

Representation

Draft Modification Report

0491 – Change Implementation Date of Project Nexus to 1st April 2016

Consultation close out date: 01 April 2014
Respond to: enquiries@gasgovernance.co.uk
Organisation: Xoserve
Representative: Nick Salter, Head of Industry Engagement
Date of Representation: 01 April 2014

Do you support or oppose implementation?

Support/Qualified Support/Neutral/Not in Support/Comments* *delete as appropriate*

Please summarise (in one paragraph) the key reason(s) for your support/opposition.

In response to the Delivery Options Questionnaire arising from the Senior Stakeholder Forum, Xoserve has published previously its assessment of the risk associated with targeting the delivery of both Project Nexus requirements and EU Reform for 2015. Xoserve's full assessment of the options and a record of an industry discussion of this assessment are available on the website of the Joint Office at <http://www.gasgovernance.co.uk/COB>.

In summary, our response stated that the risk of continuing to target delivery of both sets of changes for 2015 would present a high likelihood of neither being delivered to that schedule. If the 2015 target is retained for both and it becomes apparent at a later stage during the programme delivery that a re-plan is required, the date to which deliverables could be re-planned would be uncertain, would be dependent upon circumstances that prevailed at the time and could be later than April 2016. On a 'stand-alone' basis, the likelihood of being unable to achieve delivery of the Nexus requirements for 2015 is significantly greater than for EU Reforms, but if they are both targeted for delivery in 2015, they would have to be combined for delivery with resultant 'risk contagion' between the programmes – i.e. the delivery of EU Reforms would be exposed to the higher risks associated with the Nexus requirements.

Given the significance of both EU and Nexus changes to the industry, Xoserve believes that it would be in both the industry's and ultimately consumers' interests to adopt a lower risk approach, and therefore supports an April 2016 delivery target for the Nexus requirements. This approach would minimise the likelihood of 'risk contagion', best enable compliance with EU requirements for 2015, give Xoserve and all stakeholders associated with the delivery of the Nexus requirements a more assured basis for delivery planning, including development of UNC Modifications to support transition, data cleansing / preparation and system / interface testing and, finally, would introduce the Nexus changes at the beginning of the spring / summer period, rather than moving into the winter period.

Are there any new or additional issues that you believe should be recorded in the Modification Report?

Xoserve does not consider that there are any new or additional issues that should be recorded in the Modification Report.

Self Governance Statement:

Do you agree with the Modification Panel's decision that this should not be a self-governance modification?

0491
Representation

11 March 2014

Version 1.0

Page 1 of 2

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Xoserve does not have any comment on this question.

Relevant Objectives:

How would implementation of this modification impact the relevant objectives?

Xoserve does not have any comment on this question.

Impacts and Costs:

What analysis, development and ongoing costs would you face if this modification were implemented?

Xoserve does not have any comment on this question.

Implementation:

What lead-time would you wish to see prior to this modification being implemented, and why?

As stated in a letter dated 13 March 2014 from Xoserve to UNC Panel members and to attendees of the Panel meeting held on 11 March 2014, Xoserve would wish to see the decision to implement the Modification Proposal being made no later than mid-May 2014.

Xoserve considers that this strikes a reasonable balance between giving time for appropriate consideration of the Modification Proposal, whilst retaining a decision date that would allow sufficient time for a review of the central IT systems design approach for delivering EU Reform solutions in October 2015 and Project Nexus requirements in April 2016 (rather than their concurrent delivery in October 2015).

Xoserve also considers that a decision by mid-May 2014 would also be helpful in giving certainty to Code parties who will be required to draw up local project plans, and prepare for participation in industry testing and implementation planning.

Legal Text:

Are you satisfied that the legal text will deliver the intent of the modification?

Xoserve does not have any comment on this question.

Is there anything further you wish to be taken into account?

Please provide any additional comments, supporting analysis, or other information that that you believe should be taken into account or you wish to emphasise.

Xoserve does not have any comment on this question.