

Representation – Urgent Modification 0573

Project Nexus – deferral of implementation of elements of Retrospective Adjustment arrangements

Responses invited by: **16 February 2016**

To: enquiries@gasgovernance.co.uk

Representative:	Mark Jones
Organisation:	SSE Supply
Date of Representation:	16 February 2016
Support or oppose implementation?	Oppose
Relevant Objective:	f) Negative

Reason for support/opposition: Please summarise (in one paragraph) the key reason(s)

Whilst SSE does not support this modification, we recognise that delaying elements of the RAASP functionality is a key element in de-risking the Project Nexus delivery so that the currently planned go live date of 1st October 2016 can be met, albeit with a cut down version of the planned functionality, and that this cut down version will extend to a year. Disappointingly, despite having an extra year from the initially planned go live date of 1st October 2015, the Transporters' Agency, Xoserve, has stated that it is not possible for it to deliver the full functionality of Modification 0434 by 1st October 2016 and requires yet another year to provide this functionality.

Xoserve has stated that by taking resource away from the delivery of RAASP that this resource can be employed on the remaining functionality which will de-risk the delivery of the cut down functionality of Project Nexus for the 1st October 2016. SSE is firmly of the viewpoint that it is better for Nexus to go live on 1st October 2016 rather than the Project face another evitable delay which would be the case if delivery of the RAASP functionality outlined in this modification proposal was not delayed.

However, the modification proposal only focuses on the date of the RAASP functionality and does not go into any sort of detail about what is to be done in the interim. There are significant resource requirements that will be put on SSE as a result of this modification and there will be numerous changes to the requirements in the baselined BRDs. None of this is included in the modification, or any references included to any of the existing requirements in the BRDs which have been used as key documents by Users in the design of their systems. We would expect to see a detailed 'Solution' section in the modification to detail what users are now expected to do, at a similar level to the solution section in Modification 0434. Furthermore, industry discussions have centred on Shippers sending in their own adjustments in the absence of the RAASP functionality, but the solution states that 'deferral is limited to those retrospective invoice adjustments

associated with RAASP', which is not correct as invoice adjustments will be made if the interim arrangements are implemented.

Implementation: *What lead-time do you wish to see prior to implementation and why?*

This modification could be implemented in line with the urgent timetable in the proposal. However, we require certainty that the interim arrangements will be implemented prior to the RAASP functionality being delayed.

Impacts and Costs: *What analysis, development and ongoing costs would you face?*

SSE will face additional costs due to system and business process redesigns, and also due to having to put in place manual solutions for 12 months from Nexus go live for the delayed RAASP functionality.

Legal Text: *Are you satisfied that the legal text will deliver the intent of the Solution?*

No. The legal text only states that Users may not submit a Retrospective Update prior to 1 October 2017. It makes no mention of the interim arrangements and the proposed adjustments that Users will be able to submit until the full RAASP functionality is implemented.

Are there any errors or omissions in this Modification that you think should be taken into account? *Include details of any impacts/costs to your organisation that are directly related to this.*

The modification does not go into detail about which elements of the RAASP functionality will be delayed or how the workarounds for these requirements will be implemented. Whilst the workarounds have been discussed at the Project Nexus Workgroup and consensus apparently reached, this modification should include the interim arrangements to be implemented. We require certainty on the interim arrangements and these should be fully agreed and included in any modification that seeks to delay elements of the RAASP functionality. Without these this modification will delay the RAASP functionality without putting in place any interim arrangements, which will, as it is currently written, not allow Shippers to make any sort of retrospective adjustments linked to the delayed functionality until October 1st 2017.

Please provide below any additional analysis or information to support your representation

This modification should be part of a wider and published plan evidencing how it will assist in the delivery of 'core' functionality. That plan should show how the UKLINK project will move from red to green, indicating that the project is back under control.

As far as SSE can determine the UKLINK project plan will move from red to amber and this mod will provide a small step towards what looks likely to be needed.

It does not properly specify what functionality will be removed and gives no comfort to shippers about how the issues resolved by the delivery of this functionality are to be

delivered in the year following go live of the 'core ' functionality. These issues need to be remedied before this mod could be supported by SSE.