

Project Nexus

Market Trials Level 2 Entry Assessment

Data and portal responses at 21st October 2015,
presented to 26th October PNSG meeting

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1. *Executive Summary*



As agreed on 12th October, this is an update on participant readiness for joining L2 market trials on 2nd November 2015.

We believe 26 participants (83.5% market AQ) are currently ready, or will be ready at 2nd November*.

4 participants (7% AQ) are categorised as 'red' as they do not fully meet the entry criteria. We do not consider these parties to, in aggregate, represent a barrier to proceeding with L2.

The residual 'ERR' file rejection functionality and iGT file format issues have been assessed as 'minor' or 'insignificant' impact at this point in time.

* A further 3 participants have self-assessed as 'ready', but have not provided sufficient evidence to support this position. We have taken a sceptical stance and have not reported these as currently 'ready'.

2. Market Readiness Update – Respondent Overview

We contacted 43 organisations through the Project Nexus portal, representing **97% of the total market AQ and 97% of supply points**.*

2 organisations are primarily gas trading organisations that both hold Shipper licences but, have not gone through the user admission process. These organisations have been discounted from the assessment.

Of the 41 organisations contacted:

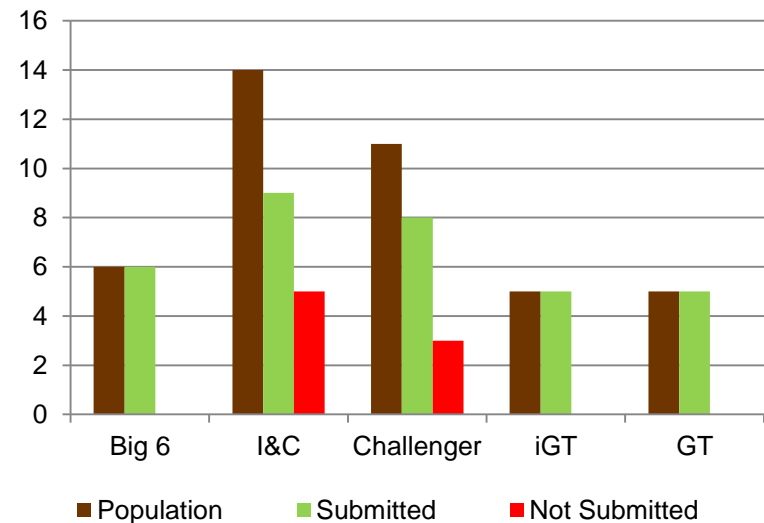
- We have received **no submission from 8 organisations**, representing **<0.5%** of overall market AQ;
- **33 organisations** have made a self-assessment submission, representing 97% of supply points and 97% of AQ;
- **5 of the 33 organisations** that have self-assessed have not yet submitted any evidence to fully support their self-assessment (3% AQ);
- **3 of the 6 iGTs** have submitted self-assessments (92% coverage of iGT supply points);
- **2 iGTs** have not made a self-assessment on the portal but, have provided a separate verbal update regarding their progress. The remaining iGT is a **new entrant** which will be monitored for future assessments and has been excluded from this analyses.

Xoserve has highlighted that there are currently organisations going through the user admission process that we will monitor and assess to determine if they will be active by 1st October 2016. We will consider these at future assessment points.

PwC follow-up (in progress):

Continue to monitor organisations who have committed to making a submission but have not updated the Nexus Portal

Graph 1 – Portal submissions by ‘constituency’



	Number of organisations	% Supply Points*	% Annual Quantity*
Responded	33	97%	97%
No data provided	8	<0.5%	<0.5%

2. Market Readiness Update – Entry Criteria 1.1.1

Criteria definition: “Organisations are able to generate files directly from their core systems for testing”

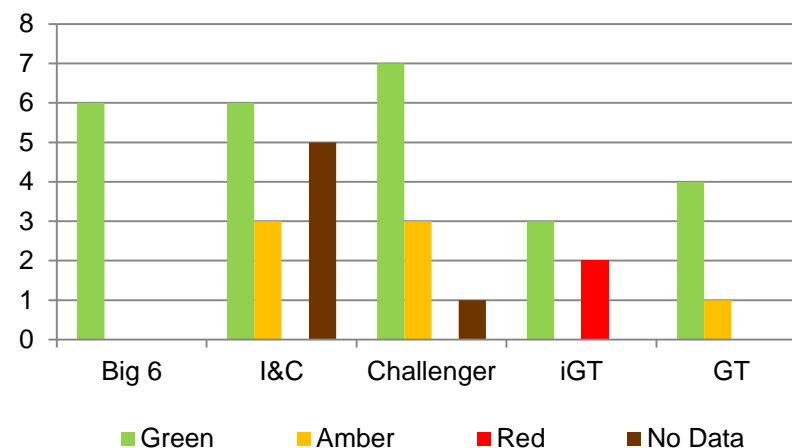
We have independently assessed the submissions made by the **33 organisations** and, based on our independent interpretation of the self-assessment and the evidence provided, we have made the following categorisations:

- **26 participants (83.5% of market AQ and 95% of supply points)** have a ‘green’ status as they have demonstrated a status of completed, or on track to complete, preparation prior to 2nd November. These submissions have been supported by appropriate evidence.
- **7 participants (13.5% of market AQ and 2% of supply points)** are ‘amber’ because they have made submissions that either suggest they are not generating all files from source system, or they have not supplied appropriate documentary evidence to support their self-assessment (which may have been green).
- The **2 iGTs who did not self-assess but, have provided verbal updates** have been re-categorised from ‘no data’ to ‘red’. One of these organisations is planning to submit manually generated files for L2 testing. Both have deferred their full build and test activity until later in the year in order to be ready for level 3 and 4 testing.

PwC follow-up (in progress):

Follow-up and monitor participants with ‘red’ status to understand recovery and impact on future planning

Graph 2 – Self-assessment against “Organisations are able to generate files directly from their core systems for testing”



	Green	Amber	Red	No Data**
Big 6	6	0	0	0
I&C	6	3	0	5
Challenger	7	3	0	1
iGT	3	0	2	0
GT	4	1	0	0

2. Market Readiness Update – Entry Criteria 1.1.2

Definition: “Market critical mandatory processes have been built and tested, up to SIT for C1 and C2 files. There should be no critical/high impact defects that are unresolved.”

Participant self-assessments showed:

- **20 organisations (45% of market AQ and 52% of supply points)** self-assessed as meeting this criteria; and
- **13 organisations (52% of market AQ and 45% of supply points)** have self-assessed as ‘amber’.

Further PwC analysis and re-categorisation:

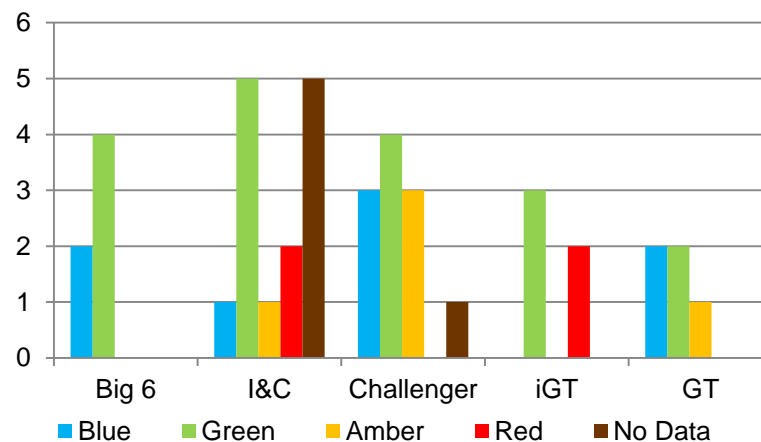
Our one-to-one discussions and document review shows participants used ‘amber’ status to reflect that their testing is in progress and is forecast to complete by L2 MT start. We have re-categorised participant status as follows:

- **Complete Now (blue): 8 organisations (36% market AQ)** have clearly demonstrated the criteria;
- **On Track (green): 18 organisations (47% market AQ)** will complete testing by 2nd November and are not flagging any significant unresolved defects;
- **Incomplete (amber): 5 organisations (7% market AQ)** have self-assessed as ‘green’, but did not provide the evidence of testing to support their self-assessment; and
- **At risk (Red): 4 organisations (7% AQ)** have not clearly met the criteria: Two of these are reporting outstanding defects, or it is unclear whether these defects will be resolved by 2nd November. The other 2 are IGTs whose verbal updates confirm that they do not meet this criteria.

PwC follow-up (in progress):

Follow-up and monitor participants with ‘red’ status to understand recovery and impact on future planning

Graph 3 – PwC analysis against criteria 1.1.2 responses



	Blue	Green	Amber	Red	No Data **
Big 6	2	4	0	0	0
I&C	1	5	1	2	5
Challenger	3	4	3	0	1
iGT	0	3	0	2	0
GT	2	2	1	0	0

3. Known Issue Summary – iGT August File Format Changes

iGTs

Impact:
Minor (2)

Rationale for Impact rating: Catch-up testing of 10 iGT file formats in L3/L4 trials. More intensive triage to distinguish format and function issues in any defects relating to these files.

Xoserve

Impact:
Minor (2)

Rationale for Impact rating: More careful triage required of any defects associated with these files during L3/L4 trials

Background: 10 iGT file formats (5 of these are 'C1' files) have been re-designed to better align with the process requirements. Xoserve are forecasting the delivery of these file formats towards the end of Level 2 market trials. These file formats are not in the July file format 'baseline' that is being tested during L2 trials and were approved by UKLC during August as a change from this baseline. As such, their release and trialling needs to be sequenced into L3/L4 trials.

Issue / problem statement: Whilst the new requirements are available and the files can be built, the iGTs are unable to test these 10 file formats (representing 45% of the applicable files) during L2 market trials. This will require 'catch-up' during L3/L4 trials

Impact: The file formats will be first tested during L3/L4 market trials. Closer triage will be required by iGTs and Xoserve of any defects arising to differentiate between pure file format issues and those that relate to the functionality or process being tested.

Other mitigation proposed by Xoserve: Xoserve are exploring whether they can manually simulate the 10 new file formats during L2 market trials so that iGTs that have built these files, can test ahead of L3/L4. There is one file that is sent by iGTs to Xoserve, therefore Xoserve would need to be able to manually re-produce the response.

Note that the 10 file formats are approved and are available on Xoserve.com. iGTs are able to design, build and test these internally within their organisation in the same way that they have for the July baseline in preparation for Level 2.

3. Known Issue Summary – Reversal Of The ‘ERR’ Code Change

Shippers, iGTs and GTs	Impact: Minor (2)	Xoserve	Impact: Insignificant (1)
Rationale for Impact rating: Manual interception of assumed low volumes of ERR files and subsequent processing		Rationale for Impact rating: No impact, beyond reversal of ERR functionality	

Background: ERR files are sent by Xoserve when a file is submitted by a participant containing a record level error – e.g. a missing mandatory field or missing data conditionality rules. Instead of rejecting the whole file (as occurs in current design), it was proposed that the participant receive an ERR file listing the individual lines that have failed validation. This proposal was rejected by UKLC, and Xoserve will reverse the new design.

Issue / problem statement: Xoserve are reversing the new design of the ERR file rejection process to revert to the ‘as is’ process operating in the market today. **The ERR code built by Xoserve will not be removed in time for the start of L2 trials and the date for this change is not yet confirmed.** Participants have retained the ‘as is’ solution (i.e. whole file rejects) as the proposal was rejected at UKLC.

Impact: Participants cannot process the new ERR file rejections that Xoserve will issue in Level 2 MT – this is expected to impact all participants especially those that have automated file processing. Participants will need to intercept the ERR file, open it and manually assess the errors to identify the file they relate to, as well as the detail of the error itself. This will introduce an overhead during the execution of L2 trials, which is believed by the MTWG to be manageable.

Key assumption: As L2 trials are intended to test overall file format and structure, rather than validate individual record lines, volumes are expected to be low and this is not expected to significantly impact L2 market trials. We also assume that there is no impact on the workaround from the UAT defects currently reported by Xoserve on the ERR file format.

Mitigating action to operate during L2 trials: The MTWG has proposed a preferred workaround whereby participants intercept and manually review any ERR files they receive from Xoserve during L2 trials. Participants with automated file processing routines will need to disable them. Participants may then need to update their test results / scripts accordingly.

3 *Known Issue Summary – Negative Values**

Shippers, iGTs and GTs	Impact: Minor (1)	Xoserve	Impact: Insignificant (1)
Rationale for Impact rating: Use of positive values only during Market Trials L2		Rationale for Impact rating: No impact	

Background: In August, changes were presented to UK Link Committee updating particular file formats to allow for negative values which had been incorrectly specified. These are not part of the July agreed baseline for Market Trials Level 2

Issue / problem statement: While the files are available in Market Trials Level 2 they require positive values to be present in the input files.

Impact: Participants are required to submit positive values in the file formats during Market Trials Level 2. Xoserve will populate outbound files with only positive values

Key assumption: As L2 trials are intended to test overall file format and structure, rather than validate individual record and field lines, there is no impact to the scope of L2 trials.

Mitigating action to operate during L2 trials: Positive values to be used during L2 trials

**Information and assessment provided by Xoserve and not independently assessed by PwC at this time*