

# 0531:

## Provision and Development of Industry Testing Prior to Nexus Go-live

This 'transitional' modification seeks to put an obligation on the Transporters to provide a testing system and regime that will provide flexibility to Shipper Users to support their testing requirements for Project Nexus. This will enable all parties to gain confidence that their systems are ready and capable of participating under the Nexus Arrangements from the implementation date and after.



The Workgroup recommends that this modification should be returned to the workgroup for further assessment.



High Impact:  
Shippers, Transporters' Agent










Medium Impact:



Low Impact:



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This report will be presented to the panel on 21 May 2015.			 <b>chris.warner@nationalgrid.com</b>
The panel will consider whether the modification should be returned to the workgroup for further assessment.			<b>Systems Provider:</b> <b>Transporters' Agent</b>
Initial consideration by Workgroup	10 March 2015		 <b>commercial.enquiries@Transporters'Agent.com</b>
Initial Workgroup Report presented to Panel	21 May 2015		
Complete Workgroup Report presented to Panel	20 August 2015		
Draft Modification Report issued for consultation	20 August 2015		
Consultation Close-out for representations	10 September 2015		
Final Modification Report presented to Panel	17 September 2015		
UNC Modification Panel decision	17 September 2015		

# 1 Summary

## Is this a Self-Governance Modification?

The Modification Panel determined that this is not a self-governance modification because it is likely to have material effect on commercial activities connected with the shipping and transportation of gas.

## Why Change?

The Transporters and Shippers all need confidence that as they implement their systems to meet the needs of the UK LINK Replacement Programme (Project Nexus), that they can assure themselves and gain confidence that their systems are fit for purpose and that they will be able to implement successfully without unexpected impacts.

This can be delivered partially by ensuring that an appropriate level of testing has been conducted. This modification seeks to ensure that a test plan, regime and environment is available before and after the Nexus go-live date (currently the 01 October 2015) to ensure that all parties can conduct testing to the levels required and expected for high impact system deliveries in any Industry.

This 'Transitional' Modification of the UNC is required to mandate Transporters to offer the level of support in a testing regime for the UK LINK Programme that Shipper Users require.

## Solution

The transporters are required to provide a test regime, which must incorporate the following:

1. A full test strategy, showing
  - Phases
  - Defect management / co-ordination
  - Transporters' Agent 'bug' fix strategy
  - Cycles of testing allowing more than one run of end to end Business processes
2. Governance, including criteria for
  - Entry
  - Exit
  - Success and
  - Failure
3. A detailed plan & schedule
4. An enduring test environment starting before and going beyond go-live (for phased shipper deliveries) with capability to align environment data with the data cut date and time travel capability
5. Appropriate considerations for data, including:
  - Synchronisation arrangements for Transporters' Agent and shippers data sets
  - Sharing and acknowledging of data issues
  - Clear definitions about how confidentiality and anonymity is to be assured
  - Population of blank field in the iGT test data set.

## Relevant Objectives

This modification has a positive impact on Relevant Objectives c) Efficient discharge of the licensee's obligations, (d): Securing of Effective Competition between Shippers and f) Promotion of efficiency in the implementation and administration of the Code.

## Implementation

No timescales are proposed, however it would be desirable if implementation was in line with Project Nexus Go Live and the enhanced Industry testing activity could form part of the wider Nexus testing activities being co-ordinated by Transporters' Agent.

## Does this modification impact a Significant Code Review (SCR) or other significant industry change projects, if so, how?

This modification impacts the industry programme for replacement of UK-Link systems. This is because the requirements would facilitate efficient and reliable implementation of the supporting UK-Link systems and the supporting systems of Shippers.

It is essential to the success of the UK Link Replacement Programme.

## 2 Why Change?

Project Nexus is due to go live on 01 October 2015. Whilst the Transporters' Agent has made available a testing window for Industry participants, the testing currently being made available by Transporters' Agent is at its own discretion and is not expected to give Users the reassurance that all Industry participants will have tested and be given the opportunity to test all systems required for full implementation. For example, the regime being proposed does not allow for phased implementations or the use of third party software by Shippers. Also once the testing window offered closes, testing will be unavailable. It is important to be able to test all code and any subsequent fixes for code issues identified. It is being assumed that Shippers will be delivering all the systems to support the implementation by the Nexus go-live date and this assumption is not correct.

The testing has been structured by Transporters' Agent to allow it to test its own systems. Therefore, Project Nexus could go live with new systems without any real testing by Users having been done and with only Transporters' Agent having confidence that their systems have been tested. Project Nexus is introducing new systems which underpin the whole of the gas settlement regime in the UK including invoicing and settlement processes involving billions of pounds per year, and also amending the change of supplier process that covers all gas customers, including putting the iGT customers into single service provision being done by Transporters' Agent. It is probably the biggest change that has ever been made to the UK's Gas systems. Failure on day one of the new systems could lead to catastrophic losses for Users and have a severe detrimental impact on customers. It is unconscionable that the industry could introduce such changes involving dozens of Users' systems, all of which have to talk and communicate with Transporters' Agent, without a rigorous testing regime having been made available and undertaken.

In previous large system changes in the energy industry such as RGMA in gas or the introduction of NETA in electricity there has been rigorous testing done and a certain level of successful testing that must be achieved, and in some cases participants have had to pass certain tests in order to even participate in the new market arrangements. A large market failure could also impact those users whose shippers were operating correctly under the new arrangements as, due to the way that gas is settled, no

User would be immune from a large scale failure. In any event the absence of a rigorous testing programme is likely to lead to a market where the quality of data within it is degraded.

### 3 Solution

The proposed solution is that Transporters' Agent will provide a testing regime and environment that will allow multiple Users to be able to test different processes that can be started at any time and for Users to be able to restart and redo part of a process that has failed. This will allow Users to test their systems far more rigorously and for the Industry to be in the best overall state of readiness. The results of this testing should be fed into the overall Industry go / no go decision making process for Project Nexus.

The test regime / environment must incorporate the following:

1. A full test strategy, showing
  - Phases
  - Defect management / co-ordination
  - Transporters' Agent 'bug' fix strategy
  - Cycles of testing allowing more than one run of end to end Business processes
2. Governance, including criteria for
  - Entry
  - Exit
  - Success and
  - Failure
3. A detailed plan & schedule
4. An enduring test environment beyond go-live (for phased shipper deliveries and new entrants) with capability to align environment data with the data cut date and time travel capability
5. Appropriate considerations for data, including:
  - Synchronisation arrangements for Transporters' Agent and shippers data sets
  - Sharing and acknowledging of data issues
  - Clear definitions about how confidentiality and anonymity is to be assured
  - Population of blank field in the iGT test data set.

This modification will be a transition modification. The regime boundaries / conditions of operation etc will be published, the environment created and then made available for 4 months after the Nexus implementation date and will be achieved by the introduction of transitional terms to the UNC TPD.

User Pays

Classification of the modification as User Pays, or not, and the justification for such classification.	No User Pays service would be created or amended by implementation of this modification and it is not, therefore, classified as a User Pays Modification.
Identification of Users of the service, the proposed split of the recovery between Gas Transporters and Users for User Pays costs and the justification for such view.	N/A
Proposed charge(s) for application of User Pays charges to Shippers.	N/A
Proposed charge for inclusion in the Agency Charging Statement (ACS) – to be completed upon receipt of a cost estimate from Transporters' Agent.	N/A

## 4 Relevant Objectives

Impact of the modification on the Relevant Objectives:	
Relevant Objective	Identified impact
a) Efficient and economic operation of the pipe-line system.	None
b) Coordinated, efficient and economic operation of (i) the combined pipe-line system, and/ or (ii) the pipe-line system of one or more other relevant gas transporters.	None
c) Efficient discharge of the licensee's obligations.	Positive
d) Securing of effective competition: (i) between relevant shippers; (ii) between relevant suppliers; and/or (iii) between DN operators (who have entered into transportation arrangements with other relevant gas transporters) and relevant shippers.	Positive
e) Provision of reasonable economic incentives for relevant suppliers to secure that the domestic customer supply security standards... are satisfied as respects the availability of gas to their domestic customers.	None
f) Promotion of efficiency in the implementation and administration of the Code.	Positive
,	None

This modification should provide confidence to Users that the systems developed under Project Nexus have been tested rigorously and that the market will operate effectively when Nexus is implemented.

Therefore, this modification has a positive impact on Relevant Objectives c) Efficient discharge of the licensee's obligations, (d): Securing of Effective Competition between Shippers and f) Promotion of efficiency in the implementation and administration of the Code.

## 5 Implementation

No timescales are proposed, however it would be desirable if implementation was in line with Project Nexus Go Live and the enhanced Industry testing activity could form part of the wider Nexus testing activities being co-ordinated by Transporters' Agent.

## 6 Impacts

### **Does this modification impact a Significant Code Review (SCR) or other significant industry change projects, if so, how?**

This modification impacts the industry programme for replacement of UK-Link systems. This is because the requirements would facilitate efficient and reliable implementation of the supporting UK-Link systems and the supporting systems of Shippers.

It is essential to the success of the UK Link Replacement Programme.

### **Pre Project Nexus Implementation**

*Is this modification to be implemented prior to the identified Change being implemented?*

*If yes, the proposer should provide the likely benefits for a pre-Change implementation and an assessment of the development timescales. In addition, if a central system is impacted, a view from Xoserve is required to consider if there would be an impact on the delivery of any in flight or approved modifications that are, or are proposed, to be implemented.*

Insert text here

### **Project Nexus Implementation**

*Is this modification proposing to add to or amend existing requirements prior to or at the time the Change is implemented?*

*If yes, the proposer should indicate the reasons why and whether the changes are considered material. If a central system, a view from Xoserve should be sought as to the likely impacts/costs on the Change delivery and if consideration should be given to post-Change delivery.*

Insert text here

### **Post Project Nexus Implementation**

No impact identified.

## 7 Legal Text

*While the Proposer is welcome to put forward suggested legal text, formal legal text and commentary will be provided by the Transporters when requested to do so by the Modification Panel.*

*If this is a proposed Fast Track Self-Governance modification then legal drafting and commentary must be provided.*

## **Text Commentary**

*In support of the legal text provided, the legal representative shall provide a plain English explanatory note setting out the approach taken to converting the Solution into legal text, illustrating how the legal text delivers the intent of the Solution.*

Insert text here

## **Text**

The following Text has been prepared by X, and no issues were raised by the Workgroup regarding its content.

or

Text was not available for Workgroup assessment. However Text has been provided as a separate document published alongside this report.

or

The following Text has been prepared by X at the request of the Modification Panel.

## **8 Recommendation**

The Workgroup invites the Panel to:

- AGREE that this modification should be returned to the Workgroup for further assessment (once the revised Market Trials plan for Nexus is known).