

**Project Nexus Steering Group Minutes**  
**Tuesday 02 June 2015**  
**Ofgem, 9 Millbank, London SW1P 3GE**

**Attendees**

Alex Travell	(AT)	EON
Angelita Bradney	(AB)	Ofgem
Gareth Evans	(GE)	Waters Wye Associates
Gill Williams	(GW)	PwC
Jeremy Adams Strump	(JAS)	Ofgem
Jeremy Guard	(JG)	First Utility
Jon Dixon	(JD)	Ofgem
Karen Visgarda* (Secretary)	(KV)	Joint Office
Les Jenkins* (Chair)	(LJ)	Joint Office
Mike Harding	(MS)	ES Pipelines
Richard Pomroy	(RP)	Wales & West Utilities (alternate for Chris Warner)
Sandi Bains	(SB)	PwC
Sandra Simpson*	(SS)	Xoserve
Sean McGoldrick	(SM)	National Grid NTS
Stuart Cook	(SC)	PwC

Copies of all papers are available at: <http://www.gasgovernance.co.uk/NexusSG/020615>

**Key Messages from this meeting:-**

<b>Start of Market Trials</b>	
Level 2 (data file format) testing	Agreed that this would start on 01 September 2015 with duration of 4 weeks All parties are encouraged to participate
Level 3 (process) and Level 4 (change of ownership)	Proposed Market Trials duration for core Level 3/4 functionality is 4 months plus a further 2 months for Retrospective Adjustments and Unique Sites, followed by 6-8 weeks of data upload by Xoserve before go-live Assessment to be undertaken for impact of new gas year data on the start of Market Trials Market Trials Group to be convened to consider the issue
<b>What's Next</b>	
Consideration by all parties of the principals of the options proposed	PwC slides to be published 03 June 2015 Xoserve 'Issue paper' for the impact of using new gas year data (ie 2015-16) on the L3/4 Market Trials start, to be published by 05 June 2015
Steering Group checkpoint on 15 June 2015	SG members to discuss with their constituents ahead of this date: 1) What is the maximum amount of time (in months) parties are prepared to delay the core delivery by to get a single (inc. RA/US) delivery? 2) Does it affect test plans if 2015/16 gas year test data is used instead of 2014/15?
Aim is to make a recommendation on 01 July 2015	Covering revised Market Trials and Project Nexus implementation date

## 1.0 Introduction

LJ welcomed all to the meeting and reminded that 'Chatham House Rules' were to apply to general discussion.

### Note of Alternates

Richard Pomroy, Wales and the West Utilities for Chris Warner, National Grid Distribution

### 1.1 Review of Minutes (01 May 2015)

The minutes were discussed with the Steering Group, as an amended version had been requested following the last meeting. The Original minutes of the previous meeting 01 May 2015 were then approved.

## 2.0 Update on Re-plan (PA/M and SS)

Xoserve provided an overview of the Project Nexus Implementation Steering Group Update of the Market Trials Re-Planning Approach, which is available on the Joint Office Website: <http://www.gasgovernance.co.uk/NexusSG/020615>.

Xoserve explained that they had been working closely with PwC on a re-planning exercise that was requested by the Steering Group at the last meeting on 01 May 2015, in light of the Go Live date no longer being viable as 01 October 2015. Xoserve stated that they have subsequently shared this presentation with the UK Link Industry Engagement Forum (UKLIEF) and explained that the principals are set out to maintain the current delivery plans and that Market Trials are 'as is', but with a longer duration time to focus on the most appropriate areas.

The key assumptions were overviewed and it was explained that all the phases of the UKLP are in scope. However, UAT has been impacted by the Go Live date change, but this will now be completed by the end of July and ready for regression testing. Likewise, Xoserve explained that the Performance Test Window had been constrained previously with regards to the 01 October 2015 Go Live date and that this re-planning should provide further confidence in the solution.

Xoserve confirmed that Level 1 Market Trials testing was completed on 15 May 2015 for connectivity testing with 25 Shippers taking part, and Xoserve explained that Level 2 testing would need to be undertaken prior to Market Trials. Xoserve understands that within the Industry there is a push for the Level 2 – Data File Format - testing to be undertaken as soon as is possible, however, for Level 2 Testing, there is a requirement for a 6 week lead time, which means it should be commenced by mid July. Xoserve explained to the Members that a fundamental issue with Level 2 testing had only been discovered week ending 29 May 2015, regarding the 'data cut' timeline. Previously the data would refer to the same gas year as the testing was to be conducted in, with predictable results. It had been identified that, for an October start to MT, the data cut would be in the 2014/15 gas year with testing taking place in a 2015/16 gas year environment. General debate took place regarding this issue and the impact to the AQ's, EUC's, energy factors, ALP's and DAF's all being from the previous gas year. Xoserve explained their early view was that the safest option would be to take the data cut at the beginning of October, however this would have an associated impact of a two month delay due to the verification process of the data that would be required by Xoserve and MT participants. Following a lengthy debate, it was agreed that Xoserve would produce a paper to give greater clarity surrounding this issue together with potential scenarios regarding the gas year and the Market Trials. It was also agreed that Xoserve would convene the Market Trials Working Group to establish the associated risks and impacts of:-

- 1) Entering Market Trials with the previous year's gas data, potentially with a regression exercise to be undertaken at a later date

- 2) Deferring Market Trials to enable a 'current year' data cut to be taken. Confirm the duration and any impact on the Go Live date?

PwC then provided an overview of the Implementation Steering Group Re-Plan document that had been produced with Xoserve. PwC summarised with the Steering Group members the updates encompassing the Executive Summary, the Market Trial testing, the timing of Level 2 Market Trials and the recommendations for Level 3 and Level 4.

PwC explained that the Industry is looking for greater clarity with regards to Market Trials and how defects are addressed. PwC overviewed the 'Command and Control' concept and how the Industry would like more control and discipline of how the Market Trials will be carried out and controlled. Xoserve stated that Test Scenarios will not be provided as this is not possible, due to the fact all the Industry has different system configurations, however, the overall Market Trials approach is being revised as part of the re-planning exercise and many of the issues would be picked up.

The next area PwC overviewed was around the timing of Level 2, Level 3 and Level 4. It has been established that the majority of Shippers will be ready to engage in L2 on 01 September 2015, with a file validation testing duration of 4 weeks. General debate took place surrounding what would be the resolution and contingency plan if Level 2 failed. Xoserve explained that this would be addressed on a 'case by case' basis and wanted to reiterate again that Level 2 Testing was testing the 'File Level Structure' only, and not the content, stating a judgement would be made regarding the ability for the Shippers to enter Level 3 and Level 4. PwC also confirmed they would be looking at the Self Certifications to sense check them with regards to their readiness prior to entering Level 3 and Level 4. Xoserve confirmed that they would effectively be testing the file structure in Level 3 and Level 4 also, and that if an issue was uncovered within Level 2 testing regarding file format, then it would be possible to undertake regression testing in Level 3, which would help to de-risk the issue.

General discussion then took place within the Steering Group regarding contingency and mitigation of risk at each one of the Levels and how this would be managed, specifically regarding if Level 2 over ran and what the impacts would be. It was confirmed that both PwC and Xoserve would produce a Mitigation document to provide transparency and Xoserve stated that they will commence the 'Start Up' environment in July which requires a 6 week lead time. It was also agreed by the Steering Group that it is not appropriate for individual Shippers to conduct early Level 2 Market Trials for efficiency and effective resource management reasons.

PwC overviewed the two planning options; Option 1, a single release and Option 2, a split release. General discussion took place surrounding these two potential options and the impacts. Xoserve stated that to combine Retrospective Adjustments and Unique Sites with Level 3 Testing would be too risky and was not advisable, and that Retrospective Adjustments and Unique Sites have separate functionality.

Debate took place regarding Primary and Secondary Support and how prescriptive that was going to be during the Market Trials and the Industry wanted more detail regarding what support would be available and when.

Further discussion took place surrounding Option 1 and Option 2 and PwC stated that they did not have a preference for either Option, as the decision is down to the Industry. Xoserve's view was that Option 1, was seen as a lower risk option. Picking up PwC's recommendation, the Steering Group agreed that Baringa should be invited on an 'Ad Hoc' guest arrangement where it was appropriate to provide the Group with assurance on the Xoserve plan.

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## Consideration of the Effects of Re-plan (All)

Prompted by the Chair, it was agreed that the Steering Group are still working on the assumption that Market Trials are to be commenced in October 2015. It was confirmed that discussions should be undertaken with the constituents regarding a Single or Split Release (ie Option 1 or 2) and that further detailed discussions will take place in due course.

The Chair then overviewed the content of the confidential letter he had received and asked the Steering Group for feedback. General discussion took place and it was agreed some of the comments were valid and that a number of the concerns will be addressed and resolved within the Market Trials Re-Plan. It was also felt that correspondence direct to the Steering Group was not the correct approach, since a constituency arrangement was in place. It was agreed that the Chair would respond on behalf of the Group, noting the points made and directing the author to other forums for greater discussion of the subject matter described in the letter.

### 3.0 Readiness Criteria

PwC requested the Steering Group examine the draft Readiness Criteria prior to the next meeting and confirm that the content and processes are correct.

### 4.0 Communication of Key Decisions (All)

Promoted by Chair, it was agreed that a defined communications approach is needed to inform the Industry of the next steps and associated updates. The Steering Group confirmed that on each set of minutes there should be added a section headed 'Key Messages' which overviews the main topics of the meetings discussions and What's Next. Also the Chair will send an email to the UNC members once the minutes have been published over-viewing these 'Key Messages' in that email.

### 5.0 Outstanding Actions (All)

The outstanding actions were reviewed.

**SG05:** Xoserve to provide a date for a Core functionality, with UAT, Package for Market Trials together with potential phased dates for Retrospective Adjustments and Unique Sites.

**Update:** It was agreed due to the Market Trials Re-Planning work being undertaken this action should be closed. **Closed**

**SG06:** PwC to produce an optimum solution for Market Trials along with a recommendation for Go Live, focusing on governance timings and entry criteria with associated impacts.

**Update:** It was agreed due to the Market Trials Re-Planning work being undertaken this action should be closed. **Closed**

### 6.0 Next Agenda and Diary Planning

Further details of planned meetings are available at: [www.gasgovernance.co.uk/Diary](http://www.gasgovernance.co.uk/Diary)

The Steering Group felt that, in light of the work being undertaken and the subsequent discussions that will be required, a face to face meeting on 15 June 2015 was more appropriate as a checkpoint.

The agenda for the next meeting (15 June 2015) was agreed (see Table below).

Confirmation of intention to attend and any meeting papers for publication should be provided to the Joint Office as soon as possible.

Unless otherwise notified, Project Nexus Steering Group meetings will take place as follows:

<b>Time/Date</b>	<b>Venue</b>	<b>Workgroup Programme</b>
10:00, Monday 15 June 2015	Ofgem, 9 Millbank, London SWIP 3GE	<ul style="list-style-type: none"> <li>• <b>Introduction and Review of Minutes (LJ)</b></li> <li>• <b>Impacts of Gas Year Data on Market Trials Start Date (SS)</b></li> <li>• <b>Impact on the Draft Plan (ALL)</b></li> <li>• <b>Industry Views on Planning Options (ALL)</b></li> <li>• <b>Readiness Criteria (PA/M/ ALL)</b></li> <li>• <b>Outstanding Actions (ALL)</b></li> <li>• <b>Key Messages (ALL)</b></li> <li>• <b>Next Agenda and Diary Planning</b></li> </ul>
10:00, Wednesday 01 July 2015	Ofgem, 9 Millbank, London SWIP 3GE	<i>To be confirmed</i>
10:00, Monday 13 July 2015	Teleconference	<i>To be confirmed</i>
Monday 03 August 2015	Ofgem, 9 Millbank, London SWIP 3GE. Approximate start time no earlier than 13:00 ( <i>following Change Overview Board meeting</i> )	<i>To be confirmed</i>
10:00, Monday 17 August 2015	Teleconference	<i>To be confirmed</i>
10:00, Tuesday 01 September 2015	Ofgem, 9 Millbank, London SWIP 3GE	<i>To be confirmed</i>
10:00, Monday 14 September 2015	Teleconference	<i>To be confirmed</i>

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**Action Table**

<b>Action Ref</b>	<b>Meeting Date</b>	<b>Minute Ref</b>	<b>Action</b>	<b>Owner</b>	<b>Status Update</b>
<b>SG05</b>	01/05/15	3.0	Xoserve to provide a date for a Core functionality UAT Package for Market Trials together with potential phased dates for Retrospective Adjustments and Unique Sites	Xoserve	<b>Closed</b>
<b>SG06</b>	01/05/15	4.0	PwC to produce an optimum solution for Market Trials along with a recommendation for Go Live, focusing on governance timings and entry criteria with associated impacts.		<b>Closed</b>