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:	Angela Love
Organisation:	ScottishPower Energy Management Limited
Date of Representation:	16th February 2016
Support or oppose implementation?	Support
Relevant Objective:	**f)** Positive

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

ScottishPower supports the proposal outlined within MOD573. Whilst disappointed that there appears to be a need to de-scope this retrospective adjustment aspect of the Project Nexus solution, ScottishPower understands, given information provided by the Transporters' Agent, that if Retrospective Adjustment of Asset and Supply Point is not de-scoped at this time, then there is a risk to the delivery of all the other aspects of Project Nexus functionality.

ScottishPower believes that it is imperative that as much of the Project Nexus scope as possible is delivered for the Implementation Date of 1st October 2016, given that this is already 12 months after the initial Implementation Date. Ultimately it is customers who should benefit from Project Nexus and therefore ScottishPower believes that it is incumbent on the industry to realise these benefits for consumers at the earliest opportunity.

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

ScottishPower believes that this Modification should be implemented as soon as possible to give certainty to Shippers.

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

ScottishPower will have to deploy resource to support the interim process that Xoserve is seeking to put in place in the period between 1st October 2016 and 30th September 2017. Ultimately the interim process will require that Shippers complete additional steps to accommodate this process, despite having designed and built an automated solution in their systems. At the present time ScottishPower cannot make an estimate of what the

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resource requirement will be, as the prospect for using the retrospective update may be greater in the future, due to smart meter deployment.

ScottishPower also envisages additional resource will be necessary for the prolonged period of the programme, with the requirement to secure their internal programme team for a further 12 months. This will be essential to ensure that ScottishPower can test the RAASP functionality when the Transporters' Agent eventually delivers their automated solution.

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

ScottishPower believes that the legal text should deliver the intent of the Solution.

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 Proposal does not recognise the additional cost to Shippers that the delay to RAASP will introduce. As outlined above Shippers will have to extend their internal programmes for further 12 months and will have to deploy resource to accommodate the interim solution.

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

Although ScottishPower is supportive of this modification, there were really no credible alternatives to this proposal, as the Transporters' Agent had advised that they could not afford the resource required to look at either a manual or automated workaround to the RAASP functionality. Therefore ScottishPower has no option but to support MOD573 to try and ensure that the main aspects of Project Nexus are delivered for 1st October 2016.

ScottishPower has had a number of concerns about the management and transparency of the central programme for Project Nexus and fear that RAASP will be the first of a number of casualties, where the Transporters' Agent will look to de-scope parts of the solution, to allow the delivery of partial functionality for October 2016. For over 2 years ScottishPower has been asking for a Project Plan to allow Xoserve to demonstrate their progress across the spectrum of the programme and afford Shippers the opportunity to understand where/when constraints to the programme may occur. Equally this would give the chance for the industry to have an early warning of any possible issues and afford the opportunity to consider mitigating actions. This has not been forthcoming.

In addition, with other Shippers, ScottishPower has been calling for the Transporters' Agent to deploy additional resource to the programme, as Shippers were concerned that constraints would arise and subsequently jeopardise delivery of the programme overall. Shippers were told that no resource could be secured, yet in recent weeks the industry has been advised through the Project Nexus Steering Group (PNSG) that additional resource has been secured. ScottishPower understands that PWC, as Ofgem's Programme Assurance Manager, are in further discussion with the Transporters' Agent on resource levels. However the outcome of these discussions is not clear to the Shippers and therefore the concern remains that resource levels are insufficient.

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Similarly ScottishPower has been concerned that there is limited visibility of data migration and data defects that the Transporters' Agent is facing. This does little to provide confidence that the programme milestones will be met, but moreover it does not allow Shippers to understand issues and plan what actions they might need to take to mitigate future problems. Again this information has not been forthcoming.

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