

Project Nexus

Project Nexus Steering Group

1 July 2015

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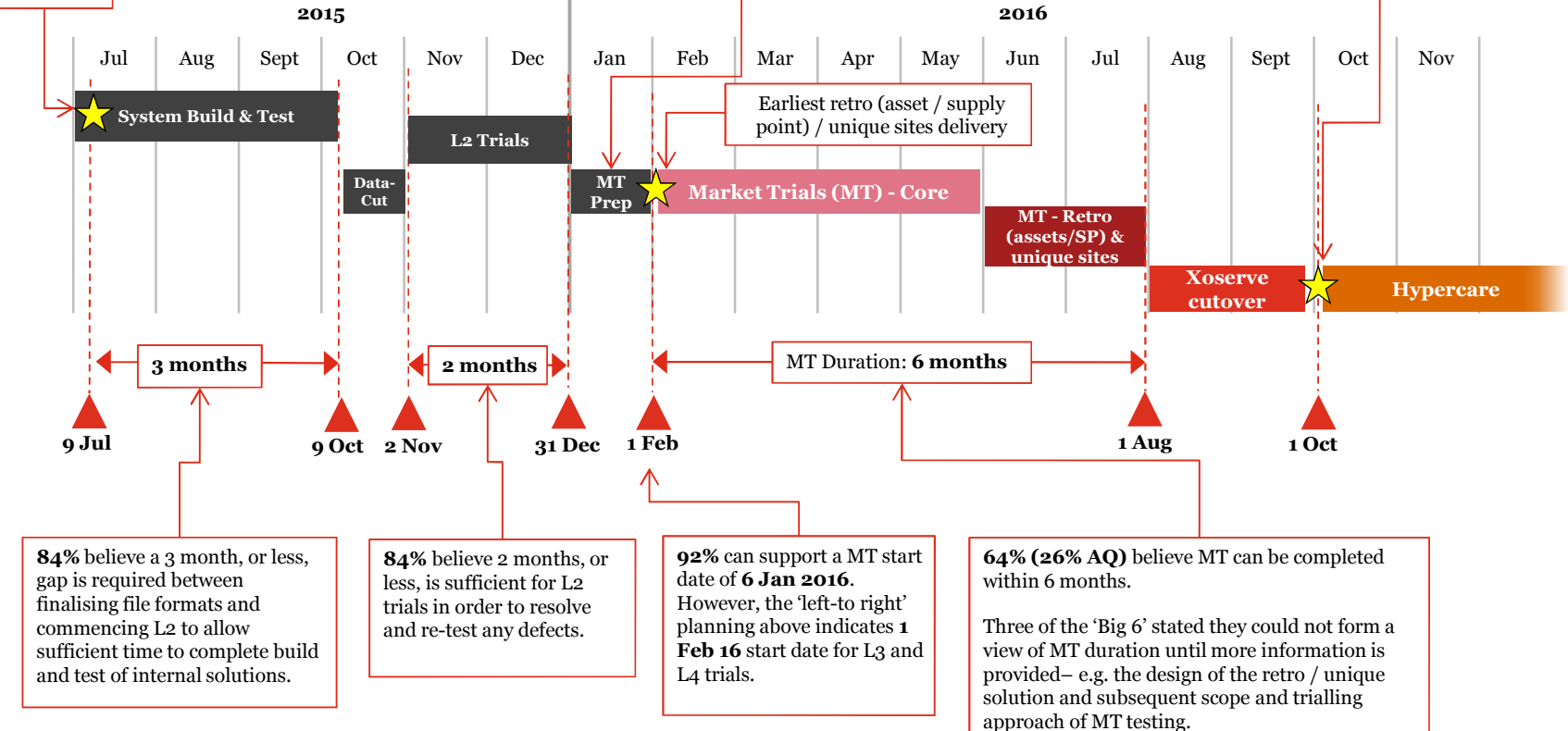
1. Executive Summary

1. Preferred Industry Option

Based on feedback from **25 of 41 organisations (97% supply points, 91% Annual Quantity)**, the preferred industry option is a single release of functionality with a 1st October 2016 target go-live date.

Single 'full scope' release: 72% of respondents believe that this will reduce overall programme duration, complexity (57% AQ, 48% total supply point).

File formats finalised



2. Key Drivers for the Preferred Option

Key drivers

- The majority of market participants prefer a single ‘full scope’ release to reduce programme duration, complexity and cost.
- The target **01 October 2016** go-live date is driven by ‘left to right’ planning, and a desire to avoid the AQ review process over the summer period.
- The need to build ‘break’ points and some contingency in the plan.
- Removes the conflict with the iGMS replacement by National Grid Transmission, due to commence in summer 2016.

The duration of the plan is primarily driven by:

- **The time needed to respond to final file formats before starting L2 market trials.** Participants require time to integrate the recent file format changes into their design, build and test cycles.
- **The duration of Market Trials:**
 1. 2 months, with a 1 month ‘break’, is needed to ensure file format issues are resolved before entering L3 and L4 trials.
 2. A 6 month L3 and L4 trial phase appears sufficient for critical transactions. However, there is poor alignment on this and further tightening and control of approach is needed to raise confidence.

Key feedback from respondents

- There is a recognition that future decision points could impact the programme plan and must be quickly overlaid on the plan, for example:
 1. Finalisation date for retrospective amendments (assets / supply points)* / unique sites design;
 2. The date Xoserve exits UAT;
 3. Milestones for the preparation of data to sufficient quality and completeness; and
 4. The date at which the key participants are ready to start market trials.
- Further information is needed to build confidence in the plan across all organisations. Specifically:
 1. Full transparency over Xoserve’s plan, risks and progress and how this impacts the industry;
 2. More granular planning and alignment on the market trials scope and approach;
 3. The scope and prioritisation of file formats to be tested during L2 Market Trials; and
 4. Alignment on final solution design for retrospective amendments (assets / supply points) and unique sites.
- Cost / benefit erosion has not been formally quantified.

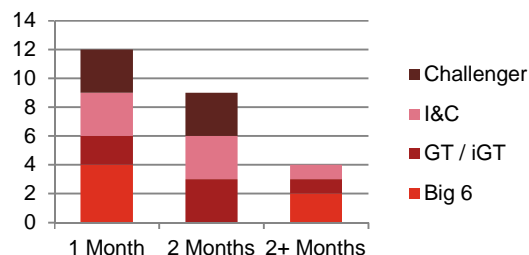
** Note that retrospective amendments (meter reads) is integrated in the scope of the ‘core’ delivery*

3. Responses to Key Survey Questions

Data Cut and Market Trials Start Date

Question 1: L2 Market Trials Duration

What is the minimum time you believe is needed to conduct L2 market trials?



2 Months or less equates to

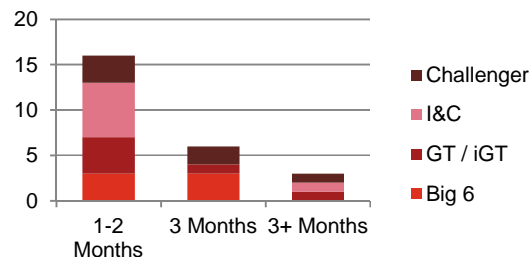
- 71% of total AQ
- 75% of total supply points

Key assumptions:

- Fully defined and baselined file formats, with minimal or no further changes during L2
- Fast track process for file format changes to allow re-testing
- Clear view on volume and content of file formats and scenarios to be tested
- Clear Defect Management Process and SLAs
- Early testing in the phase and quick resolution of defects

Question 3: File format finalisation

What period of notice is needed between file formats being finalised and the start of L2 market trials?



3 Months or less equates to

- 84% of total AQ
- 87% of total supply points

Key rationale (identified by respondents):

- Allow adequate time for internal build and test following file format finalisation.

Key assumptions:

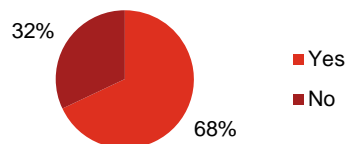
- Dependent on the complexity and volume of changes to file formats
- File formats have passed Xoserve UAT and changes have been approved by UK Link Committee

3. Responses to Key Survey Questions

Data Cut and Market Trials Start Date (Continued)

Question 4: Break between L2 and L3 / L4 MT

Do you believe there should be a break period between the end of L2 and the start of L3 / L4?



'Yes' response equates to

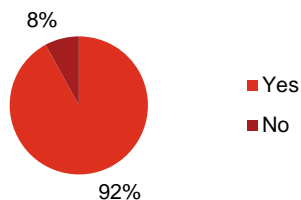
- 65% of total AQ
- 66% of total supply points

Key rationale (identified by respondents):

- Resolve and / or impact assess outstanding file format defects from L2 MT
- Allow for plan contingency and annual leave during Christmas period
- Review exit criteria and GONG for MT and preparation for next phase

Question 5: MT Start Date

Based on your organisation's current plan and progress, are you able to support a L3 or L4 market trials start date of 06 January 2016?



'Yes' response equates to

- 85% of total AQ
- 87% of total supply points

Key rationale (identified by respondents):

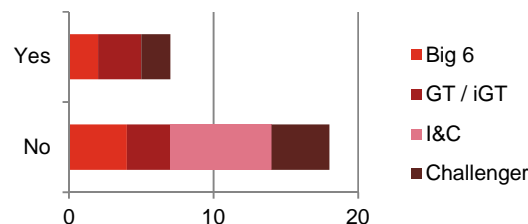
- One iGT was unable to support 6 January 2016 L3 start date, as they do not believe there is sufficient time for all market participants to complete internal build and test and complete L2 Market trials by this date.

3. Responses to Key Survey Questions

Delivery options / go-live criteria

Question 1: Single versus Split Release

Do you support splitting 'core' from retrospective amendments / unique sites?



'No' response equates to

- 57% of total AQ
- 48% of total supply points

Key rationale for a single 'full scope' release:

- Lower programme duration, cost, complexity (e.g. less regression testing) and resource requirements
- Risk that retrospective amendments (assets / supply points) is never delivered if a split release is chosen
- Split release is more disruptive to operations
- Current system design would need to be re-modelled for some market participants for a split release

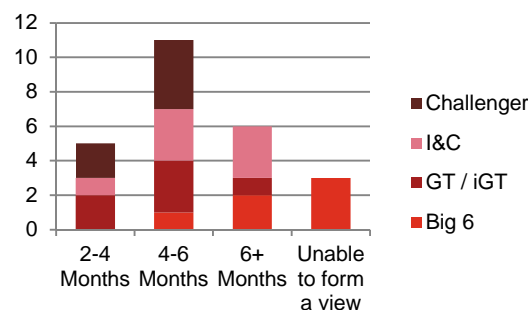
Key rationale for a split release:

- Full design and plan of retro (assets / supply points) and unique sites is required to confidently 'lock down' a single release implementation date

Market Trials Duration

Question 5: Market Trials Duration

What is the minimum time you believe is needed to conduct L3 and L4 market trials on a single 'everything together' release?



Responded 6 months or less:

- 26% of AQ
- 14% of supply points

Note: three of the 'Big 6' indicated they were unable to form a view on the duration of MT until full analysis and design of the retrospective amendments (assets / supply points) and unique solution is performed and a more detail is provided of the scope of testing during MT.

Key assumptions:

- Enough time to resolve all issues and regression test
- MT approach is changed from a 'facilitated' to more 'structured and directed' approach
- Alignment on a rigorously planned, scheduled and managed trials plan
- Parallel running of Core and Retro (assets / supply points) and unique sites trialling is explored

4. *Recommendations*

Key recommendations for the Steering Group:

- Below we set out a clear set of recommendations for consideration by the Steering Group. We have identified the relative level of effort that we believe is entailed to execute these actions and the level of impact we expect on the risk profile of the UK Link Replacement Programme and Nexus go-live.

#	Recommendation	Responsible	Relative effort to implement	Impact on risk profile
1	We recommend a target implementation date of 1 October 2016 for an ‘all together’ or ‘core only’ solution. This is subject to a future decision point regarding the delivery of retrospective amendments (assets / supply points) and unique sites (see 2) and alignment on market trials approach.	Steering Group	High	High
2	Overlay the critical future key decision points and gateways on the preferred / recommended plan, for example: <ul style="list-style-type: none"> Start and completion of detailed design on retrospective amendments (assets / supply points) and unique sites; The exit from UAT for the Xoserve core solution; and Agreement of market trials approach. 	Xoserve / PwC	Moderate	High / moderate
3	To aid transparency and increase confidence, PwC and Xoserve should formally respond to the FAQs collated during our detailed within appendix 3 .	Xoserve, PwC	Moderate	Moderate

Appendices

A1. Background and Approach

Background:

- Following the Nexus Steering Group meeting on the 15th June, we were asked to collate feedback from the participants on three areas:
 - The data-cut and market trials start,
 - The delivery options (Figure 1) and
 - The market trial duration.

Figure 1:

Single release	Key mile stone	Date
	L2 market trials start (core)	1 st Sept / Nov 2015
	L3 / L4 market trials start (core)	5 th January 2016
	Market trials end	30 th June 2016
<i>Subject to industry buy-in into market trials approach</i>	Earliest go-live date	1 st September 2016

Dual / split release	Key mile stone	Date
	Market trials start (core)	As Option 1
	Market trials end (core)	30 th April 2016
	Earliest go-live date (core)	1 st July 2016
<i>Note: subject to detailed planning by Xoserve</i>	Retro / unique sites market trials and go-live date	To be determined

The approach we have taken:

- We updated the Nexus portal with a set targeted questions (see **page 13**) to allow participants to provide feedback in the three key areas.
- Of the 41 organisations identified, we have received feedback from 25 organisations.
- This feedback is based on, therefore, **organisations covering 97% of supply points and 91% of Annual Quantity ('AQ')** as a reasonable approximation of gas volume.
- One-to-one conversations have also been held where requested.
- We have evaluated the responses with the objective of providing a summary of the preferred industry plan options.

A2. The Full Survey Questions

Questions	Options
Data Cut and Market Trials Start Dates	
1. What is the minimum time you believe is needed to conduct L2 market trials?	[1 month, 2 months or 2+ months]
2. What key assumptions is this duration based on?	[free text]
3. What period of notice is needed between file formats being finalised and the start of L2 market trials?	[free text]
4. Do you believe there should be a break period between the end of L2 and the start of L3?	[yes/no]
4i. If yes, please provide rationale and your opinion on how long the break period should be?	[free text]
5. Based on your organisation's current plan and progress, are you able to support a L3 or L4 market trials start date of 06 January 2016?	[yes/no]
Delivery Options / Go-live criteria	
1. What do you see as the specific benefits attached to unique sites (e.g. efficiency gain through less manual processing)?	[free text]
2. What do you see as the specific benefits attached to retrospective amendments (e.g. improved asset data quality resulting in more accurate volume allocation)?	[free text]
3. Do you support splitting 'core' from retrospective amendments / unique sites?	[yes/no]
3i If 'no' - what is the rationale for this and what are the key benefits you are expecting from keeping all of the scope together?	[free text]
3ii If 'yes' - can you support a target go-live date of 01 September 2016 for Option 1? If 'No', what conflicts or issues do you see in this date?	[free text]
4. Do you believe that either unique sites or retrospective amendments functionality could be worked around / achieved in a different way (e.g. continuation of current unique sites processing arrangements)?	[yes/no]
5. Please provide any other free form feedback you believe is constructive.	[free text]
Market Trials Duration	
1. What is the minimum time you believe is needed to conduct L3 and L4 market trials on the core functionality if core is delivered first without retrospective/unique site functionality?	[2-4 months, 4-6 months or 6+ months]
2. What key assumptions is this duration based on?	[free text]
3. What is the minimum time you believe is needed to conduct L3 and L4 market trials solely on the retrospective / unique sites functionality if the core functionality has already been delivered ?	[2-4 months, 4-6 months or 6+ months]
4. What key assumptions is this duration based on?	[free text]
5. What is the minimum time you believe is needed to conduct L3 and L4 market trials on a single 'everything together' release?	[2-4 months, 4-6 months or 6+ months]
6. What assumptions is this duration based on?	[free text]
7. Please provide any other 'free form' feedback you believe is useful on market trial duration.	[free text]

A3. *Frequently Asked Questions (aggregated and simplified)*

#	Question	Links to
1	What is the rationale of taking a data cut on the 12 th October 2015 rather than earlier in the month? Is there still a possibility that data from the Gemini or live system may be used which will not match the test data?	Updated market trials approach, data readiness
2	Following the data cut being taken by Xoserve, when will participants have visibility of relevant data to enable preparation in advance of the market trial start date? Will there be a specific list of data items for iGT sites for example?	Updated market trials approach, data readiness
3	When will data file formats be finalised following feedback from market participants made to Xoserve? Can any indication be provided at this stage with respect to the size and scale of the proposed changes?	Critical decision points / project plan
4	Will the updated data cut contain the same LDZ / DN and meter point data as the original data cut which was taken?	Updated market trials approach, data readiness
5	During the market trial period, can core functionality be tested beyond the four month period (i.e. during the portion of market trials assigned to retro / unique sites) and what level of support will Xoserve be providing? Is there an expectation regarding the level of participation of each organisation during market trials as not all parties will want to test each scenario in the same level of detail?	Updated market trials approach
6	Can further clarity be provided over Xoserve's support provisions during market trials and whether the proposed sequencing arrangements are prescriptive or mandated?	Updated market trials approach
7	What is the current status of Xoserve's user acceptance testing and what is the projected date for completion?	Critical decision points / project plan
8	What is the cost to participants / the industry of the revised go-live date?	Project plan