any decisions. JP noted these comments, and observed he would hope to give a pragmatic perspective.

JP intended to contact a sub-set of persons to ascertain willingness to participate and provide information.

5. Any Other Business

5.1. UK Link Programme Dashboard - Priorities for April

AM intended to discuss with Shippers (at PNAG) the take up of Class 2 and 3 products - demand is currently set at zero.

6. Diary Planning

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

Please note the change of date and venue for the May meeting.

Change Overview Board meetings will take place as follows:

Date	Time	Venue	Programme
Tuesday 13 May 2014	10:30	31 Homer Road, Solihull B91 3LT	To be confirmed
Monday 02 June 2014	10:00	Pink Room, ELEXON, 4 th Floor, 350 Euston Road, London NW1 3AW	To be confirmed
Monday 07 July 2014	10:30	Room 4, Energy Networks Association, 6 th Floor, Dean Bradley House, 52 Horseferry Road, London SW1P 2AF	To be confirmed
Monday 04 August 2014	10:30	Room 4, Energy Networks Association, 6 th Floor, Dean Bradley House, 52 Horseferry Road, London SW1P 2AF	To be confirmed
Monday 01 September 2014	10:30	Room 4, Energy Networks Association, 6 th Floor, Dean Bradley House, 52 Horseferry Road, London SW1P 2AF	To be confirmed
Monday 06 October 2014	10:30	Pink Room, ELEXON, 4 th Floor, 350 Euston Road, London NW1 3AW	To be confirmed
Monday 03 November 2014	10:30	Room 4, Energy Networks Association, 6 th Floor, Dean Bradley House, 52 Horseferry Road, London SW1P 2AF	To be confirmed
Monday 01 December 2014	10:30	Room 4, Energy Networks Association, 6 th Floor, Dean Bradley House, 52 Horseferry Road, London SW1P 2AF	To be confirmed

Action Table

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
COB 0101	03/03/14	2.0	Parties to provide any comments they have on the draft ToR by 14 March 2014.	All	Closed
COB 0102	03/03/14	3.0	Xoserve to draft an initial report to set out the current position highlighting the risks and issues based on October delivery for both or separate delivery dates (October and April) for each programme and any mitigating factors for these risks.	Xoserve (NS)	Closed
COB 0103	03/03/14	3.0	LJ to seek views on the report content from board participants prior to its submission to Ofgem.	JO (LJ)	Closed
COB 0104	03/03/14	4.1	Xoserve to provide a high-level programme plan for discussion at the next meeting.	Xoserve (SS)	Closed
COB 0401	07/04/14	4.0	Shippers to provide a view on major initiatives occurring over the next 18 months.	Shippers	Pending
COB 0402	07/04/14	4.0	Xoserve to clarify assumptions, core actions, and criteria for 'go' positions on the Change Programmes (for review at the June COB meeting, or earlier if possible).	Xoserve (SS)	Prior to 02 June 2014 Pending
COB 0403	07/04/14	4.0	Clarify process for addressing issues arising from logical analysis, including a decision-making schematic.	Xoserve (SS)	Pending
COB 0404	07/04/14	4.0	Shippers to check and provide appropriate contacts for PNUNC and Project Nexus.	Shippers	Pending