

Notes and Actions from the Senior Stakeholder Forum

Tuesday 4th February 2014

Attendees:

Name	Organisation
Sandra Simpson (Chair) (SS)	Xoserve
Nick Salter (NS)	Xoserve
Andy Miller (AM)	Xoserve
Martin Baker (MBa)	Xoserve
Mike Harding (MH)	AiGT
Nikki Jamieson (NJ)	National Grid Transmission
Chris Logue (CL)	National Grid Transmission
Beverley Viney (BV)	National Grid Transmission
Alan Raper (AR)	National Grid Distribution
Steve Simmons (SSM)	Scotia Gas Networks
Joanna Ferguson (JF)	Northern Gas Networks
Phil Broom (PB)	Gaz De France Suez
David Buckall (DB)	Total Gas & Power
Steve Edwards (SE)	Wales & West Utilities
Hazel Ward (HW)	Npower
Alex Travell (AT)	E.ON
Angela Love (AL)	Scottish Power
John Dixon (JD)	Ofgem
Martin Brandt (MB)	Scottish and Southern Energy
Tim Hammond (TH)	Corona Energy
Steve Mulinganie (SM)	GazProm

Apologies:

Name	Organisation
Mike Hogg	Dong Energy Sales
Mark Eccles	GazProm Energy
Mark Cox	EDF Energy
Andrew Green	Total
Mark Cosgrove	Statoil
Peter Olsen	Corona Energy
Paul Rogers	National Grid Distribution

Actions:

Ref (Date – Seq. No)	Action Item	Action On	Update and Action Status		
040214-01	Terms of Reference for the future group to be drafted and circulated to the group for comment.	AL		Complete	
040214-02	Framework to be derived to allow risk assessment to be undertaken by industry parties.	SSm		Complete	
040214-03	Xoserve to draft options paper and distribute by 7 th February.	Xoserve		Complete	
040214-04	Xoserve to issue their risk assessment of change delivery options by 17 th February.	Xoserve		Complete	
040214-05	All industry parties to complete a risk assessment for their own organisation on change delivery options by 21 st February.	All			
040214-06	Xoserve to collate responses and issue conclusion document to the industry by 27 th February.	Xoserve			
040214-07	Joint Office to be asked to Chair future meetings under new Terms of Reference	SE		Complete	
040214-08	Next meeting to be arranged to take place on 3 rd March in London.	SS/SE		Complete. Meeting will take place at ENA offices in London.	

1. Introduction

Introductions were given.

The Chair thanked everyone for their attendance and briefly outlined the agenda for the meeting, explaining there would be a number of factual updates on UK-Link Programme, Nexus modifications, EU Reform and Faster Switching but the bulk of the meeting would be focussed on the delivery risk & implications of delivering multiple changes in October 2015.

2. UK Link Programme Update

SS presented the progress on the UK Link Programme since the last SSF in October 2013, noting that significant progress had been made on the project.

It was presented that the Design, Build, Implement & Operate (DBIO) sourcing phase of the programme had completed and Wipro chosen as the preferred supplier for the Programme. This phase had been independently assured by Baringa and their assurance report had been distributed to the industry for information.

SS asked whether the group had found the report of value and whether assurance reports from future phases of the programme would be useful. There was positive feedback for the report and that reports for future phases would be welcome. AL commented that she had some comments and queries on the content of the report and agreed to document these and send to Xoserve

It was reported that the indicative Industry Plan had been shared in December with very few comments and some positive feedback received at Project Nexus Workgroup in January. An updated plan had been issued on 31st January as planned. SS thanked the representatives from Scottish Power and Npower for their involvement in determining the appropriate level of detail for the industry plan. AL expressed concern that although the industry plan was a good start, she still did not have visibility of the overall Xoserve plan and asked whether the industry could now have sight of Xoserve's plan. SS responded that Xoserve would not be distributing their overall plan as it included all internal activities, commercially sensitive information and a number of activities which were not relevant or appropriate for an external audience. The plan for the industry is focussed on industry facing activities where Xoserve has a deliverable to the industry or is expecting an input from the industry.

SM raised that it was important to have key dependencies in the plan and any activities which, if delayed, could impact on a shipper facing activity or deliverable. He highlighted that his internal Project Managers had appreciated the plan but would want more detail once the modifications were approved. SS clarified that Xoserve would have a baseline delivery plan at the beginning of April and an industry plan would be available at that point.

MH raised that he would like to understand when specification of changes would be delivered to assist his internal IS resources in determining the scale of change. He would like to see a date when specs would be available to allow him to mobilise resources internally. SS clarified that the dates for the Application Architecture delivery and the delivery of detailed file format specifications are in the current plan which has been issued.

SM raised that he wanted broader industry change management and that governance on wider industry change programmes was missing and was required asap. It was acknowledged that the SSF had no vires to act as an industry steering committee. SM stated that Ofgem should lead the group.

JD responded that Ofgem supports the idea of an implementation steering group and expects to play a role in that group. He expressed that Ofgem would like all of this change delivered on time and it was therefore important that they stay neutral in any steering group to allow them to take action on a party if required.

JD stated that he believed a change steering group could be set up within a month with new Terms of Reference. AL offered to draft Terms of Reference and circulate to the group for comment.

AL also queried whether a licence condition was to be placed on GT's to deliver settlement reform by October 2015. JD responded that Ofgem would only place a licence condition if it was reasonable to do so and if it's in the GTs' power to control all the factors. In this case it isn't and therefore the GTs couldn't reasonably discharge a licence obligation and that it does not feel that effort is lacking on the part of the GTs. Shippers are also on the critical path for delivery of data cleansing and development & testing of their own systems.

NJ raised that true priorities needed to be understood and a decision needs to be made on which changes need to happen first.

The group agreed that clear actions needed to be in place by the end of the meeting to address the new group and how major decisions will be made in relation to the priority of changes.

3. Data Cleansing Update

AM updated the group on progress made on data cleansing since the last SSF, highlighting good progress had been made on a number of data cleansing items.

MH queried whether 100% of data items needed to be cleansed and what was the final date this activity was required to be completed before impacting the programme.

It was discussed that the envisaged new IT systems would work without these data items being cleansed, however there would be a risk on individual shipper organisations and the community once the new business rules and functionality was live and therefore it was in the industry's interest to ensure this activity was undertaken.

It was clarified that the dates against each of the data cleansing items was aspirational but clean data would be a benefit for integration testing and market trials.

4. Nexus Modification Update

AM updated the group on the Nexus modification progress outlining that modifications 432 & 434 were with Ofgem for a decision with that decision expected on 21st February.

The consultation responses had been broadly supportive of the modifications with a number of comments regarding timescales included in the representations.

5. Faster Switching Update

NS gave an update on the work Xoserve is doing to support the industry faster switching initiative highlighting that there is an aspiration to deliver by the end of 2014.

Xoserve has established a project team to undertake analysis and this is happening in parallel with the industry discussions on detailed requirements through Modification 477 workgroup.

NS highlighted that while Xoserve is supporting delivery of this change, it is an unwelcome distraction from the delivery of the rest of the change programme, given the timing of its introduction and the planned delivery timescale. He reiterated that it is important that requirements are captured quickly and are kept simple to minimise functional change.

Once clear, the detailed requirements from modification 477 will be analysed by UK Link Programme to determine any impacts to the programme. Logical analysis has already completed for UK Link Programme and therefore rework on the process and data models and potentially high level design may be required.

6. EU Reform Programme Update

MBa gave an overview of the EU Reform Programme, from an Xoserve delivery perspective. It was highlighted that analysis is currently underway, although requirements were not fully detailed at this stage. A plan is in place to feed further requirements into the project.

The programme is working closely with the UK Link Programme.

SM queried when the EU analysis will be complete as there is a dependency between the UK Link Programme and the EU analysis to understand whether both sets of requirements can be delivered on the Gemini system.

SS responded that the full analysis on EU requirements would be completed in June, however full analysis did not have to be completed to understand that there are dependencies between EU and Nexus requirements.

7. Industry Change Roadmap

SS shared a slide representing the industry change roadmap and dependencies for 2015, explaining that the intention was to represent the dependencies between the various changes and asked whether this was useful to the group.

SM gave feedback that the slide represented the timeline well and it highlighted the congestion in 2015. He queried why the industry is planning to take this level of risk as no project manager would accept risk at this level.

MB pointed out that TRAS was not represented on the slide and HW agreed that this was only part of the wider industry picture as electricity was not represented.

SS described that a level of analysis had been completed on both the EU Reform and Nexus requirements which impact the Gemini system. The analysis to date shows that both sets of requirements will result in changes to the Gemini system and at the moment there is a requirement to deliver both sets of changes in the same time

period. In order to meet the aspiration to deliver both sets of requirements on the Gemini system by 1st October 2015, the changes need to be delivered as one packaged release.

This creates linkage between the two programmes, raising the risk that if the delivery of one programme is impacted then both become impacted.

The group queried whether the dependency would be removed if the dates were separated. SS confirmed that there would need to be a suitable gap between the deliveries. A stable code base post testing is required for the first programme before being used as a base to develop code for the second programme.

SS explained that the UK Link Programme currently assumes one delivery for EU Reform and UK Link Programme in order to meet the aspiration for 1st October 2015 implementation and it is important the industry understand the risks and dependencies associated with this approach. Xoserve does not recommend this approach of delivering both programmes together in October 2015 as it multiplies the probability of a risk materialising and will impact both programmes.

SSm questioned whether there was an alternative approach to deliver multiple development streams until a point when the deployment approach was agreed. SS confirmed that while it was technically feasible to run three parallel development streams (Nexus then EU, EU then Nexus and EU & Nexus together) it was not possible in the timeline for October 2015. By planning three development streams it would impact the October 2015 timeline.

SM questioned the importance of delivering Nexus requirements by October 2015, stating there was no absolute requirement to do so. AL responded that the group had agreed this requirement at the SSF meeting. SM highlighted that the representations for modifications 432 & 434 had been published since that meeting which highlight differing views within the industry.

JD stated that there needs to be an objective assessment based on risk, benefits & value to determine which of the changes should move and a decision on this assessment needed to be made by mid-March. He clarified that the October 2015 date was included in the Nexus modifications while EU dates may still be moveable. Representatives from NGGT highlighted that the EU dates are fixed in statute and will be reflected in their GT licence.

JD reiterated that all options need to be mapped out and considered.

SSm questioned what is a sensible level of contingency to start a change programme with. Xoserve confirmed that the indicative plan to delivery UK Link Programme in October 2015 has no contingency and we are aware that a number of factors, such as faster switching, may impact the delivery.

SM raised that is not a sensible option to go into a project with no contingency and the group needed to consider a prudent view of delivery. Xoserve agreed that it was not an ideal option but is required if the October 2015 delivery date stands.

The group agreed that it is important they have more information on the options and associated risks, dependencies and benefit and that all organisations should have the opportunity to be involved in the recommendation process.

SSm agreed to produce a skeleton framework from which an options paper could be developed and assessed. Xoserve offered to work with SSm to construct the framework and would populate the development and delivery options.

JD raised that, assuming a decision on mod 432 is made before 1st April, Ofgem would need to give consent for the dates to change as October 2015 is enshrined in the legal text for the Nexus modifications. NGGT queried whether it was right for Ofgem to make a decision on modifications 432 & 434 on 21st February or would it be better to wait until after the options paper. JD responded that it was right for a decision to be made on 21st February, though acknowledged there was no science on 1st October 2015 date. He reiterated it was important to make any revised decision based on a suitable assessment of the risks and benefits.

Xoserve agreed that they would issue the options paper to the industry by 7th February and would conclude and distribute their risk assessment of the options by 17th February. The group agreed that all industry parties would then complete their own risk and benefits assessment and submit to Xoserve by 21st February. Xoserve agreed to collate the responses into a consolidated report and make this available to the industry on 27th February.

Status of the Senior Stakeholder Forum

It was recognised that there would be value in an industry group talking an overview of the full change programme to support better planning and prioritisations.

SE pointed out that the SSF's business was already in this area and that attendees may be similar if not the same. After discussion, it was also agreed that the SSF could become a new group looking at the overall industry change programme, under new terms of reference.

NS asked whether the new group would be making a decision or informing Ofgem to allow them to make a decision. JD clarified the group would inform Ofgem as there is not enough time to develop a new group with appropriate voting rights.

It was agreed that the group should have updated terms of reference and AL agreed to draft a proposed set.

The group agreed it should meet again on 3rd March in London. The group would operate under the new terms of reference and it was suggested the group be chaired by the Joint Office. SE agreed to speak to the Joint Office to agree this.

8. Next Meeting

The next meeting will take place on Monday 3rd March at ENA offices in London chaired by the Joint Office. Details are published on the Joint Office's website, under the Group's proposed new title of Change Overview Board.