

Review Report

Provision of Testing Services for Electronic Code Communications **UNC Modification Reference Number 0001(650)**

Version 1.0

This Review Report is presented for the UNC Modification Panel's consideration. There was Review Group consensus that no specific change to the existing provisions in the UNC has been identified (within the Review Group) as necessary to deal with issues concerning the provision of testing services for electronic code communications. Definition of a service is being taken forward without modification of the UNC. xoserve has defined parameters (with the Transporters) for taking forward the definition of a testing service. The Review Group believe it would be appropriate for oversight of this work to continue and that, dependent on the outcome, it may be appropriate for one or more UNC Modification Proposals to be raised to facilitate implementation.

1. Review Proposal

Scottish Power raised the following Proposal:

“Provision of Testing Services for Electronic Code Communications”

See Annex 1, which also includes a copy of the Terms of Reference.

2. Review Process under UNC Governance

In accordance with the Modification Rules, at its meeting in October 2003 the Modification Panel determined that the Proposal should proceed to Review. The original Terms of Reference required a Review Group Report no later than April 2004. The Modification Panel did not accept the Review Group Report which was presented in January 2005 (Annex 2) and requested that further work be undertaken. Review work was not complete at the inception of the Uniform Network Code (UNC) in May 2005. Recent work includes reissue and analysis of a shipper survey, and Review Group meetings on 16th June 2005 and 14th July 2005. The need for analysis was identified in these meetings, which xoserve has agreed to consider.

3. Areas Reviewed

The Review Group discussions and results of two User surveys may be summarised under the following headings - the benefits sought; concerns about cost/benefit; definition of requirements for testing; and views on options for paying for testing.

3.1 Benefits sought

The original Review Proposal sought “a means to find problems and mitigate risks”, ... , “increased visibility and assurance for changes to code communications”, ...and “a methodology to encourage innovation and efficiency while actively reducing risks”. The key potential risk areas were identified as – “System security and safety, existing systems between Transco and Shippers, and Supply Point competition”.

Other shippers supported these aims although views on what operational difficulties testing might address varied (see for example sections 3 and 8 of Appendix A of Annex 2).

3.2 Concerns about cost / benefit

One survey respondent provided the comment “As each industry change is different in size, urgency, impact and criticality, any integration testing approach needs to be appropriate to the type of change and be cost effective” and this was echoed by another “concerned about the costs associated with implementing [a proposed testing service] and whether the benefits would outweigh them”. xoserve indicated that costs start with analysis and costing of requirements. Due to resource implications, xoserve normally collapse a test environment at the completion of testing.

The Review Group accepted that it is appropriate to consider the costs and benefits of any approach, but that it was difficult to generalise the likely criteria in any particular case. Hence a case-by-case approach may be appropriate (see 3.4 below).

3.3 Definition of requirements for testing

In the most recent shipper survey, there was demand for:-

- documents explaining how systems work;
- provision of sample files;
- automated file and data level validation; and
- for large changes, test environments that mirror production environment.

3.4 Views on options for paying for testing services

Shipper survey responses on funding were mixed between a view that Gas Transporters should bear all the costs and “pay as you go”. No shippers expressed support for a monthly fee option.

The Review Group accepted that the existing UNC provisions provide arrangements which potentially allow funding of test environments via a Class 3 modification.

4. Description and appraisal of prevailing testing arrangements

The UNC establishes a process for implementation of change, but there is scope to vary the way in which individual changes are implemented. Implementation plans for large changes typically include documentation and testing arrangements. Changes to file formats are documented, consulted upon and considered at the UK Link Committee prior to implementation. This does not typically include a testing facility. However ad hoc requests for testing of sample files have been accepted.

The Review Group recognised that the variety of circumstances involved meant there was merit in retaining some flexibility.

5. Recommendations

The Review Group has usefully highlighted the need for close cooperation between interested parties when change is implemented. Testing is an important element of this, although the extent of appropriate testing should be considered on a case-by-case basis with a view to ensuring benefits justify the costs.

At this stage, therefore, the Review Group does not recommend that a UNC Modification Proposal should be raised, but would suggest that the UK Link

Committee should continue to monitor this issue. If concerns emerge among Shipper or Transporter members of the UK Link Committee, these can be taken forward through the existing governance processes.

The Modification Panel is invited to accept this Review Group report and note that no UNC Modification Proposal is recommended at this stage.

Annex 1: Review Proposal and Terms of Reference

**Provision of Testing Services for Electronic Code Communications
Modification Reference Number 0001(650)**

Section of the Network Code concerned

Section U

Proposer's preferred route through modification procedures and if applicable, justification for Urgency

The IT landscape that Shippers and Transco now operate is significantly different from that presented in the past. Shippers and Transco are continually faced with major initiatives both internally (consolidation, renewal of legacy systems) and externally (Project Gemini, RGMA) that dramatically effect systems and processes.

This constant renewal and redevelopment of the industry is generating more requirements for more communications to more participants, year on year.

Due to the complexity and criticality of electronic code communications between Transco and Shippers, testing is paramount as a means to find problems and mitigate risks. Unfortunately, outside large projects (Project Gemini, RGMA) there is little scope for Transco to support Shippers in terms of software testing, as there is no provision for such services within the Network Code.

Basis upon which the Proposer considers that it will better facilitate the achievement of the Relevant Objectives, specified in Standard Special Condition A11.1 & 2 of the Gas Transporters Licence

There will be, and currently exists, a clear unmitigated risk in all system development concerning electronic code communications. This in turn, represents a potential risk to many key areas: -

- System security and safety
- Existing systems and processes in place between Transco and Shippers
- Supply point competition

Any further information (Optional), likely impact on systems, processes or procedures, Proposer's view on implementation timescales and suggested legal text

Nature & Purpose of Proposal (including consequence of non implementation)

To ensure that there is a clear responsibility for Transco to provide testing services for current and future electronic code communications. It is hoped that a successful modification to the Network Code would allow: -

- Increased visibility and assurance for changes to code communications both to and from Transco
- Creation of a more open and flexible relationship for Shippers and Transco to operate within
- A methodology to encourage innovation and efficiency while is actively reducing risks to Shippers, Transco and the community as a whole

Terms of Reference 15/10/03

Scope of Work

To explore the costs and benefits of providing differing levels of testing environment and the potential demand from Users for each level.

To make a recommendation as to the requirement for, and the final scope of, such a service.

To investigate funding options, taking into account Regulatory, I.T. and financial issues, and provide a recommendation as to the most appropriate method of funding.

Reporting

Group to submit Review Group Report no later than the April 2004 Modification Panel

Group Composition

M Evans	Transco
N Reid	Transco
Other Transco	t.b.a.

Shipper representatives

M Reid	Scottish Power
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G Wood	BGT
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Other Shipper representatives are sought.

Timetable

Period: 4 to 5 months from initial meeting.

Annex 2: Review Group 0650 Report, January 2005



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