

Project Nexus

Market Trials Level 3/4 Entry Assessment

Data and portal responses at 8th January 2016,
presented to 18th January PNSG meeting

Contents

1. *Executive Summary*

2. *Market Readiness Update*

3. *Next Steps*

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1. *Executive Summary*

Current market participant readiness supports starting the staggered/phased start to market trials on 1 February and full market trials (as per the revised L3/L4 approach) on 1 March 2016.

This assessment is based on information received via the PwC Nexus Assurance Portal as at 8 January 2016. PwC will continue to review evidence and validate participant status in the run up to 1 February 2016.

Response rate to the readiness questions is high. Follow-up required with 8 (out of 41) participants that have not provided information.

29 organisations (91% AQ) are ready or likely to achieve the entry criteria by 1 February 2016 (i.e. 'green' and 'amber' rated against the criteria).

5 organisations classified as 'green' and 16 as 'amber' have indicated their desire to start Level 3/4 Market Trials in February. This information will be used in defining the detail of the phased approach as proposed by the MTWG.

'Amber' and 'red' rated parties need to progress their internal testing, defect resolution and understanding of the functionality available for trials, data preparation and confirmation of their partnering arrangements.

As expected, iGT's will need to complete outstanding L2 testing in February following recent finalisation of their remaining file formats.

2. Market Readiness Update – Summary of response rate

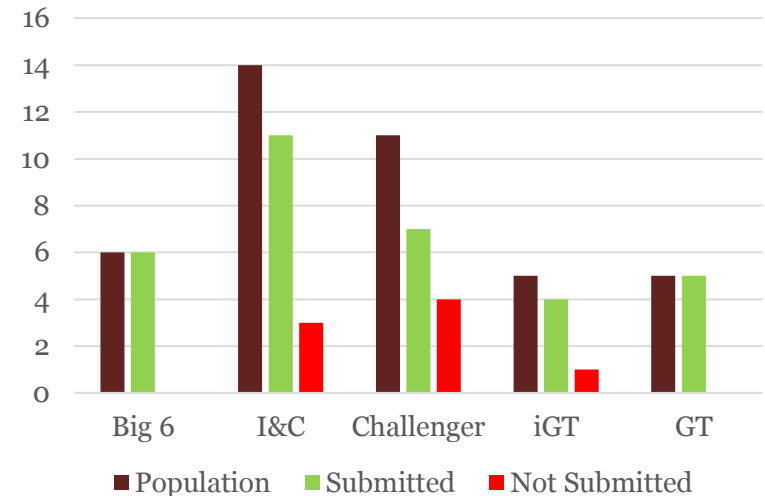
PwC follow-up (in progress): Contacting organisations that have not provided a submission to determine their status and intentions to make a self assessment.

We contacted 41 organisations, representing **99% total market AQ and 98% of supply points**.*

Of the 41 organisations contacted:

- We have received **no submission or contact from 8 organisations**, representing **3.2%** of overall market AQ. This includes 1 iGT organisation;
- 3 Organisations hold shipper licences but have not registered for Market Trials. 2 of these are included in the 8 non-submissions;
- **33 organisations** have made a self-assessment submission, through the portal or direct contact (**96% of supply points and 96% of AQ**);
- **5 of the 33 organisations** that have self-assessed have not yet submitted any evidence to fully support their self-assessment (1.7% AQ); and
- **4 of the 5 iGTs** have submitted self-assessments (99% coverage of iGT supply points).
- GT market share analysis will be provided for the final version of this report.

Graph 1 – Portal submissions by ‘constituency’



	Number of organisations	% Supply Points*	% Annual Quantity*
Responded	33	96%	96%
No data provided	8	2%	3%

* Market share data accurate as at **March 2015**

2. Market Readiness Update – Consolidated Readiness to Enter L3/4 MT

Criteria definition: Consolidated view of all Level 3/4 Entry Criteria, based on the data in the subsequent slides.

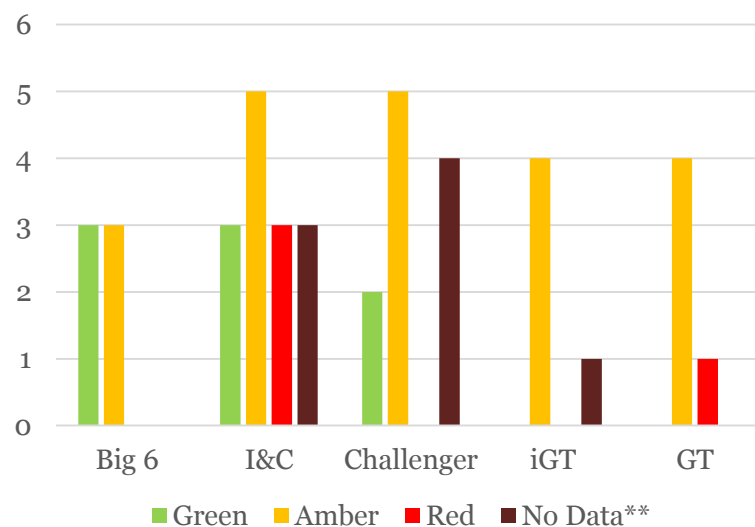
PwC follow-up (in progress):

Follow up with the 21 organisations rated as ‘Amber’ to obtain an updated position by 30 January.

We have independently assessed submissions made by the **organisations across all criteria**. Based on our independent analysis of the self-assessment and evidence provided, we have made the following categorisations:

- **8 ‘green’ participants (50% of AQ and 58% of supply points)** are currently ready, or are likely to be fully ready to enter L3 Market Trials on 1 February and are classified as **green**. These submissions have been supported by appropriate evidence;
- **21 ‘amber’ participants (41% of AQ and 38% of supply points)** have outstanding activity including; internal testing, defect resolution, planning (**including data preparation**) or partnering arrangements which are due to continue until 1 February.
- These groups make 29 organisations classified as ready or likely to achieve the entry criteria by 1 February 2016.
- Organisations have also been classified as ‘amber’ where insufficient evidence has been provided;
- **4 ‘red’ participants (5% of AQ and <1% of supply points)** are ‘at risk’ of not being able to fully demonstrate the entry criteria by 1 February 2016; and
- **22 organisations** wish to commence L3/4 trials in February. **5 organisations are classified as ‘green’, 16 as ‘amber’ and 1 as ‘red’**. Within the ‘green’ and ‘amber’ rated organisations, there is at least one representative from each market sector.

Graph 2 – Self-assessment against “Combined Level 3/4 entry criteria”



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

2. Market Readiness Update – L3/4 Entry Criteria 4.1.1

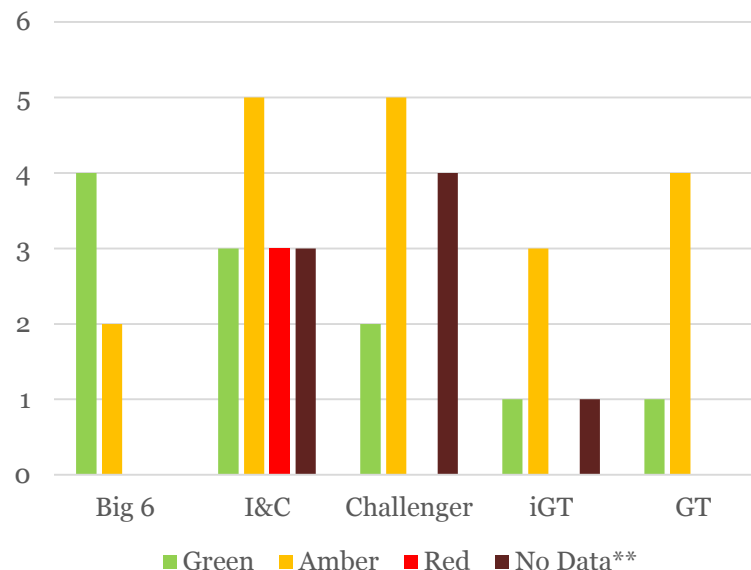
Criteria definition: L2/internal testing (including UAT) complete, no high or critical defects outstanding (C1/C2 scenarios)

PwC follow-up (in progress):

Request evidence to support internal testing status and follow-up with organisations yet to complete key activity.

- **11 ‘green’ participants (57% of market AQ and 67% of supply points)** are currently ready, or are likely to fully meet this criteria at 1 February 2016 and are classified as **green**. This means that we believe that they have completed internal UAT and Level 2 Trials. These submissions have been supported by appropriate evidence;
- **19 ‘amber’ participants (34% of market AQ and 29% of supply points)** have indicated outstanding test activity or open defects with resolution continuing right up to the milestone. Our discussions suggest that defects are minor in nature;
- Organisations have also been classified as **amber** where insufficient evidence has been provided to support the self-assessment; and
- **3 ‘red’ participants (6% of market AQ and <1% of supply points)** are ‘at risk’ of not being able to fully demonstrate the entry criteria at 1st February 2016. This is primarily due to the volume of outstanding UAT or Level 2 defect resolution. It also reflects 1 participant who does not intend to complete any internal testing prior to Level 3/4 Trials.

Graph 3 – Self-assessment against “4.1.1”



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

2. Market Readiness Update – L3/4 Entry Criteria 4.1.2

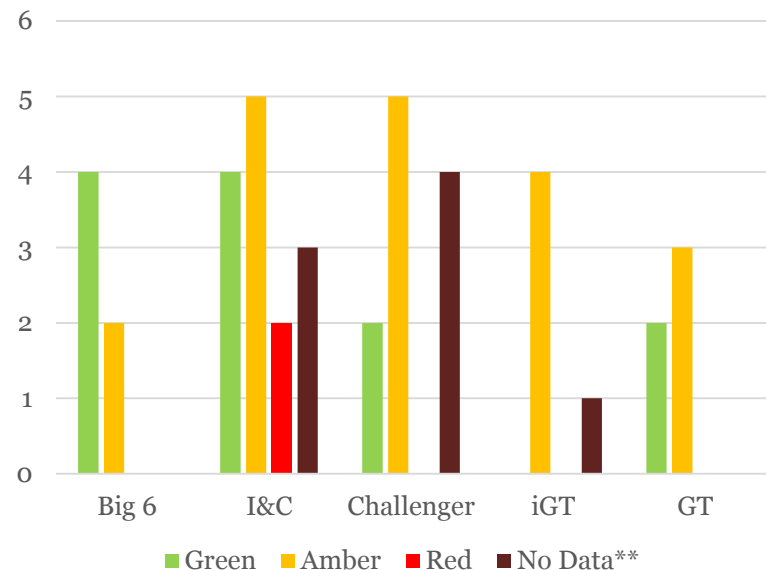
Criteria definition: Level 3 and Level 4 test scenarios and scripts documented and a clear defect management process is in place.

PwC follow-up (in progress):

Request evidence to support submissions and follow-up with organisations who are yet to complete key activity.

- **12 ‘green’ participants (65% of market AQ and 67% of supply points)** are currently ready, or are likely to be fully ready at 1 February 2016 against this criteria and are classified as **green**. These submissions have been supported by appropriate evidence;
- **19 ‘amber’ participants (31% of market AQ and 39% of supply points)** indicated they have outstanding test preparation activity. Specifically this relates to test script definition. This activity is planned to continue right up to the milestone;
- Organisations have also been classified as **amber** where insufficient evidence has been provided to support the self-assessment;
- **2 ‘red’ participants (<1% of market AQ and <1% of supply points)** are ‘at risk’ of not being able to fully demonstrate the criteria by 1st February 2016. Neither have been able to provide evidence of an adequate test approach supported by appropriate resources; and
- **GT Participants** have indicated the level of detail provided in the critical scenario list is insufficient to enable detailed planning. They have also highlighted some discrepancies between Level 2 and Level 3/4 criticality assignments. These are being addressed by Xoserve.

Graph 3 – Self-assessment against “4.1.2”



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

2. Market Readiness Update – L3/4 Entry Criteria 4.1.3

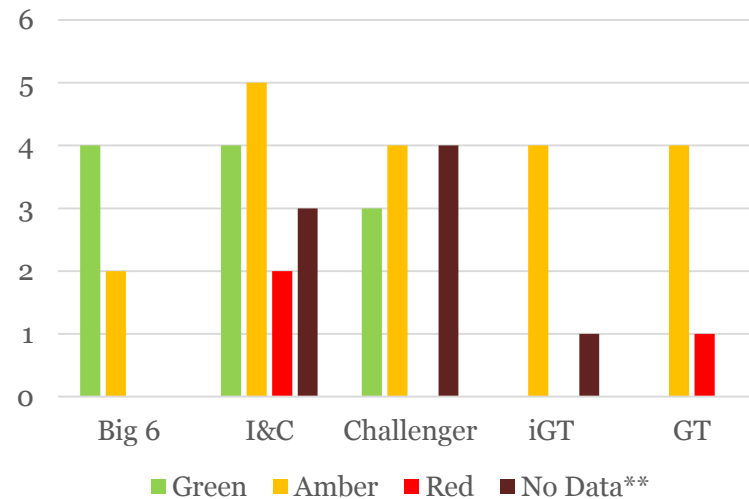
Criteria definition: L3/4 test data requirements clearly defined and an appropriate process in place to manage test execution, defect management and status monitoring. Organisations have successfully made contact with partners.

PwC follow-up (in progress):

Work with organisations and Xoserve to ensure the data and partnering details are provided to allow planning to be completed.

- **11 ‘green’ participants (64% of market AQ and 70% of supply points)** are currently ready, or are likely to be fully ready to meet this criteria at 1 February 2016 and are classified as **green**. These submissions have been supported by appropriate evidence;
- **19 ‘amber’ participants (32% of market AQ and 26% of supply points)** outstanding test preparation activity such as; data preparation and confirmation of partnering arrangements. These are planned to continue right up to the milestone;
- Organisations have also been classified as **amber** where insufficient evidence has been provided to support the self-assessment; and,
- **3 ‘red’ participants (<1% of market AQ)** are ‘at risk’ of not being able to fully demonstrate the entry criteria by 2 February 2016. All participants were not able to provide evidence of an adequate test approach supported by appropriate resources.

Graph 4 – Self-assessment against “4.1.3”



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

2. Market Readiness Update – Entry Criteria 4.1.4

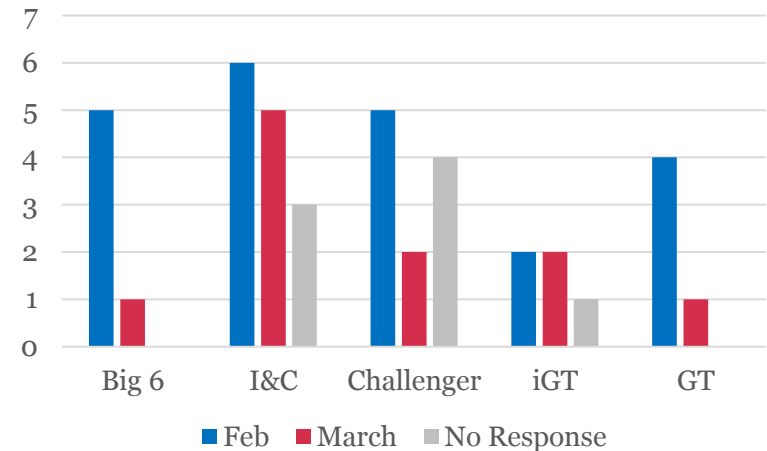
Criteria definition: We asked participants to identify the date they plan to enter L3/4 MT.

PwC follow-up (in progress):

Facilitate the Market Trials Working Group in defining the staggered approach to L3/4 during February 2016.

- **22 organisations** have indicated their desire to commence L3/4 trials during February 2016 and could form part of the first wave of the staggered start;
- **5 of these organisations have been classified in our entry assessment as ‘green’** and provide representation across all Shipper sectors.
- **We recommend that these shippers liaise with Xoserve and join trials from 1 February** However, there are no ‘green’ rated organisations from the GT/iGT sector that have indicated a desire to enter trials during February;
- **16 of these organisations have been classified in our entry assessment as ‘amber’.** Within this group, there is representation from all Market sectors.
- **1 of these organisations was classified as ‘red’** and we do not currently believe is a candidate for taking part in the ramp up to trials during February; and
- **11 organisations** stated that, whilst they would be ready for February, it was dependent on a clear plan being defined for the ‘staggered’ approach to L3/4 trials.

Graph 4 – Self-assessment against “Preference for MT L3/4 start



	February	March	No Response
Big 6	5	1	0
I&C	6	5	3
Challenger	5	2	4
iGT	2	2	1
GT	4	1	0

2. Tracking red status participants

The table below provides a summary view of the Level 3/4 Entry status of organisations that had reported a 'Red' status at Level 2 exit. It also includes 2 additional organisations who have been classified as red for Level 3/4 Entry. ***In total this population represents 6% of market AQ and <1% of supply points***

Participant	Rationale	Level 3 Entry Status/PwC Action	L2 RAG	L3/4 RAG
Participant A (I&C)	<ul style="list-style-type: none"> Slower test progress, higher number of defects encountered than expected. 33 open defects and high dependency on 3rd party supplier. 	<ul style="list-style-type: none"> Remains red due to ongoing issues with internal testing, as well as outstanding Level 2 defect resolution. Follow up discussion on Level 3/4 entry plan. 		
Participant B (I&C)	<ul style="list-style-type: none"> Not taking part in Level 2 Market Trials. Small number of supply points. Dependency on 3rd party system provider. 	<ul style="list-style-type: none"> No data provided, recorded as 'Non-Submission' until contact is made. PwC understanding intentions for L3/4 participation. 		No Data
Participant C (iGT)	<ul style="list-style-type: none"> Not taking part in Level 2 Market trials as they are waiting for stability in iGT file formats. Intention to participate in L3/4. 	<ul style="list-style-type: none"> Internal testing complete. Non participation in Level 2, outstanding on data preparation so independently assessed as Amber. PwC monitoring progress. 		
Participant D (GT)	<ul style="list-style-type: none"> Significant connectivity issue prevented testing of C1 and C2 files in L2 trials. Higher number of defects encountered (1 critical and 4 major severity). 	<ul style="list-style-type: none"> No revised date yet available for resolving the major issue with the IX gateway, therefore, they will remain at Red Status. PwC monitoring progress. 		
Participant E (I&C)	<ul style="list-style-type: none"> Stated they will not take part in Level 3/4 Trials. Issues with critical parallel system project diverting Nexus resources. 	<ul style="list-style-type: none"> PwC to understand how this organisation intends to operate following Nexus go-live. Update to be provided to the PNSG 		
Participant E (I&C)	<ul style="list-style-type: none"> Small shipper (<10 supply points) with manual processes and no systems. As a result, they have not completed any internal testing. 	<ul style="list-style-type: none"> Indicated that they will participate in L3/4 to test their manual processes. PwC monitoring through the execution of Level 3/4 trials. 	No Data	

3. *Next steps for the L3/L4 entry assessment*



Facilitate the MTWG in defining the 'staggered' approach. Provide self-assessment data where applicable to assist the market and Xoserve in identifying suitable participants for February start of market trials.

Follow up with the **amber** and **red** organisations who have identified that outstanding activity that is due for completion prior to trial commencement.

Update and finalise the Level 3/4 entry report by 30th January 2016