

Project Nexus Steering Group Minutes

Friday 08 January 2016

PwC Offices, 1 Embankment Place, London WC2N 6RH

Attendees

Les Jenkins (Chair)	(LJ)	Joint Office
Lorna Dupont (Secretary)	(LD)	Joint Office
Alex Travell	(AL)	E.ON
Andy Sinclair	(AS)	PwC
Angelita Bradney	(AB)	Ofgem
Chris Warner	(CW)	National Grid Distribution
Gareth Evans	(GE)	Waters Wye Associates
James Beverley	(JB)	Baringa
Jeremy Guard	(JG)	First Utility
Jon Dixon*	(JD)	Ofgem
Mike Harding	(MH)	Brookfield Utilities
Nick Salter	(NS)	Xoserve
Phil Lucas	(PL)	National Grid NTS
Richard Shilton	(RS)	PwC
Sandra Simpson	(SS)	Xoserve

*via teleconference

Copies of papers are available at: <http://www.gasgovernance.co.uk/NexusSG/080116>

Key Messages from this meeting:

RAASP Delivery		
Design	<ul style="list-style-type: none"> • Detailed design completed (and therefore 'locked down') – unanimous decision in favour 	INFORMATION
Plan Impacts	<ul style="list-style-type: none"> • Unanimous vote in favour of deferring the delivery of the central system RAASP functionality to a future date • RAASP central system development will be ceased until a revised plan is agreed <ul style="list-style-type: none"> ○ For the enduring RAASP system solution an aspiration for a provisional plan to be considered by PNSG by end March 2016 • For Oct 2016: PNUNC will be asked to consider how to best deliver the requirements of UNC 0434, with an expectation that any amending modification is raised by end February 2016 • UNC 0529 (transitional modification) will be reviewed 	

Market Trials L3/4 Readiness		
UAT	<ul style="list-style-type: none"> • UAT completion is progressing and confidence is building. • PNSG agreed with PwC observation that UAT progress currently supports staggered start of MT on 01 February 2016 	INFORMATION
Data	<ul style="list-style-type: none"> • Data validation is progressing • PNSG felt that more confidence on data quality is required 	INFORMATION
Industry Readiness	<ul style="list-style-type: none"> • All parties are reminded to complete their MT L3/4 Readiness Assessment on the PwC portal by close on 08 January 	ACTION
Go/No Go	<ul style="list-style-type: none"> • Go/No Go decision for MT L3/4 at the next PNSG on 18 January 2016 	INFORMATION
Revised plan for testing phases		
Change Request	<ul style="list-style-type: none"> • Revised plan agreed – unanimous agreement • Note that RAASP interim solution MT/testing is provisional at this time, until clarity is achieved • See below for key changes 	INFORMATION
Xoserve UAT	<ul style="list-style-type: none"> • All UAT to complete by 31 March 2016 	
Market Trials L3/4	<ul style="list-style-type: none"> • Staggered start 01 February 2016 (Market Trials WG to define w/c 11 Jan) • Trials commence 01 March 2016 • Trials end 30 June 2016 • Ofgem authority is required for the corresponding UNC dates 	
Overall Programme Status		
	<ul style="list-style-type: none"> • As a result of the deferral of RAASP central system functionality and the revised MT planning, the programme plan is now at Amber status 	INFORMATION

1.0 Introduction and Note of Alternates

‘Chatham House Rules’ apply to general discussion.

LJ welcomed all to the meeting.

1.1. Note of Alternates

None.

1.2 Apologies

None received.

2.0 Review of Minutes (18 December 2015)

The minutes of the previous meeting were approved.

3.0 Programme Report (PwC)

AS gave an overview of the current position. The overall programme status is Red; this is because the Xoserve re-forecast of RAASP timelines do not support the 01 October go-live date (now Red) and, as reported previously, the Xoserve UAT completion milestone has been missed.

RAASP

Including RAASP in 01 October 2016 delivery will place go-live at risk. SS confirmed that Xoserve had completed the detailed design and, with this new understanding of what the design looks like in its entirety, had re-forecast its build, test and market trial plan for RAASP. The re-forecast predicts that 9 to 10 months is required to complete this activity (given an unconstrained plan). This delivers RAASP after the current market trials end date and potentially beyond 01 October 2016 go-live date. Xoserve believes the earliest possible RAASP delivery date is 9 to 12 months post the 01 October 2016 go-live date. This is based on a 6 month stabilisation/hyper care period following core go-live. The level of confidence is reasonable for this duration/estimation of the complexity of what is required. JB explained the planning process in more detail, and a discussion ensued.

It was recognized that, even if there was only RAASP to be delivered (i.e. unconstrained), it would still exceed the currently planned period/dates. There are many factors to be considered and analysed so that a more appropriate delivery can be planned. A deferral would mean the devising of a workaround and this would be considered in a forum other than PNSG. Deferral is necessary to protect core delivery and consideration must be given to interim arrangements to address what happens once core is delivered and there is no RAASP system solution in place.

There is very limited impact/risk to core if RAASP was decoupled at this stage. CW indicated that a modification might be required to defer the RAASP element. Xoserve was looking at what provisions could be made to meet the requirements of Modification 0434. It was observed that, from a Shipper perspective, an understanding was needed of why SAP was deemed to be the only system that can be used to deliver the requirements; what would be the processing/turnaround time for Xoserve; was it possible to have a manual workaround including what are the resource implications - would it present an unmanageable workload? NS indicated that the Project Nexus UNC Workgroup (PNUNC) was the forum in which these questions and any others should be considered, whether Modification 0434 could be achieved or needed something else (some requirements are being delivered under core, but it will need reassessing), and to decide on an appropriate course of action. Xoserve will consider what can be done and demonstrate to PNUNC how requirements can/cannot be met (with SAP/without SAP), feasibility, cost, etc. If UNC obligations can be delivered offline a change may not be required. Xoserve and the industry now need to agree the workaround arrangements required post 01 October 2016. NS explained what would carry on happening with RAASP (adjustments, processing, etc) and PNUNC could decide whether there was any gap that needed formally addressing. CW, in his role as legal text provider for Modification 0434, indicated that he would be looking at the ramifications in respect of the current legal text.

A further option might be to abandon RAASP altogether, as being too difficult to achieve under the current circumstances, and revisit in the future.

It was questioned what would happen to resource currently employed in RAASP activities. SS responded that the system developers would stop work on the system solution. Resource was also delivering and will continue with Unique Sites (US) activities; some resource will be deployed to US, and some to core.

PwC recommend (i) deferral of RAASP from the core delivery; and (ii) adopting the proposed milestone dates for Xoserve UAT completion and L3/L4 trial commencement to bring both elements back to an Amber status.

Approval sought for deferral of RAASP from core delivery and cessation of related Xoserve activities

LJ then asked the PNSG members to consider and vote on the following proposal: Should the RAASP system solution be decoupled from core delivery (deferring the central SAP Solution for RAASP) and should Xoserve cease all work on RAASP forthwith. This proposal was unanimously approved by PNSG.

Noting elements of these discussions, AS will consider whether any addition should be made to the Issues Register.

Action 0101: Consequences of Deferral of RAASP system solution - AS to consider whether any addition should be made to the Issues Register.

LJ concluded that PNUNC will consider how best to deliver the non-core functionality requirements of Modification 0434, with a view to raising a modification, if required, by the end of February 2016.

A Shipper constituency representative then referred to the Contingency paper, noting that it was based on assumptions made in 2015 and there may be a need to consider the impact of moving costs from one party to another. Was an understanding of the interim solution required before doing anything else?

LJ summarised, when does it need to be known what the plan is for the interim solution (what happens this October), and what needs to happen to get to the system solution? (A replanning exercise would be required to deliver the final solution.) When do Shippers want clarity/certainty of the plan? AS indicated an aspirational date of end of March 2016, at which point a provisional view on new assumptions and some clarity/confidence in the proposals might be more apparent. It was proposed to show this as a separate line on the Plan. NS was concerned that to meet a March date any analysis of potential interim arrangements would divert resources needed elsewhere - was this important enough to warrant the diversion? This was discussed, and it was recognised that there were too many unknown factors to make an estimate at present.

Referring to Modification 0529 - Implementation of Retrospective Adjustment arrangements (Project Nexus transitional modification), CW suggested that the position of this modification might now need to be reconsidered and that he would discuss this with Ofgem.

Action 0102: Modification 0529 - Implementation of Retrospective Adjustment arrangements (Project Nexus transitional modification) - CW to reconsider the position of this modification with Ofgem.

Approval of Key Milestone sought

PNSG was then asked to approve the key milestone relating to completion of RAASP detailed design. Unanimous approval was given.

LJ sought clarification that this meant the design was 'locked down' and no further changes would be made; SS confirmed this was the position.

UAT Progress

SS provided a document outlining the RAG status by process area, drawing attention to individual areas of note, and explaining the subtle difference between a yellow status and an amber status (amber = At Risk; Yellow = Complete, with minor issues outstanding).

There was a good level of confidence in respect of most items, with three areas of risk (around Rejections - late arrival in the testing lifecycle) recognised for February. RGMA was the risk area identified for 01 March - it was red status at present, with the prediction of a move to amber (MTWG was to discuss this). A watching brief is being maintained and SS will keep PNSG updated. For April the risk is on the Invoicing process, where some areas, e.g. reconciliation, are further behind than others at present. A few outliers, e.g. Primes and Subs, are also behind.

It was commented this was a useful document; SS indicated it could be published weekly on xoserve.com and included in the reporting pack.

SS had also provided a document outlining progress in relation to Data Readiness, and she explained the issues encountered in the recent data load. It was currently at amber status and will continue to be 'challenging'.

Defect scenarios were explained in more detail and they affected loading; a discussion ensued. Each defect is profiled and analysed to see how many MPRNs might be affected each time. Validation is ongoing; because of the risk of 'unknowns' amber status has been applied. Defects will be discussed at MTWG to understand if they might be originating from 'dummy data' or elsewhere. A Shipper constituency representative drew attention to inactive or dormant Shipper Short Codes, due to the nature of which it appeared that dummy data was to be used for testing. Was testing/trialling of these inactive/dormant codes really necessary? It could result in Xoserve being swamped with data, including failures. These might also be considered to be creating superfluous work and also increasing the perceived level of risk unnecessarily? SS noted the concerns that this might be a pointless activity creating unnecessary problems/risks and that could be ceased.

Action 0103: *Inactive/dormant Shipper Short Codes (SSCs) - SS to establish if it was necessary to create dummy data/test/trial these entities, or whether activities in relation to inactive/dormant (SSCs) could be ceased.*

Asked if there were any 'showstoppers' within the 91 defects, SS advised that there were currently 6 that had a material impact and which were being resolved; she would provide frequent updates. AS reiterated that deferring RAASP provides more leeway for the identification/fixing of defects. SS observed that some parties were choosing not to participate in the February testing because of data changes affecting what they could process going forward.

SS was asked to provide more clarity/details/impact assessments of any P1 defects for the next meeting on 18 January 2016.

Action 0104: *P1 Defects - SS to provide more clarity/details/impact assessments of any P1 defects for the next meeting on 18 January 2016.*

AS advised that the output from the readiness assessments (through the PwC portal) would be available for the next meeting. It was suggested that it might be useful to also provide this as a report by group, and SS noted this for consideration. (LJ drew members' attention to the need to remind their constituents to submit their readiness assessments by the end of the day.)

The output from the MTWG as to how the staggered trials might work might also be available for the next meeting.

AS summarised that UAT progress was trending to where it ought to be, and that more confidence was required regarding data. Asked whether the level of defects identified was 'as expected', JB confirmed that given the level of data migration the view so far was that it was less of a problem than initially expected. There was a greater number of defects replicating between loads; these take time to fix, and so stretch the limits; and consideration was being given to inserting an additional data migration cycle. SS explained the approach taken and the time allocated to fix data. Recent data was better than had been seen in the past, but there was always risk. AS added that there were bound to be data quality issues past Go Live that the industry will have to fix.

It was asked, has a point been reached where it is too late to reverse anything? Was a 'health check' required in relation to data quality issues?

Action 0105: AS to produce a 'health check' tracker for Data Quality for inclusion in the next monthly status update.

4.0 Key Milestones

4.1 RAASP Detailed Design Completed (due 31 December 2015) - *decision on whether RAASP is deliverable to current plan*

RAASP design activity is complete. SS reported that all RAASP functional specifications for the 8 functional areas were now complete and signed off internally; and that Industry design workshops were complete, with no material design challenges identified.

Approval of Key Milestone sought

PNSG was asked to approve the key milestone relating to completion of RAASP detailed design. Unanimous approval was given.

4.2 MT L3/4 Go/No Go (decision due 18 January 2016)

LJ asked members if they felt they had enough information, as long as it was updated, along with the industry readiness analysis from PwC to make a decision on this at the next meeting; this was confirmed. To be considered at the next meeting on 18 January 2016.

5.0 Matters for consideration

5.1 Mitigating the impact of late L3/4 UAT on Market Trials

[See discussions at 4.3, above.]

5.1.1 Latest UAT Status

See discussions at 3.0, above.

5.1.2 Change Request – *consideration and recommendation vote*

AS gave an overview of the current position, and drew attention to the various changes to the milestones. The MT process/invoicing timescales were discussed. It was suggested that PNSG did not have the vires to change the dates defined in the UNC after Modification 0548 and this needed Ofgem's formal consent. JD confirmed this view.

Action 0106: *Formal consent to change Milestones - AS and CW to discuss with Ofgem.*

LJ summarised that the Change Request introduced a revised MT Plan, and asked members if they agreed it should be implemented; the members unanimously agreed.

A revised 'plan on a page' will be presented for approval at the next meeting.

5.2 DCC Contingency Request – *ongoing monitoring*

JD confirmed there was no update at present.

5.3 ICoSS Letter - *matters arising*

ICoSS had written to Ofgem regarding the current 'red' status of the Project Nexus Programme. JD affirmed that Ofgem would provide a formal written response (which could be published).

6.0 Programme Risks and Issues for consideration (*by exception*)

AS advised that one new risk had been opened and then closed within the period. A fuller review will be held at the next meeting.

7.0 Any Other Business

None raised.

8.0 Outstanding Actions

1103: *Volumetrics* - PwC to include a question on the PwC portal seeking further information and Shipper constituency representatives to draw attention to the need for information.

Update: Information had been provided, which Xoserve and PwC would review. **Closed**

1203: Xoserve (SS) to report on RAASP design/build for 08 January 2016.

Update: Reported at this meeting. **Closed**

1205: *MT L3/4 - Staggered entry*

a) Xoserve to provide supporting parameters to PwC to enable PwC through its portal to seek market participants' views on early/late entries to MT L3/4.

b) PwC to frame/present the questions through its portal to understand market participants' preferences for early/late entries, and to make an assessment of volumes of

traffic across the testing period, and then to report back to PNSG on overall views/positions if there are any perceived problems.

Update:

a) Provided.

b) AS confirmed that the questions had been presented on the PwC portal; five responses had been received to date and more were awaited. **Closed**

1206: *Timely phased assessment of progress towards Milestones* - PwC to identify initial stage 'alarm' dates for triggering early assessment times for critical milestones.

Update: RS advised that some metrics had been provided at the back of the reporting pack; under development, to be reviewed at the meeting on 18 January 2016. **Carried forward**

1207: *Availability of Baringa Reports* - SS to ascertain if permission can be obtained for Baringa Reports to be published/made available to parties other than Xoserve.

Update: SS confirmed that relevant information would be provided for inclusion in the PwC Report pack (commencing in February). **Closed**

9.0 Key Messages and Items for Publication

The Key Messages were discussed and agreed and will be circulated. The table including the information, circulated by email following this meeting, is provided at the head of these minutes (see page 1, above).

Publication of meeting papers was agreed.

10.0 Next Agenda and Diary Planning

Further details of planned meetings are available at: www.gasgovernance.co.uk/Diary

Next Meeting

The next meeting will be held on Monday 18 January 2016 at Ofgem's Offices, 9 Millbank, London SW1P 3GE, starting at 10:00.

At this meeting the expectation will be to cover the following:

- Review/approve minutes
- Consider the revised Plan on a Page – *for approval*
- RAASP Deferral – *informal update from PNUNC (CW)*
- Update on MT L3/4 Readiness – *industry/Xoserve reports (AS/SS)*
- MTWG's view on staggered MTs (AS)
- DCC Contingency Request – *ongoing monitoring (JD)*
- Key Milestones
 - MT L3/4 Go/No Go (due 18 January 2016) – *voting*
 - Xoserve SPA/Reads/ToO UAT Complete (due 31 January 2016) - *preparation*
 - L3/4 Staggered MT Core Start (due 01 February 2016) - *preparation*

- Review of Risks and Issues Register (*by exception*)
- Review outstanding actions.

Attendance

It is assumed that all members will attend/participate unless the Chair is notified otherwise and that any meeting papers for publication should be provided to the Joint Office as soon as possible and in advance of each meeting.

Members are reminded they must formally notify the Joint Office of any absence and the attendance of their Alternate.

Unless otherwise notified, Project Nexus Steering Group meetings in 2016 will take place as follows:

Time/Date	Venue	Workgroup Programme
10:00 - 13:00, Monday 18 January 2016	Ofgem, 9 Millbank, London SWIP 3GE	Formal checkpoint meeting
10:00 - 13:00, Monday 08 February 2016	Ofgem, 9 Millbank, London SWIP 3GE	<i>To be confirmed</i>
10:00 - 12:00, Monday 22 February 2016	Teleconference	<i>To be confirmed</i>
10:00 - 13:00, Monday 14 March 2016	Ofgem, 9 Millbank, London SWIP 3GE	Formal checkpoint meeting
10:00 - 12:00, Monday 28 March 2016	Teleconference	<i>To be confirmed</i>
10:00 - 13:00, Monday 11 April 2016	Ofgem, 9 Millbank, London SWIP 3GE	<i>To be confirmed</i>
10:00 - 12:00, Monday 25 April 2016	Teleconference	<i>To be confirmed</i>
10:00 - 13:00, Monday 16 May 2016	Ofgem, 9 Millbank, London SWIP 3GE.	Formal checkpoint meeting
10:00 - 13:00, Friday 27 May 2016	Ofgem, 9 Millbank, London SWIP 3GE	Formal checkpoint meeting
10:00 - 13:00, Monday 13 June 2016	Ofgem, 9 Millbank, London SWIP 3GE	<i>To be confirmed</i>
10:00 - 12:00, Monday 27 June	Teleconference	<i>To be confirmed</i>

2016		
10:00 - 13:00, Monday 11 July 2016	Ofgem, 9 Millbank, London SWIP 3GE	<i>To be confirmed</i>
10:00 - 13:00, Wednesday 27 July 2016	Ofgem, 9 Millbank, London SWIP 3GE	Formal checkpoint meeting
10:00 - 13:00, Monday 08 August 2016	Ofgem, 9 Millbank, London SWIP 3GE	<i>To be confirmed</i>
10:00 - 12:00, Monday 22 August 2016	Teleconference	<i>To be confirmed</i>
10:00 - 13:00, Monday 05 September 2016	Ofgem, 9 Millbank, London SWIP 3GE	<i>To be confirmed</i>
10:00 - 13:00, Monday 19 September 2016	Ofgem, 9 Millbank, London SWIP 3GE	Formal checkpoint meeting

Action Table (08 January 2016)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
1103	02/11/15	4.4	<i>Volumetrics</i> - PwC to include a question on the PwC portal seeking further information and Shipper constituency representatives to draw attention to the need for information.	PwC and Shipper constituency representatives	Closed
1203	07/12/15	4.3	Xoserve (SS) to report on RAASP on 08 January regarding if this achievable in relation to transparency and confidence building.	Xoserve (SS)	Closed
1205	18/12/15	4.3	<i>MT L3/4 - Staggered entry</i> a) Xoserve to provide supporting parameters to PwC to enable PwC through its portal to seek market participants' views on early/late entries to MT L3/4. b) PwC to frame/present the questions through its portal to understand market participants' preferences for	Xoserve (SS) and PwC (AS)	Closed

Action Table (08 January 2016)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
			early/late entries, and to make an assessment of volumes of traffic across the testing period, and then to report back to PNSG on overall views/positions if there are any perceived problems.		
1206	18/12/15	4.3	<i>Timely phased assessment of progress towards Milestones</i> - PwC to identify initial stage 'alarm' dates for triggering early assessment times for critical milestones.	PwC (AS)	<i>Due at 18 January 2016 meeting</i> Carried forward
1207	18/12/15	5.3	<i>Availability of Baringa Reports</i> - SS to ascertain if permission can be obtained for Baringa Reports can be published/made available to parties other than Xoserve.	Xoserve (SS)	<i>Due at 08 February 2016 meeting</i> Carried forward
0101	08/01/16	3.0	<i>Consequences of Deferral of RAASP system solution</i> - AS to consider whether any addition should be made to the Issues Register.	PwC (AS)	<i>Due at 18 January 2016 meeting</i> Pending
0102	08/01/16	3.0	<i>Modification 0529 - Implementation of Retrospective Adjustment arrangements (Project Nexus transitional modification)</i> - CW to reconsider the position of this modification with Ofgem.	Gas Transporter representative (CW)	<i>Due at 18 January 2016 meeting</i> Pending
0103	08/01/16	3.0	<i>Inactive/dormant Shipper Short Codes (SSCs)</i> - SS to establish if it was necessary to create dummy data/test/trial these entities, or whether activities in relation to inactive/dormant (SSCs) could be ceased.	Xoserve (SS)	<i>Due at 18 January 2016 meeting</i> Pending
0104	08/01/16	3.0	<i>P1 Defects</i> - SS to provide more clarity/details/impact assessments of any P1 defects for the next meeting on 18 January 2016.	Xoserve (SS)	<i>Due at 18 January 2016 meeting</i>

Action Table (08 January 2016)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
					Pending
0105	08/01/16	3.0	AS to produce a 'health check' tracker for Data Quality for inclusion in the next monthly status update.	PwC (AS)	<i>Due at 18 January 2016 meeting</i> Pending
0106	08/01/16	5.1.2	<i>Formal consent to change Milestones - AS and CW to discuss with Ofgem.</i>	PwC (AS) and Gas Transporter representative (CW)	<i>Due at 18 January 2016 meeting</i> Pending