

## Change Overview Board (COB) Minutes

Tuesday 14 April 2015

Energy Networks Association, 52 Horseferry Road, London SW1P 2AF

### Attendees

Les Jenkins (Chair)	(LJ)	Joint Office
Lorna Dupont (Secretary)	(LD)	Joint Office
Abby Nduva	(AN)	EDF Energy
Andrew Green	(AG)	Total
Angela Love	(AL)	Scottish Power
Anne Jackson	(AJ)	SSE
Chris Warner	(CW)	National Grid Distribution
Colette Baldwin	(CB)	E.ON UK
Hazel Ward	(HW)	RWE npower
Jeremy Guard*	(JG)	First:utility
Jon Dixon	(JD)	Ofgem
Lorna Lewin	(LL)	DONG Energy
Martin Baker	(MB)	Xoserve
Mike Harding*	(MH)	Brookfield Utilities
Natasha Ranatunga	(NR)	EDF Energy
Nick Salter	(NS)	Xoserve
Phil Broom	(PB)	GDF Suez
Sandra Simpson	(SS)	Xoserve
Sean McGoldrick	(SMc)	National Grid NTS
Steve Mulinganie	(SM)	Gazprom
Steve Simmons*	(SSi)	Scotia Gas Networks
Steve Strangeway*	(SSt)	Opus Energy

\*via teleconference

Copies of meeting papers are available at: <http://www.gasgovernance.co.uk/COB/140415>

### 1. Introduction and Status Review

LJ welcomed everyone to the meeting.

#### 1.1. Review of Minutes

The minutes of the previous meeting (02 March 2015) were approved.

#### 1.2. Review of Actions

**COB 0201:** *Change Horizon* - SM to document the new (GSOS and GSR) event templates.

**Update:** On hold; awaiting further detail. **Carried forward**

**COB 0202:** *Dashboard and supporting information* - Xoserve (SS) to consider how best to present milestone and key element tracking going forward for the next meeting.

**Update:** Additional information had been included. **Closed**

**COB 0301:** *Effects of SIT slippage* - Clarify at what point this would cause serious concern.

**Update:** The published 'Plan on a Page' illustrated this, and parties were encouraged to peruse this outside of the meeting. SS indicated she would be happy to publish this monthly. **Closed**

**COB 0302:** *Potential deferral of delivery of certain aspects of original scope* - Xoserve to develop a proposal and provide a paper for review / assessment by Ofgem, the Nexus Steering Group and the COB.

**Update:** Overtaken by the establishment of the Project Nexus Steering Group and potential subsequent modification(s). **Closed**

## 2. Planning

### 2.1. Change Horizon - Quarterly Review

MB gave a brief presentation, updating the group on various aspects, and drawing attention to updated elements of Zones 3, 2 and 1.

*Beyond EU Third Energy Package* - This had been established as a place holder for future events. The timeframe (gap of 2 years) was considered to be a reasonable assumption. It was recognised it was based on an absence of information, and that it would take time for more concrete information to emerge. Monitoring will continue.

*Priority Services Register* - More consultation was expected this year. This was beginning to gather momentum and will probably move quite rapidly from 'one to watch' to 'action required'. MB explained this view in more detail. Monitoring will continue.

*Next Day Switching and Centralised Registration Paper* - Reference was made to Ofgem's conclusion statement issued in February, and MB has now combined these areas into one Event (seen as being 'high impact' on the Change Horizon).

This was briefly discussed. The boundary between Supplier and shipper record will need to be resolved. More information and a better understanding were required of the relationships, responsibilities and where the service boundaries sit. Reference was made to the Target Model and the CoS/DCC proposals. Clarity was required as to what was in/not in scope. Reiterating the background and observing that the original focus was on electricity settlement reform, rather than on gas settlement (a by-product), JD recognised the aspiration to try and rule out uncertainties and offered to collate any questions/requests received from parties seeking further clarity into a FAQs format.

**Action COB 0401: CoS/DCC proposals - JD to seek and collate any questions/requests for clarity into a FAQs format and circulate.**

There may be opportunities to rationalise commonalities between gas and electricity and still scope for Demand Side Reduction of gas. NS observed that if other changes were required then these would need to be identified as soon as possible.

No immediate change was expected. A Significant Code Review was expected later in the year and some industry workgroups are likely to be established to develop details of the draft Target Model.

AL commented on recent detail in the election manifestos and the potential to reform elements of the gas industry and associated risks. The risk level was being monitored.

NR referred to EU and GTCR and asked if this was combined; she believed there to be

more divergence in this area. MB thought there was a common delivery timeframe but this needed monitoring to see if any significant divergence would force a separation. The scope needed clarity, i.e. was the driver EU or now GTCR.

The Change Horizon is reviewed quarterly. The next review will take place on Monday 06 July 2015.

### 3. In-flight Programme Overview

#### 3.1. UK Link Programme – Dashboard and supporting information

Noting that the overall status was at AMBER, SS pointed out that this assumes that Xoserve will be able to defer elements of functionality. If this proved not to be possible then the status would be upgraded to RED.

*Retrospective Adjustments and Unique Sites* - CB asked if Xoserve could clarify if it was still working on Unique Sites and Retrospective Adjustment, as she had queried this in a number of forums and not yet received a response. SS reported that at the moment these were not being progressed within Xoserve, in order to focus on and achieve delivery of the other core elements for 01 October 2015. AL highlighted that this is a risk to the Transporters. This had been discussed at the Project Nexus Steering Group (PNSG) and a paper had been published on the Joint Office website. AL expressed disappointment that an action was taken by Xoserve from the March COB and that rather than report on that action Xoserve had published a letter to Shippers with a paper without the detail requested by the COB. AL noted that according to the March minutes the COB had asked for information including criticalities, costs, implications, risks of doing/not doing, dates for delivery, contingencies, how issues might be addressed, etc, and perhaps a route to industry consultation. Clarity of inclusion in deferral was sought at PNSG (functionality, impacts, etc) and SS gave a brief overview of the discussions. The options remained as deferral of two specific elements, or deferral of the whole programme.

AL was concerned to understand what options Xoserve had considered and how/why this decision had been reached, noting that there were no figures in the document. AL said that she did expect that Xoserve had been through this process, but it would be beneficial to give transparency to the industry. SS gave a brief summary of what had been considered, noting that the bulk of the functionality has to be delivered as a package, and that these two were the only elements that could be separated out. JD reiterated that this was under discussion at PNSG, the outcome of which may be a modification to make any changes. There would be an opportunity for consultation and for parties to make plain what impact(s) this would have from their standpoint. It was recognised that any changes may involve additional work and cost. The question was: should deferral be as a whole or in part - phased or replanned? AL noted that she did not believe that there was enough detail in the paper for Ofgem to consider approving a modification, if the modification was based on the same level of information as was in the paper.

CB referred to the recent Baringa Report, where resource was identified as an issue; there were concerns about the continued availability of resource and that elements would be delayed even further than potentially proposed. HW noted that there was no certainty of delivery, and there were concerns that if the core was not delivered on 01 October 2015, then it was edging closer to DCC go live, with increasing attendant risk that DCC could slip. SM commented that delivery for all parts seems unachievable for October.

Responding to a question from AN, SS confirmed her belief that there were no other elements that could be carved out that would provide contingency or confer benefits. There were of the order of ten significant risks on the programme, and partial deferral takes out one of these; the remaining nine carried the overall risk of 20. It was believed to be better to target core delivery for 01 October. JD would like any modification to

defer any elements of Nexus to include an expected date for delivery and not be left open ended, and it thinks it could task PwC to consider what timeframe this would be within.

NS observed that the PNSG (following this COB meeting) would make a recommendation in respect of the option of partial deferral of these two elements. This would not reduce the overall risk, but can avert 'immediate disaster'. JD added there appeared to be no plausible scenarios for Nexus as a whole to be delivered this side of Christmas, and that there was a requirement to keep a 2015 delivery of the core elements, the alternative being to push all back to an as yet unspecified date that may well then conflict with DCC go live. The fact remains that the complete system cannot be delivered for October 2015, and this is proposed to be addressed by pushing back two elements. PwC as Programme Manager will be looking at the viability of the plan and reassessing the options. Priorities need reassessment, and it was probable that some elements would need addressing after 01 October 2015. There was no plausible scenario currently evident that will propel the programme into a GREEN status.

There were some views expressed that the current status should in fact be RED, rather than a continuous AMBER as it was not appropriate at this time to include the result of any deferral. SS reiterated that all things have started on time, run in parallel, and overrun, to fit into the compressed timeline. On balance, the meeting agreed that the status should be RED. It was recognised that a deferral would then enable a return to AMBER status. Following the discussion on the plan being set to RED, CB asked whether work on Retrospective Updates and Unique Sites had now ceased. CB pointed out that she had asked this in the last PNUNC meeting (07 April 2015) and that Xoserve representatives at that meeting could not confirm and asked to take the question back to the Project Team. SS confirmed that work on Retrospective Updates and Unique Sites had ceased in mid-March.

NS reiterated the essence of previous discussions and views that maintained that 01 October 2015 was very high risk, but what was seemed to be required - was the desire to continue to deliver the core or to replan the entire programme? AN and AL wished to see the analysis that had led Xoserve to these conclusions. SM believed that both options should be considered. AJ recognised that deferral still gives a risky programme, and this would give rise to concerns that more could be deferred and any such areas will not be rejoined. There was a need to understand what delays were proposed, and what issues within Xoserve were forcing this view. PB asked when the real detail of the descoping and remaining scope would be available. SS indicated she would clarify this. CW added that Unique Sites was not within the scope of Modification 0432; from a UNC perspective these discussions only related to Retrospective Adjustments.

**Action COB 0402: *Programme Deferral* - Availability of the detail of the descoping and remaining scope to be clarified by SS.**

**Action COB 0403: *Dashboard* - Republish to reflect status upgrade to RED.**

Moving on to consider Milestones, SS drew attention to the addition of a Dependency line.

*Testing and Market Trials* - Penetration testing was briefly discussed (due to start 20 April 2015). UAT has started to progress (three weeks behind plan at present); testing will be up to the end of June (overlap with Market Trials); there will be a staggered approach to functional testing. CB asked about the support for testing. SS responded that early elements in UAT had been prioritised to match the same in Market Trials. Parties had been asked to share their testing plans. Support would be provided on a best endeavours basis, but it depended on when issues were encountered as to how much support can be given.

*SIT Phase 4* - This was due to finish at the end of the week. It could go up to the beginning of June for SIT activities and drop into UAT with very little risk (more

parallelism had been created to reduce risk); resources move from one to the other and more detail was given on how resources would be deployed. It was confirmed that SIT had 'normal defect levels'; in terms of visibility, SS believed that any identified would be discussed at UKLIEF and published on the Xoserve website. AL noted that migration was due to start on 30 March 2015 and asked how this was going and if any issues had occurred. SS said that it was progressing well.

*Industry Go/No Go Criteria* - PwC will be taking this forward and this may change. Xoserve had internal criteria and SS will check what can be shared with COB.

**Action COB 0404: Xoserve internal Go/No Go Criteria - SS to check what can be shared with COB.**

### 3.2. Change Portfolio – Dashboards

SS gave a brief overview (recent achievements, priorities, risks and dependencies) updating the group on the areas of CMS Consequential Change, SAP BW (IP/DE), and Gemini Consequential Change.

*Gemini Consequential Change* - Asked if the replanning or deferral would affect this, SS reiterated the position and referred to papers previously produced. EU changes are protected.

*EU Programme Dashboard* - All is on track.

*Smart Portfolio - DCC Day 1 and DCC* - This has been restarted to meet the revised SIT timelines and dates have been revised accordingly.

## 4. Issues for discussion

### 4.1. Evolving the Change Overview Board (COB)

There were concerns regarding duplication of roles and expectations across the various forums that now exist for Nexus discussions. LJ was of the view that UKLIEF remained the primary forum/route for consideration of the detail involved in the UKLP engagement and any related issues. SS confirmed the Dashboards (but not Smart or EU) were discussed at UKLIEF, but were discussed in greater depth at COB.

It was suggested that COB deal with items by exception rather than involve itself in the lower level details covered in other forums.

Looking forward, it was agreed to retain the Dashboards as a mechanism to provide brief updates, and that the COB should focus itself on matters of higher interest, such as giving consideration to the conclusions and key points of any reports.

It was suggested that all parties review and consider the COB Terms of Reference with a view to revitalization in relation to the changing landscape.

**Action COB 0405: COB Terms of Reference - Review and consider appropriate changes (comments to the Joint Office).**

#### 4.1.1 Interaction with Nexus Steering Group

The PNSG had its own Terms of Reference and COB parties were encouraged to use their constituency representatives to field questions and influence discussions in this arena.

#### 4.1.2 Ofgem Simplification Plan

A short extract had been provided which highlighted the perceived benefit of the COB to the industry at this time of extraordinary change, and the intention of Ofgem to continue to work with the COB to manage change effectively.

## 4.2 Xoserve Readiness - Baringa Report

AL asked what Xoserve would be doing around the recommendations from the Baringa Q1 Assurance Report. SS indicated it was under review to assess what actions Xoserve should take in response to key points made. It would be a better use of the COB's time to consider this and this would be added as an agenda item to next month's meeting.

## 5. Any Other Business

### 5.1 Industry Readiness Criteria - update from 17 March 2015

It was noted that the next COB meeting was convening just prior to the issue of the PwC report on industry readiness. LJ was requested to invite PwC to attend the May COB meeting to give a verbal update on the industry's readiness.

**Post Meeting Note:** *PwC (A Sinclair) have accepted an invitation to attend and provide an update to the next COB meeting.*

### 5.2 Potential De-scoping of Unique Sites and Retrospective adjustments

Covered under the discussions at 3.1, above.

## 6. Diary Planning

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

**Post Meeting Note:** *Please note the change to the venue on 09 June 2015 (moved from Solihull to London).*

Unless otherwise notified Change Overview Board (COB) meetings will take place as follows:

Time/Date	Venue	Programme
10:30 Monday 11 May 2015	Rooms 3 and 4, Energy Networks Association, 6 <sup>th</sup> Floor, Dean Bradley House, 52 Horseferry Road, London SW1P 2AF	<i>To be confirmed</i>
10:30 Tuesday 09 June 2015	<b>ORANGE Room, ELEXON, 4<sup>th</sup> Floor, 350 Euston Road, London NW1 3AW</b>	<i>To be confirmed</i>
10:30 Monday 06 July 2015	Rooms 3 and 4, Energy Networks Association, 6 <sup>th</sup> Floor, Dean Bradley House, 52 Horseferry Road, London SW1P 2AF	<i>To be confirmed</i>
10:30 Monday 03 August 2015	Rooms 3 and 4, Energy Networks Association, 6 <sup>th</sup> Floor, Dean Bradley House, 52 Horseferry Road, London SW1P 2AF	<i>To be confirmed</i>
10:30 Monday 07 September 2015	<b>Pink Room, ELEXON, 4<sup>th</sup> Floor, 350 Euston Road, London NW1 3AW</b>	<i>To be confirmed</i>
10:30 Monday 05 October 2015	<b>Pink Room, ELEXON, 4<sup>th</sup> Floor, 350 Euston Road, London NW1 3AW</b>	<i>To be confirmed</i>
10:30 Monday 02	Rooms 3 and 4, Energy Networks Association, 6 <sup>th</sup> Floor, Dean Bradley House, 52 Horseferry	<i>To be</i>

November 2015	Road, London SW1P 2AF	<i>confirmed</i>
10:30 Monday 07 December 2015	<b>Pink Room, ELEXON, 4<sup>th</sup> Floor, 350 Euston Road, London NW1 3AW</b>	<i>To be confirmed</i>

<b>Action Table – Change Overview Board</b>					
<b>Action Ref</b>	<b>Meeting Date</b>	<b>Minute Ref</b>	<b>Action</b>	<b>Owner</b>	<b>Status Update</b>
<b>COB 0201</b>	03/02/15	2.1	<i>Change Horizon</i> - Xoserve (SM) to document the new (GSOS and GSR) event templates.	Gazprom (SM)	<b>Carried forward</b>
<b>COB 0202</b>	03/02/15	3.1	<i>Dashboard and supporting information</i> - Xoserve (SS) to consider how best to present milestone and key element tracking going forward for the next meeting.	Xoserve (SS)	<b>Closed</b>
<b>COB 0301</b>	02/03/15	3.1	<i>Effects of SIT slippage</i> - Clarify at what point this would cause serious concern.	Xoserve (SS)	<b>Closed</b>
<b>COB 0302</b>	02/03/15	5.1	<i>Potential deferral of delivery of certain aspects of original scope</i> - Xoserve to develop a proposal and provide a paper for review/assessment by Ofgem, the Nexus Steering Group and the COB.	Xoserve (NS)	<b>Closed</b>
<b>COB 0401</b>	14/04/15	2.1	<i>Next Day Switching and Centralised Registration Paper - CoS/DCC proposals</i> - JD to seek and collate any questions/ requests for clarity into a FAQs format and circulate.	Ofgem (JD)	<b>Pending</b>
<b>COB 0402</b>	14/04/15	3.1	<i>Programme Deferral</i> - Availability of the detail of the descoping and remaining scope to be clarified by SS.	Xoserve (SS)	<b>Pending</b>
<b>COB 0403</b>	14/04/15	3.1	<i>Dashboard</i> - Republish to reflect status upgrade to RED.	Xoserve (SS)	<b>Pending</b>
<b>COB 0404</b>	14/04/15	3.1	<i>Xoserve internal Go/No Go Criteria</i> - SS to check what can be shared with COB.	Xoserve (SS)	<b>Pending</b>
<b>COB 0405</b>	14/04/15	4.1	<i>COB Terms of Reference</i> - Review and consider appropriate changes (comments to the Joint Office).	All parties	<b>Pending</b>