

**Project Nexus Steering Group Minutes**  
**Friday 18 December 2015**  
**Ofgem, 9 Millbank, London SW1P 3GE**

**Attendees**

Les Jenkins (Chair)	(LJ)	Joint Office
Lorna Dupont (Secretary)	(LD)	Joint Office
Alex Travell	(AL)	E.ON
Alison Russell	(AR)	Utilita
Andy Sinclair	(AS)	PwC
Chris Warner	(CW)	National Grid Distribution
Gareth Evans	(GE)	Waters Wye Associates
Gill Williams	(GW)	PwC
James Beverley	(JB)	Baringa
Jon Dixon	(JD)	Ofgem
Mike Harding	(MH)	Brookfield Utilities
Phil Lucas	(PL)	National Grid NTS
Sandra Simpson	(SS)	Xoserve

Copies of papers are available at: <http://www.gasgovernance.co.uk/NexusSG/181215>

**Key Messages from this meeting:**

<b>Market Trials L2</b>		
MT L2 End (milestone)	<ul style="list-style-type: none"> <li>Steering Group unanimously agreed that the milestone has been met (due 18 December 2015).</li> <li>Continue to monitor a small number of residual issues that are not material to overall progress.</li> </ul>	<b>INFORMATION</b>
<b>Market Trials L3/4</b>		
	<ul style="list-style-type: none"> <li>Clear desire to start testing at the earliest opportunity.</li> <li>Staggered entry seen to be desirable, MTWG are working on revising the MT Approach                             <ul style="list-style-type: none"> <li>PwC will carry out an initial assessment to establish participant's appetite to take part in the staggered start to inform MTWG meeting on 13 January.</li> </ul> </li> <li>Steering Group agreed in principle that the replan is appropriate</li> </ul>	<b>INFORMATION AND ACTION</b>

	<ul style="list-style-type: none"> <li>○ Replan will be considered for approval on 08 January 2016, once the UAT position is understood.</li> </ul>	
<b>RAASP</b>		
Delivery	<ul style="list-style-type: none"> <li>• Decision on whether RAASP is deliverable to be taken on 08 January 2016.</li> </ul>	<b>INFORMATION</b>

**1.0 Introduction and Note of Alternates**

‘Chatham House Rules’ apply to general discussion.

LJ welcomed all to the meeting; quoracy was confirmed.

**1.1. Note of Alternates**

A Russell for J Guard.

**1.2 Apologies**

A Bradney and J Guard.

**2.0 Review of Minutes (07 and 14 December 2015)**

The minutes of the previous meetings were approved.

**3.0 Programme Report (PwC)**

Due at the next meeting (08 January 2016).

**4.0 Key Milestones**

**4.1 L2 MT End (due 18 Dec 15)**

AS presented a report on MT L2 exit assessments, observing there was generally strong evidence provided by most participants (98%) via the PwC portal or via PwC site visits. The standard of preparation gives a good level of confidence. Some last minute activity was continuing, to retest small numbers of defects. It was noted that four participants were at ‘red’ status as they had not met the exit criteria but they do not currently represent a risk to the market adoption of Nexus, individually or in aggregate. However, further monitoring is required to ensure that all planned actions are delivered ahead of MT L3/L4 trials.

A Shipper constituent representative voiced concern that one of the four organisations not ready was a Transporter, and that this involved a ‘critical defect’ (a connectivity issue). What would be the impact if that were not resolved? SS explained in more detail the progress being made (the P1 defect had been closed at the Transporter end but it was not possible to retest at present) and that PwC will continue to monitor against the Transporter’s expected resolution date.

SS then gave an update on MT L2, presenting the statistics relating to general testing, summarising the defects (closed and open), and the progress made towards resolution of those that remained outstanding. It was noted that no defects are ‘show stoppers’ and would not prevent testing in L3/4. The root cause of the P1 had been understood (a configuration setting to one of the components), remedied and retested on 03 November

2015, and sufficient monitoring/time had now elapsed to give confidence that no further occurrences were expected. The root cause analysis report would be shared with Nexus testing contacts in the near future. It was observed that the severity of any defects was perhaps not sufficiently detailed, and that more information would be welcomed; SS noted this for consideration.

#### *Level 2 Market Trials - Market Exit Approval*

Noting the evidence provided that there was sufficient market coverage of successful C1 and C2 file testing across the market, the PNSG was then asked to approve the exit from L2 market trials. Unanimous approval was given.

#### **4.2 RAASP Detailed Design Completed (due 31 December 2015) update**

SAP has completed an initial validation of the RAASP solution design in November (prior to completion of the final Design documentation which is planned for 31 December 2015). SS gave a brief presentation on the SAP Design Review, outlining the context and summarising the findings to date.

Several detailed recommendations were made on areas of functionality (e.g. Device management, and volumetrics associated with exceptions and integration) and these have subsequently either been addressed in the final design or were being actioned by the Programme Team. Xoserve and its suppliers are currently reviewing, challenging and considering mitigations for additional delivery risks highlighted by SAP, and continue to engage with SAP to refresh the validation on completion of Design activities.

It was asked if Xoserve were now more or less concerned that pursuing RAASP would change its views. SS reiterated that there were a number of caveats and that it was reporting on design that was not complete; this calls out a risk around the core solution and this was not stable yet, and there were delivery risks with the timescales. Ofgem had asked for the view from SAP. SS observed it was a 'point in time' document, which highlighted some things not complete (some have since been completed and some are being reviewed). SS noted that it was building on unstable code, all was uncustomised (which was not favoured), and was a complex delivery to achieve within the given timescales - all of which was already recognised and was nothing new - and therefore there would be a lot of parallelism and overlapping.

Asked if not addressing the identified risks impacted on any parts of the Plan, SS advised it was too early to form a view. A Shipper constituent representative asked if there was anything new or that represented an increased risk? JB indicated that by the next meeting there would be an analysis of the SAP report on the impacts on the RAASP delivery. SS pointed out that it has always been acknowledged as high risk; it was not just about RAASP, but a holistic position. JD observed the issue was should it be proceeded with, and, if not, how could it be separated out.

A Shipper constituent representative believed there was a need to establish if RAASP was technically deliverable to meet the requirements the market has set out, or whether a new date should be set to revisit the information, or whether contingency actions need to be invoked (as previously envisaged). If there was sufficient confidence to proceed under the current circumstances and if RAASP remains in scope, then setting another date should be considered. Or was RAASP something to be dropped because it is of lesser value, and the Plan is already distressed? Should it be a balance of probabilities aimed at preserving the delivery of core? It was observed that Shippers have already started to build systems for full delivery - with costs already incurred there may be questions as to who might be responsible for this potentially unnecessary outlay/late delivery (some parties may already be ready and have to retain resources). There were concerns about when ultimate delivery might be, if not for 01 October 2016. There may be ongoing consequences - if underlying data cannot be corrected there would be adverse effects on

Shippers, which a Shipper constituent representative explained in more detail. A robust workaround mechanism would be required and clarity on how this might be handled.

It was agreed that an early decision was needed and this would be a key part of discussions at the next meeting on 08 January 2016, as part of the end of Detailed Design stage gate. AS summarised the points to be addressed by SS and JB:

- What does the SAP report say (risks to Plan, impacts, etc)
- Xoserve's view on the SAP report
- Is build progress on/off Plan?
- Was Detailed Design complete?
- Viability of Plan going forward.

### **4.3 Recommendation to change key industry milestones**

AS outlined the background to the changes, why they were required and how PwC had reached its proposed recommendation - a staggered start to L3/L4 market trials and running in parallel with UAT completion. It was recognised that it was not an ideal position but appeared to be the best option under the current circumstances.

AS summarised the proposal and the changes to the plan, significantly including a checkpoint at the next meeting on 08 January 2016 (granular reporting information would be required in advance for review), with an assessment/approval of the formal milestone to enter MT L3/4 (go/no go) on 18 January 2016.

It was questioned if a gap ('firebreak') was required between completion of UAT/start of MT. It was thought not to be required if sufficient progress is made in UAT. SS gave more detail on Xoserve's internal RAG tracking. Classes 1, 2 and 4 were green; Class 3 was at amber (not yet able to be fully validated), but there was no need to wait until February to get this in, as it would not stop progress if not ready. Shipper constituent representatives questioned 'staggered starting' and what this actually meant for functionalities and participants. This would be defined in the MT Approach. SS explained how it would be moved along and that industry would be advised that areas were available to test. AS noted that further clarity/explanation would be required in the Approach document.

LJ questioned if staggered entry would be needed, because of the proposed extension to MT. AS said there was a strong desire that testing should be started at the earliest opportunity. A Shipper constituent representative noted there appeared to be participant confusion - did 'staggered' mean a participant could self select or had to be selected? It needed to be quite clear what is expected of participants. Caution might need to be exercised in relation to too much 'front loading' of testing parties. It was suggested that, via the PwC portal, PwC should assess the appetite of market participants and how they might prefer to participate (early in the period or later), and that Xoserve should provide some parameters to support the question.

It was pointed out that some Shippers will need to use dummy data and would need sufficient time to enable them to build histories for testing; concerns regarding time constraints had been expressed by a number of Shipper constituents to their representatives.

#### **Action 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.**

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**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.**

A number of questions were raised regarding the proposed changes to the plan and UAT for invoicing. AS explained it was a sequencing issue, UAT for invoicing would be completed in February and be good to go in March. The Approach was still as it was before. SS explained that the MT Approach showed primary support for each area in the appropriate sequence. GW suggested adding a decision point for UAT for Invoicing.

There were questions regarding support. SS responded that in the MT Approach there were primary and secondary support periods following the natural life cycles, and explained in more detail. Parties were encouraged to set prioritisations and to test within the support windows available where possible (Xoserve will try to assist outside of these windows). SS explained how help might be given to parties who may have problems in relation to building history, outside of the support windows.

Shipper constituent representatives queried why there was a 'hard cut off' to testing at the end of July. AS advised there was an MTWG action (Action 8) to re-examine this. It will be clarified when secondary support will still be available, and what 'secondary support' will actually mean in practice.

It was questioned if a testing environment will be still be available beyond 31 July 2016, and if MT support to some degree would also then be available. Could it all be extended? Observing that this might be a contingency that has to be enacted if issues arise, SS reaffirmed that parties should be strongly encouraged to do all they could within the currently agreed testing periods. It was suggested that perhaps amplification should be provided as to what may be available as a contingency, and what would be the impacts to the 'go live' date if this did become necessary, should future circumstances force any such extension.

Concerns were expressed regarding the life expectancy of the MTWG. It was noted there were a number of actions outstanding under its consideration, and it was anticipated that these would be addressed and reported on at one or more subsequent meetings. It was affirmed that there was no expectation that MTWG was to become a continuing workstream; once its current business was concluded it would remain dormant, unless its further input was absolutely necessary and in which case it could be reconvened as required.

It was then questioned when Xoserve might expect to have acquired a greater level of confidence in its forecast completion dates for core UAT. There was no finite answer to this, perceptions would evolve and be expected to build into a more predictable picture over a period of time. SS indicated that an update was to be provided at the next meeting (08 January 2016), and explained what would be included and where the information would be published.

It was questioned when it could be confirmed that this change request is going to be the new Plan going forward. Did the PNSG need to establish what an 'early view' would look like, how it could be monitored, and what key date(s) should be set? SS believed that would all be covered in the next meeting on 08 January 2016. Noting that the current Plan was not going to be met and that the milestone would need to be moved to a new point, JD suggested that the industry needed to be advised of the movement towards the new arrangements and that progress would be communicated. LJ suggested that it could be agreed in principle but that there could be no formal confirmed movement to a Plan that could not yet be said to be deliverable, as the key input (UAT progress) remained

uncertain at this stage.

The degree of 'redness' of particular milestones was queried; it did not give any sense of the distance from/closeness to meeting a milestone. Was there the same level of confidence across all areas, or did this differ? AS observed that the MTWG had recognised this difficulty in perceptions and was addressing in its actions; Xoserve was providing further detail.

LJ summarised that the proposals provided a way forward for the Plan which could be agreed in principle; the 'level of confidence' could be revisited at the next meeting on 08 January 2016, once Xoserve had presented further information.

The 'option of last resort' identified by the MTWG was discussed. It was suggested that 4 months to run core market trials would not be sufficient, and it was queried what that would mean for 01 October 2016. It was agreed that it was too early to address these potential concerns with any great certainty; to be prudently aware was part of the PNSG's remit (this included acknowledgment of any longer term potential issues) together with exercise of continual examination and reassessment of the overall position. Perceptions of the levels of confidence and any risks will continue to evolve and develop as the Project progresses, and any impact/contingency analysis deemed to be necessary over and above normal programme control measures will be brought into play at point(s) as required. The Shipper constituency representative who raised these concerns asked that it be noted that Shipper constituents were concerned that if 01 April 2016 were to be reached and that this scenario had occurred then deadlines were not going to be met. More reassurance was required, and what was being done regarding monitoring and assessment needed to be more explicit. The PNSG was aware of and noted these reiterated concerns. If it becomes aware that there is insufficient information/comfort regarding the ability to meet the earlier (01 March 2016) milestones then further action would be taken.

LJ summarised that PNSG was continuing to monitor the delivery of milestones on a regular basis and that action would be taken as/when PNSG become aware that a milestone(s) was at risk. (It was anticipated that not earlier than the assessment of the position of the 6 tranches of UAT being the trigger point for addressing late delivery.) It was suggested that to enable timely phased assessment of progress towards milestones PwC should identify initial 'alarm' dates for triggering early assessment times for critical milestones.

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

Concluding these discussions, PwC had noted the comments and suggestions made and advised that a revised document would be provided for publication.

*Change Request proposals agreed in principle*

In view of the day's discussions, taking into account current uncertainties and evolving evidence, the PNSG unanimously agreed that, in principle, the proposals set out in the Change Request were the right way to proceed. At the next meeting (08 January 2016), dependent on the information provided by Xoserve, the PNSG will assess if there is sufficient confidence in the programme management of defects/activities, and if the programme is still on track to enter phased MTs on 01 February 2016, and will consider whether formal approval can then be given to these Change Request proposals.

## 5.0 Matters for consideration

### 5.1 Mitigating the impact of late L3/4 UAT on MT – MTWG recommendation and next steps

See discussions at 4.3, above.

### 5.2 DCC Contingency Request – ongoing monitoring

JD confirmed there was no update at present.

### 5.3 Baringa Assurance of Xoserve activities – scope

In response to Action 1204, JB gave a short presentation on Client Side Assurance, the context and principles, and Baringa's role. An integration and assurance team has been created at a higher level. Reporting lines, and visibility of reports to parties other than Xoserve, were briefly discussed.

Concerns were expressed about the lack of visibility/certainty about how some decisions (red, amber, green) have been arrived at. SS responded that a more cohesive view (involving Xoserve, Baringa, Wipro) had been established. JB reiterated that Baringa was specifically appointed to conduct internal assessments/assurances of Xoserve and this required a different level of detail compared to what was being provided by PwC in its role in assuring the industry. There may be contractual challenges to the sharing of any Client Side Assurance information.

**Action 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.**

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

### 6.1 Risks

Risks R.01, R.02, R.05, R.10, R.13, R.16, R.20 and R.22 were briefly reviewed. AS highlighted the current status of each risk and drew attention to amendments made since the last review. Of specific note were:

R.05 - remains at amber

R.10 - may change in January

R.13 - AR pointed out that this might be more of a problem (resource constraints) for smaller Shippers than for larger Shippers

R.20 - moved to 'red' and an action has been added

R.22 - to be updated; SS explained the risk in more detail.

Where appropriate further updating of the Risks will be undertaken to reflect discussions/changes in circumstances.

### 6.2 Issues

AS confirmed no amendments had been made to any of the Issues.

## 7.0 Any Other Business

### 7.1 ICoSS Letter Regarding Current RED Status of Project Nexus Programme

It was noted that ICoSS had written to Ofgem regarding the current 'red' status of the Project Nexus Programme. It was observed that not all parties present had received a copy of the letter (NB – copy now published alongside these minutes).

Discussion was deferred to the meeting on 08 January 2015.

## 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:** Ongoing. **Carried forward**

**1201:** Xoserve (SS) to publish a weekly report providing details of current status of testing and defect resolution.

**Update:** Published and reviewed. It was suggested that it would be useful if more detail could be provided in respect of the severity of the defects and SS noted this for consideration. Weekly publication will continue. **Closed**

**1202:** PwC (AS) to support the MTWG in assessing the overlap between UAT and MT L3/4.

**Update:** Completed. **Closed**

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

**Update:** Report due at next meeting (08 January 2016). **Carried forward**

**1204:** Baringa (JB) to produce a presentation for the meeting on 18 December 2015 giving clarity on the Baringa Assurance process of Xoserve and all future documents to carry evidence of confirmation by Baringa.

**Update:** See 5.3, above. **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](http://www.gasgovernance.co.uk/Diary)

### **Next Meeting**

The next meeting will be held at 10:00 on Friday 08 January 2016 (at a London venue to be confirmed - either at Ofgem or PwC). At this meeting the expectation will be to:



- Review minutes
- Review PwC's Programme Report
- Review Key Milestones
  - RAASP Detailed Design Completed (due 31 Dec 15)
  - MT L3/4 Go/No Go (due 18 Jan 16)
- Other Matters
  - Mitigating the impact of late L3/4 UAT on MT
    - Latest UAT Status (SS)
    - Change Request – consideration and recommendation vote
  - DCC Contingency Request
  - ICoSS Letter
- Review of Risks and Issues Register (by exception)
- Review action updates.

#### 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 - 12:00, Friday 08 January 2016	<i>To be confirmed</i> (Either at Ofgem, 9 Millbank, London SWIP 3GE, or at PwC's Offices, London)	See details at 10.0, above.
10:00 - 13:00, Monday 18 January 2016	Ofgem, 9 Millbank, London SWIP 3GE	<b>Formal checkpoint meeting - to be confirmed</b>
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	<b>Formal checkpoint meeting</b>
10:00 - 12:00, Monday 28 March	Teleconference	<i>To be confirmed</i>

2016		
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.	<b>Formal checkpoint meeting</b>
10:00 - 13:00, Friday 27 May 2016	Ofgem, 9 Millbank, London SWIP 3GE	<b>Formal checkpoint meeting</b>
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 2016	Teleconference	<i>To be confirmed</i>
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	<b>Formal checkpoint meeting</b>
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	<b>Formal checkpoint meeting</b>

**Action Table (18 December 2015)**

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
1103	02/11/15	4.4	Volumetrics - PwC to include a question on the PwC portal seeking further information and Shipper constituency	PwC and Shipper constituency representatives	<b>Update due 08 January 2016</b>

### Action Table (18 December 2015)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
			representatives to draw attention to the need for information.		<i>meeting</i> <b>Carried forward</b>
<b>1201</b>	07/12/15	3.0	Xoserve (SS) to publish a weekly report providing details of current status of testing and defect resolution.	Xoserve (SS)	<b>Closed</b>
<b>1202</b>	07/12/15	3.0	PwC (AS) to support the MTWG in assessing the overlap between UAT and MT L3/4.	PwC (AS)	<b>Closed</b>
<b>1203</b>	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)	<i>Update due 08 January 2016 meeting</i> <b>Carried forward</b>
<b>1204</b>	07/12/15	7.1	Baringa (JB) to produce a presentation for the meeting on 18 December 2015 giving clarity on the Baringa Assurance process of Xoserve and all future documents to carry evidence of confirmation by Baringa.	Baringa (JB)	<b>Closed</b>
<b>1205</b>	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 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.	Xoserve (SS) and PwC (AS)	<i>Update due at 08 January 2016 meeting</i> <b>Pending</b>

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**Action Table (18 December 2015)**

<b>Action Ref</b>	<b>Meeting Date</b>	<b>Minute Ref</b>	<b>Action</b>	<b>Owner</b>	<b>Status Update</b>
<b>1206</b>	18/12/15	4.3	<i>Timely phased assessment of progress towards Milestones - PwC to identify initial stage 'alarm' dates for triggering early assessment times for critical milestones.</i>	PwC (AS)	<i>Due at 08 January 2016 meeting</i> <b>Pending</b>
<b>1207</b>	18/12/15	5.3	<i>Availability of Baringa Reports - SS to ascertain if permission can be obtained for Baringa Reports can be published/made available to parties other than Xoserve.</i>	Xoserve (SS)	<i>Due at 08 January 2016 meeting</i> <b>Pending</b>