

Project Nexus

Market Trials Level 2 Entry Assessment

Data and portal responses at 2nd October 2015,
presented to 12th October PNSG meeting

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1. *Executive Summary*



Xoserve confident in achieving L2 market trials start date, file format testing almost complete.

PwC analysis is sufficiently complete to provide a strong basis on which to make the market readiness assessment.

We determined 7 participants met all criteria at 2nd October. In total, 23 participants are forecasting meeting all criteria during the week commencing 19th October (93% AQ).

Two areas require further investigation and impact analysis – ‘ERR’ file rejection functionality and iGT file formats.

1. *Executive Summary*

1. Xoserve confident in their readiness to start Market Trials Level 2 on 2nd November:

- 199 out of 202 file formats successfully tested, 2 files relate UIP interactions and are not required for L2 MT.
- 1 file (.SIF) undergoing final defect resolution, expected to be ready for 2nd November.

2. PwC analysis provides a strong basis for the market readiness assessment:

28 participants (95% of supply points and 94% of Annual Quantity ('AQ')) responded to Level 2 ('L2') Market Trials ('MT') entry criteria self-assessment request.

- PwC review of the supporting evidence submitted has covered, to date, 94% of market AQ and 95% of all Supply points.
- 3 iGTs are yet to complete the self-assessment to date and 7 organisations are yet to submit documentary evidence to support their self-assessment.

3. Seven participants fully meet the entry criteria on 2nd October 2015.

Based on the submissions made, **a further 16 participants are forecasting that they will meet the entry criteria during the week commencing 19th October** (23 participants in total, 93% market AQ).

- Participants are clearly continuing test and, in some cases, some build activity. The highest number of files in build at a single participant is 4.
- Based on further PwC analysis of evidence, five organisations (1% market AQ) are forecasting that some of their testing will be complete after the L2 MT start date.

4. Two areas require impact assessment to more fully understand the consequences for the market trials phases.

These are being progress through the MTWG and during discussions with Xoserve:

- The reversal of the 'ERR' file rejection functionality in the Xoserve solution.
- The uncertainty around the delivery date of 10 iGT file formats. These are not in the July 'baseline' for L2 market trials, but were approved by UKLC during August.

1. *Executive Summary*

Recommendation:

- We recommend that provisional approval is given by the PNSG to start Level 2 market trials on 2nd November 2015.
- This is subject to the completion of the two impact assessments highlighted previously and **a refreshed self-assessment snapshot to be obtained by PwC during week commencing 19th October.**
- A further PNSG check point call is required, with finalised date, at the end of the week commencing 19th October 2015 (or early the following week) to provide the final go / no-go decision to enter Level 2 market trials.

Summary of actions in progress, or required, prior to final approval by PNSG:

1. PwC to continue review of evidence and follow-up with the 7 organisations that are yet to submit supporting documentation.
2. PwC, Xoserve and MTWG to complete and agree impact assessments for the two known issues that may reduce the efficiency and effectiveness of L2 market trials, or subsequent MT phases.
3. PwC/PNSG to ask participants to refresh their self-assessment during the week commencing 19th October. In parallel, remind participants to complete L3/L4 'early warning' questions – where response rate is currently low.

2. Xoserve readiness assessment

Summary

- Xoserve are confident of being ready to commence Market Trials Level 2
- Good progress has been made in File Format testing with 199 out of 202 successfully passed testing
 - 2 files relate to interactions with UIP and are not required for MTL2
 - 1 file (.SIF) is undergoing final defect resolution and is expected to be ready for 2/11/15
- Additional variance File Format testing continues

xoserve



respect > commitment > teamwork

Readiness for MT L2

2nd Nov 2015

Area	Current Status	Commentary	Forecast Status 02/11
Pre-requisite Testing	G	<ul style="list-style-type: none"> Majority of files passed the file validation testing (199 of 202). Two of the outstanding files will not be tested during MTL2 (MBO, MBG) 	G
	A	<ul style="list-style-type: none"> Broader variant testing continues within Xoserve; any significant defects that may impact confidence in MTL2 will be highlighted to MTWG / PNSG. 	A
	R	<ul style="list-style-type: none"> ERR file will not be available; expected 10th December 	R
	A	<ul style="list-style-type: none"> Positive/Negative values file changes (to 2 inbound and 1 outbound critical files) will not be available for MTL2, but impact can be managed (use of positive values) 	A
	A	<ul style="list-style-type: none"> Testing of E2E infrastructure (IX & EFT to AMT) ongoing and expected to conclude by 2/11/15 	G
Industry Engagement & Communications	A	<ul style="list-style-type: none"> MT L2 Approach document approved by MTWG and published Weekly Progress Calls taking place, and Open Day planned for 08/10/15 File Format Repository issued 18/09/15 (MT L2 starting baseline). There is some residual uncertainty amongst participants to be resolved. Re-issue due 08/10. 	G
Environment Readiness	G	<ul style="list-style-type: none"> Pre-prod environment on track for L2 readiness. Iteration 1 of Penetration testing for MT L2 successfully completed; no major issues identified. Final iteration due for completion w/c 05/10. Config data load is required for MTL2 and planned to be complete by end of October. 	G
Fix Lifecycle, including governance	A	<ul style="list-style-type: none"> External defect management process documented and shared with Industry. Accelerated Change Management process, including industry governance, being defined for review by stakeholders. Code and release management processes are in the process of being finalised. 	G
Reporting	G	<ul style="list-style-type: none"> Xoserve Reporting process approved in L2 Approach document Low-level internal Xoserve mechanisms require testing during the planned 'pipe cleaning' exercise NB: PwC responsible for organisation-level assurance reporting. 	G
Outbound file Generation	A	<ul style="list-style-type: none"> High level outbound file schedule agreed. Significant body of work to generate, anonymise and produce for each industry participant all required outbound file variants. On track but challenging. 	G

3. Market readiness assessment

3. *Basis of the L2 market trials entry assessment*

The criteria used for this assessment

- Market Trials Level 2 entry criteria for L2 market trials were defined by PwC and the Market Trials Working Group ('MTWG'), building on the PwC GONG framework issued earlier in the year; and
- The criteria are set out in the approved Market Trials Level 2 approach document issued on the 9th September 2015. These are outlined in **Appendix 1**.

The approach to rolling out the assessment:

- Participants have been asked to 'self assess' themselves against the defined criteria on the PwC Nexus Assurance Portal. A 'Red, Amber, Green (RAG)' status against each criteria was required along with supporting documentation to evidence this rating;
- A 'pre-entry' questionnaire was also published on the PwC Portal to gain an early view on readiness for L3 and L4; and
- We have provided a user guide to support participants in completing their submissions and run two Webex sessions to address questions and feedback on how to complete the assessment.

Our approach to analysis:

- Using the self-assessments submitted, we have evaluated whether individual organisations are ready to enter

market trials and supported this with a sample-based review of the documentary evidence supplied;

- We have had some one-to-one discussions to understand the rationale for self-assessment in some cases.
- We have aggregated the status of individual organisations in to their associated market sector and provided analysis of the market-wide position;
- As a result our assessment provides a 'snap-shot' of the readiness as at **2nd October 2015** in order to provide the PNSG on the 12th October 2015 with a clear view on progress towards readiness.

Note: Due to the re-setting of the Nexus go live to 1st October 2016 many organisations re-planned and re-aligned their test phases to the revised programme timeline.

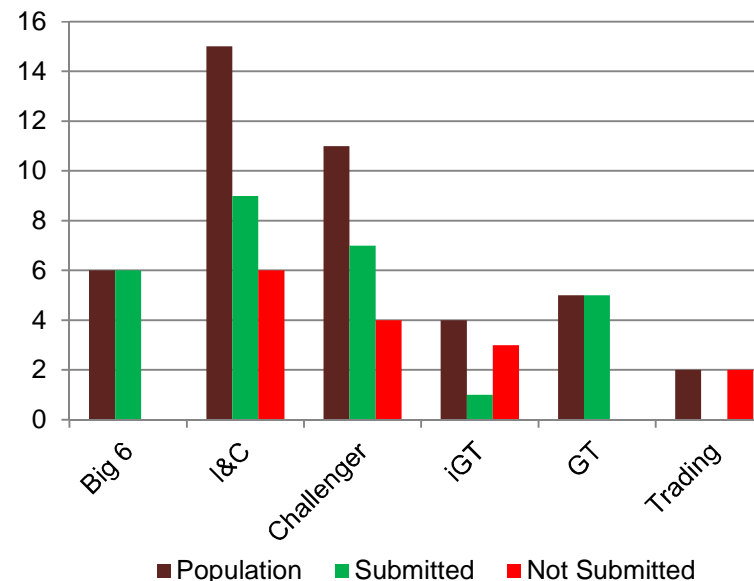
3. Detailed Analysis and Observations – Respondent Overview

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

We have ratified the completeness of this list of contacts with the registered Market Trials participants. We identified 5 participants that had registered for Market Trials, but have not got a Nexus Portal Account. The combined AQ market share of these 5 participants is **0.67%**. Of the 43 organisations contacted:

- We have received **no submissions from 15 organisations**, representing only **3%** of overall market AQ. Two of the 15 are primarily gas trading organisations.
- Only 1 of the 4 iGT’s have made submissions. We believe this is due to the uncertainty around the delivery date for the 10 iGT file format changes approved during August;
- The remaining 28 that have made a self assessment submission, representing 95% of supply points and 94% of Annual Quantity (‘AQ’); and
- 7 organisations have not yet submitted any documents and evidence to support their self assessment.

Graph 1 – Portal submissions by ‘constituency’



PwC follow-up (in progress):

- Direct follow-up with the **7 participants yet to submit supporting evidence**.
- Completion of our review of the quality of evidence supporting the self-assessment, including one-to-one discussions where needed.

	Number of organisations	% Supply Points*	% Annual Quantity*
Responded	28	95%	94%
No data provided	15	3%	3%

3. Detailed Analysis and Observations – Entry Criteria 1.1.1

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

We have assessed the submissions made by the 28 organisations and have the following observations:

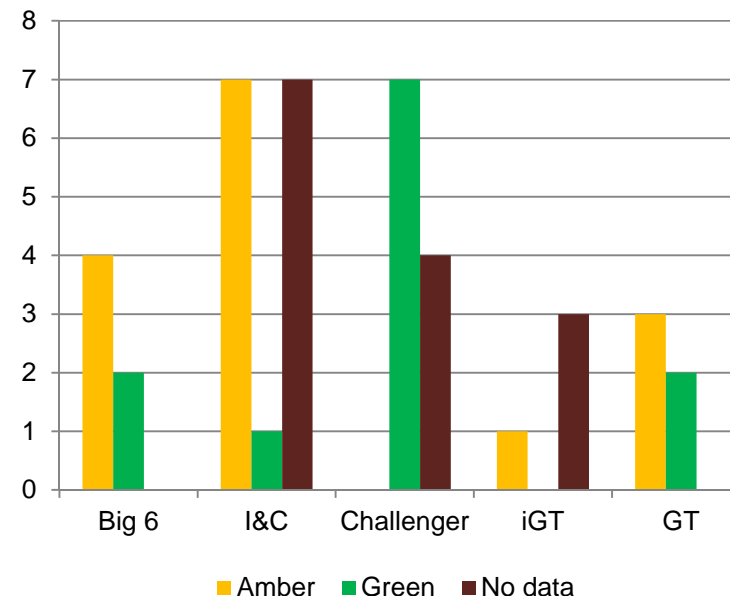
- **12 participants (38% of market AQ and 51% of supply points)** meet this criteria;
- **16 participants (56% of market AQ and 44% of supply points)** have self assessed as ‘amber’ – see commentary below; and
- None of the participants that have responded reported a ‘Red’ status.

Further analysis of ‘amber’ participants:

Our one-to-one discussions and analysis of the information submitted shows that participants are rating themselves ‘amber’ on the following basis:

1. Shippers & GTs are waiting to complete build/test on a small number of files before being able to rate themselves as green. The maximum number of outstanding files for any one organisation is 4; and
2. iGT’s are unable to complete their file build activity until changes and Xoserve delivery dates are confirmed for 10 file format changes approved in August. This is raised as a risk on the Project Nexus risk register and we are completing an impact analysis (see **Appendix A2**).

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



	Green	Amber	No Data**
Big 6	2	4	0
I&C	1	8	6
Challenger	7	0	4
iGT	0	1	3
GT	2	3	0

3. Detailed Analysis and Observations – 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.”

The self-assessment made by 28 organisations showed the following:

- **11 organisations (28% of market AQ and 38% of supply points)** self-assessed as meeting this criteria;
- **17 organisations (66% of market AQ and 57% of supply points)** have self-assessed as ‘amber’ – see below commentary and sub-analysis; and
- None of the participants that have responded reported a ‘Red’ status.

Further PwC analysis of the submitted information:

Our analysis of the information submitted and discussions shows participants used the ‘amber’ status to reflect that their testing is in progress and is forecast to complete by L2 MT start. We have re-categorised participant self-assessment status as follow:

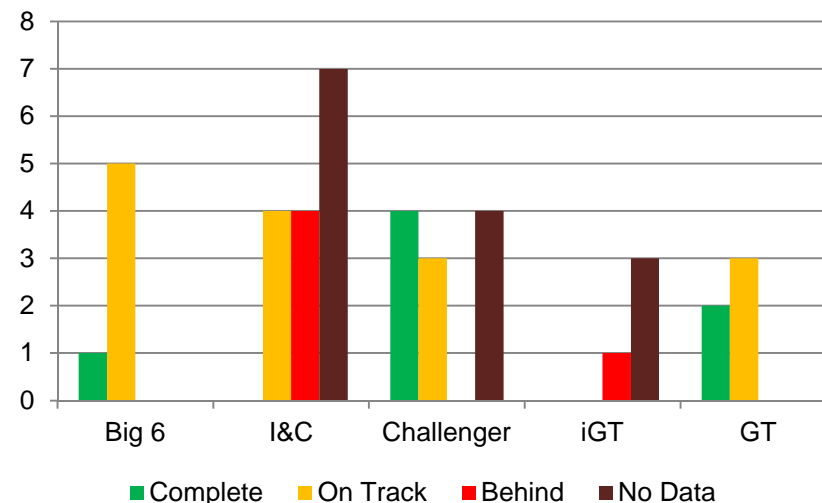
Complete: 7 Organisations (26% market AQ) have clearly demonstrated the criteria, with good evidence to support;

Fully on Track: 16 Organisations (67% market AQ) forecast completion of relevant testing in 1 to 2 weeks time, with the latest date being the 23rd October;

Behind: 5 Organisations (1% market AQ) forecast they will not fully complete the required level of testing by the start of L2 MT; and

At risk of not joining L2 MT: No participants are forecasting this.

Graph 3 – PwC analysis against criteria 1.1.2 replies



	Complete	Fully on Track	Testing after 02 Nov	No Data**
Big 6	1	5	0	0
I&C	0	5	4	6
Challenger	4	3	0	4
iGT	0	0	1	3
GT	2	3	0	0

A1: Market Trials Level 2 Entry Criteria Framework

A1 Market Trials L2 entry criteria assessment framework

This section defines the criteria each participant should be able to demonstrate to enter the market trial phase. The Criteria are underpinned by the Market critical mandatory processes defined at the **Change Overview Board ('COB') on the 17th March 2015**. These were defined as:

1. Manage supply meter point registration – the facilitation of supply meter point transfers;
2. Manage supply meter point register – the update of data held against a register supply meter point; and
3. Record supply meter point (MPRN creation).

Building on the above market critical mandatory processes, the MTWG defined 3 groups of associated file formats:

- Critical Group 1 ('C1') – Files that support the market critical processes
- Critical Group 2 ('C2') – Files that individual organisations deem critical to their operations; and
- Group 3 – Non-critical files.

Based on these core principles and other good practices, the following entry criteria were defined for **Level 2**:

Criteria		Assessment metric	Role				Thresholds		
			Shipper	IGT	GT	X'sv	Red (fail)	Amber	Green (pass)
1. Market Trial Entry – Level 2									
1.1	Completion of preparatory testing – completion of internal testing	<p>Market critical mandatory processes have been built and tested, ideally up to SIT for C1 and C2 files*. There should be no critical or high impact defects that are open and unresolved.</p> <p>Market critical mandatory processes - Organisations are testing with files generated from core systems.</p>	✓	✓	✓	✓	Less than 100% complete	Less than 100% complete credible mitigation plan.	100% complete

A1 *Market Trials L2 entry criteria assessment framework*

We expect sufficient evidence to be available to support each participant's self assessment. In our review of the evidence submitted, we looked for the following as evidence of good quality and acceptable support for the self-assessment.

Document	Recommended content of document
<ul style="list-style-type: none">• Overall testing approach and plan	<ul style="list-style-type: none">• Summary of overall test approach and project plan
<ul style="list-style-type: none">• Test phase plan (if specific for L2)	<ul style="list-style-type: none">• Scope and how scripts map to the relevant C1/C2 files or processes such as the market flow systems, or the functionality that triggers files.
<ul style="list-style-type: none">• Testing phase completion report or status report	<ul style="list-style-type: none">• Test completion summary –full SIT, or a sub-section for Level 2 file format only• Test completion summary – other forms of testing that provide confidence that file formats have been tested. For example, unit or user acceptance testing on the critical file formats.• Defect report for this phase
<ul style="list-style-type: none">• Two or three example test scripts that relate to the critical files for your organisation	<ul style="list-style-type: none">• Test scripts demonstrating that files were system generated and have been subject to appropriate file format testing.
<ul style="list-style-type: none">• P1 or P2 defects relating to the critical files	<ul style="list-style-type: none">• Defect report with associated defect information such as priority and description.

A2: Issue impact assessment

A2 *iGT file format readiness*

Issue / problem:

10 iGT file formats (15% of these are 'C1' files) are in redesign and their delivery date is not yet confirmed by Xoserve. In the best case scenario, Xoserve are forecasting delivery of these file formats towards the end of Level 2 market trials. These file formats are not in the July file format 'baseline' and were approved by UKLC during August as a change from this baseline. As such, their release and trialling needs to be carefully sequenced into either L2 or L3/L4 trials.

PLACEHOLDER – impact assessment to be completed across PwC, Xoserve and the MTWG

A2 *Reversal of the 'ERR' code change*

Issue / problem:

ERR files are sent by Xoserve when any file submitted by an organisation contains a record level error, this may be a missing mandatory field or missing data conditionality rules. As agreed by UKLC, Xoserve will reverse the design of the ERR and FRJ file rejection process and revert to the 'as is' process operating in the market today. **The new 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 reverted or retained the current technical solution and as a result, will not be able to process the ERR files received from Xoserve.

PLACEHOLDER – impact assessment to be completed across PwC, Xoserve and the MTWG