

PNSG Meeting Minutes

1.1. Purpose

The purpose of this document is to capture details of the Project Nexus Steering Group meeting in order for wider sharing and confirmation and follow up of actions.

1.2. Meeting Details

Meeting Name:	Project Nexus Steering Group
Meeting Date:	Main: 19/12/16 Special: 21/12/16
Meeting Time:	Main: 11:30 – 13:30 Special: 10:00-10:45
Meeting Format/Location:	Ofgem with WebEx facility
Chaired by:	Rob Salter-Church
Minutes recorded by:	PwC

1.3. Meeting Attendees (Main)

Group	Company	Representatives	Company	Representatives
6 Largest Suppliers	NPower	Chris Harden	Ofgem	Rob Salter-Church
Challenger	Flow Energy	Angela Love		
		Mike Gibson	Ofgem	Nicola Garland
			Ofgem	Tricia Quinn
		PwC	Steve Mullins	
GT	Utilita	Alison Russell	PwC	Martin Crozier
	SGN	Steve Simmons	PwC	Gill Williams
I&C	DONG Energy	National Grid Distribution	Chris Warner	Xoserve Sandra Simpson Paul Toolan Lee Foster
			Lorna Lewin	Baringa James Beverley
iGT	ICoSS Group	Gareth Evans		
	Brookfield Utilities	Mike Harding		

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1.4. Meeting Attendees (Special)

Group	Company	Representatives	Company	Representatives
6 Largest Suppliers	SSE	Mark Carlin	Ofgem	Rob Salter-Church
			Ofgem	Nicola Garland
	SP	Angela Love	PwC	Steve Mullins
Challenger	Utility Warehouse	Naomie Nathaneal	PwC	Phil Russ
	Utilita	Alison Russell	Xoserve	Sandra Simpson Darren Jackson Paul Toolan Lee Foster
GT	SGN	Steve Simmons	Baringa	James Beverley
	National Grid Distribution	Chris Warner		
I&C	DONG Energy	Lorna Lewin		
	ICoSS Group	Gareth Evans		
iGT	Brookfield Utilities	Mike Harding		

1.5. Meeting Agenda

1. Approval of minutes
2. PNSG programme summary
3. Plan on a Page Updates (POAP)
4. Market Trials Regression
5. Code Stability
6. Data Checkpoint (early indicators)
7. GONG
8. Actions
9. SPECIAL MEETING - NED Day decision (21 Dec 16)

1.6. Meeting Minutes

Item 1:	Approval of minutes
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1. The board approved the minutes from the previous PNSG.

Item 2:	PNSG Programme Summary
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2. The overall programme status has moved to AMBER as a result of degradation in the Transition Workstream, which has arisen due to the ongoing uncertainty around the cutover period. A decision as to the structure of the cutover period will be the subject of a special PNSG on 21 Dec 16.
3. The key areas of risk to the programme are:
 - Attainment of code stability milestone (MT2.4)
 - Regression readiness (participants and Xoserve) (MT2.5)
 - IGT data load timescales and the attendant risk to transition cutover period (T3.1 and T3.2)
 - Delta data load defects (D1.4)These points are addressed in subsequent parts of the agenda (or in the case of IGT data load, in the special PNSG on 21 Dec 16)
4. There are three key activities proceeding ahead of the interim PNSG scheduled for 09 Jan 17. These are:
 - Regression Entry: An indicative decision will be issued by Ofgem in the w/c 03 Jan 17. This decision will be based on:
 - i. The Baringa Code Stability assurance report
 - ii. Participant readiness assessment from PwC
 - iii. Xoserve readiness report from XoserveThis formal decision will then be taken to PNSG on 09 Jan 17
 - Contingency Checkpoint 2: Xoserve will formally communicate to Ofgem their recommendation in the w/c 03 Jan 17. The current expectation is that the recommendation will be to retain the 01 Jun 17 PNID and not invoke the contingency month. This will then also be taken to PNSG on 09 Jan 17
 - GONG: The G1 assessment output will be delivered to Ofgem in w/c 03 Jan 17. A summary will be presented to PNSG on 09 Jan 17.

Item 3:	POAP Updates
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5. There were no major slippages in the milestones in the report which affect the critical path of the programme. An update on upcoming milestones was given to the group.
6. Solution Delivery Workstream: Amber/ Green RAG Status. Next milestone BW Reports Release 2 (SD 3.2) has a Green RAG Status.

7. Market Trials Workstream: Amber/ Green RAG Status. Preparation for Regression is well underway and as there has been a good response from Market Participants.
8. Data Workstream: Amber/ Green RAG Status. Bulk load 2 has commenced and is tracking to complete on time.
9. Transition Workstream: Red/ Amber RAG Status. LLTD (milestone T2.4) is Red due to the debate on the NEDs and also concerns from some participants on completeness.
10. GONG Workstream: Amber/ Green RAG Status. On track to carry out Assessment 1 (G3.0) by 23 Dec 16.

Item 4:	Market Trials Regression Entry
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11. Responses have been received from 36 Market Participants stating that they intend to participate in the Regression Testing Phase. Out of these, 33 have submitted test plans with an additional organisation working to provide their test plan to PwC as soon as possible. The remaining two are being chased for plans.
12. PNSG representatives are asked to communicate to their constituents that the absence of a plan will mean that no PMO account manager will be assigned, support will be limited and that the absence of a plan will mean that Ofgem will not be in a position to assess the organisation's RAG status at the exit of MTR.
13. The portal submission on 09 Dec 16 noted that there are some concerns around the provision of dummy data, which could impact some market participant's ability to commence certain testing. These are around specific data cases and are not seen to be pervasive issues.
14. On the whole, Market Participants are in a good place to enter the regression phase on 09 Jan 17 and conversations have occurred with all 33 market participants who have submitted plans over the last week.
15. Xoserve will be delivering a report to Ofgem confirming their readiness to support regression addressing such points as: manpower, processes, dummy data, environments etc. As noted previously, this will form one of the main considerations for Ofgem's indicative decision on whether to enter MTR on 09 Jan 17.

Item 5:	Code Stability
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16. James Beverley provided an update to PNSG on the latest defect numbers. The total number of defects is 142 at the time of the PNSG meeting. This is broken down as follows:
 - 95 are fixed and tested and awaiting deployment
 - 34 have a confirmed fix and test plan ahead of the code stability milestone
 - 10 are awaiting a confirmed fix and test plan
 - 3 are being proposed as not to be fixed before PNID and will be taken through the defined workaround process at MTWG
17. It was agreed to circulate (to PNSG and PNDG) a daily update of these numbers between now and 09 Jan 17. In addition, on 23 Dec 16 a full list of the defects in each of the last three categories above will be provided by Xoserve.
18. Ofgem noted that one of the important considerations for any remaining defects will be an assessment of materiality of these outstanding defects. Ofgem noted the need for an additional level of detail beyond the rating of P1/P2 to assess the impact to AQ/number of supply points in determining materiality, and that this granular level of detail would be necessary for a decision on whether the market can enter Regression Testing, and should be included as part of Baringa's Final Assurance Report.
19. A market participant suggested that the programme should set a planning date for a drop of code during MTR as there will almost certainly be a requirement for such a drop. The PMO responded that there was a process defined for determining what defects will be fixed and when they would be dropped to the regression environment. That said, it was agreed that it would make sense to establish a tentative date for planning purposes. However, this date will be subject to the nature of the defects encountered during Regression Testing, and the tentative date should not inhibit the programme from adapting to the needs of the issues encountered during Regression Testing.

20. A market participant asked for the latest numbers on the defects raised since 11 Nov 16. Xoserve committed to providing an update to the numbers of defects raised since 11 Nov 16 in the Baringa Assurance Report and in summary for the next PNSG meeting on 09 Jan 17.

Item 6:	Data Checkpoint – Early Indicators
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21. All 73 Delta defects were fixed in Delta TC3 and TC3a. There was hope that the number of newly identified defects would be low (Xoserve had anticipated around 8 defects), however there was an increase during TC3 (30 defects) which fell outside the planned levels moving the trend line into the “pessimistic” forecast. In relation to planned fix rate and fix rate success, Xoserve were trending better than plan, which was limiting the impact of the unexpected spike in identified defects.
22. The next auto-validation stage could see another spike in defects. However, as all the Delta Test Cycle plans are on track Xoserve do not currently see the need to trigger the additional contingency run that would result in a delay to PNID to 01 Jul 17.
23. For IGTs the main message to be conveyed is that the performance cycle was not completed in 7+2, but should be possible within 9+3. IGT Test Cycle 5 will be complete prior to Checkpoint 3, and Xoserve will provide the results of this test cycle to PNDG in advance of Checkpoint 3. The decision with respect to the framework for the cutover period will be further discussed at the special PNSG on 21 Dec 17.
24. From a Unique Sites perspective; another test cycle is planned for the week commencing 23 Jan 17.
25. With respect to US testing, at this stage, the final test results will not be available in time for consideration of part of checkpoint 3. However, Xoserve noted that they believe they will have sufficient certainty at that time to make a recommendation. Market participants noted that this was acceptable, as long as any risks were clearly identified at that time and that US testing was still delivered prior to the commencement of IDR2.

Item 7:	GONG Update
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26. There has been good coverage and a high response rate from the Market Participants. Only 7 participants have not submitted a response to the portal.
27. Those who have not responded to the GONG Gateway have been raised to Ofgem for follow-up. The final G1 submission was 16 Dec 16 and a list of actions has started to be collated.
28. A targeted interim GONG Assessment towards the end of January is being considered as there is quite a long gap between G1 and G2. Whether this is executed will depend on analysis of the G1 submissions.

Item 8:	Actions
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29. **A138** – Xoserve confirmed that this would be circulated after this meeting.
30. **A146** – There has been a change request raised on the programme. Xoserve are considering and will provide feedback at the PNSG on 09 Jan 17.
31. **A181** – proposed to move this to mid-January.
32. **A183** – this was confirmed as closed.
33. **A186** – Xoserve reported this was closed at the last PNDG.

NEW ACTIONS:

34. **A191** – Publish daily report of defect counts as the programme approaches the code stability milestone (MT2.4) [Xoserve/PwC/Ofgem - Due Date 06 Jan 17]

35. **A192** - Publish a list of the defects that fall into the following categories:

- Confirmed fix and test plan ahead of the code stability milestone;
- Awaiting a confirmed fix and test plan; and
- Proposed not to be fixed prior to regression

[Xoserve/PwC/Ofgem - Due Date 23 Dec 16]

36. **A193** - Consider addition of tentative milestone for drop of code to regression [Xoserve - Due Date 09 Jan 17]

37. **A194** - Consider how to improve feedback from RIAG to PNDG [Ofgem - Due Date 02 Feb 17]

38. **A195** - Consider revising PNSG dates in January [Ofgem]

39. **A196** - Circulate process diagrams for management of code stability during MTR [PwC - Due Date 06 Jan 17]

40. **A197** - Provide an update to the numbers of defects raised since 11 Nov 16 in the Baringa Assurance Report on Code Stability and in summary for the next PNSG meeting [Xoserve - Due Date 09 Jan 17]

Item 9:	SPECIAL MEETING - NED DAY DECISION
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Background

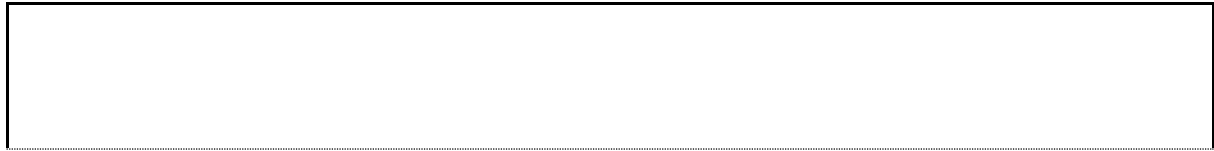
41. Xoserve were requested to provide an impact assessment paper to TPG, PNDG and PNSG on 14 Dec 16 that set out the effect of selecting either a 9 or 12 day NED framework, and included an assessment as to the risk to consumers and the delivery of Project Nexus. This paper concluded that a move to a 12 day NED framework was not possible without invoking contingency to move the PNID to 01 Jul 17. Xoserve made a recommendation in the paper that the Project proceed with 9 NEDs + 3 VNBDs for the 1 Jun 17 implementation noting that this option does reduce contingency between IDR2 and IDR3 so increases the overall plan risk. This recommendation was based on Xoserve's assessment that the IGT data load process could be improved to deliver within the 9 day NED period.

42. As such, TPG recommended that the programme should continue on the basis of 01 Jun 17 with the 9+3 option. This is subject to the following:

- The criteria for industry checkpoint 3 to be amended to include criteria around greater certainty from Xoserve on their ability to support 9 NEDs plus 3 VNBDs. Should this not be forthcoming then the contingency checkpoint will be assessed for decision under the governance arrangements.
- TPG to provide input on the criteria required at checkpoint 3.
- TPG (in January) to consider how the IDR timetable for a July implementation could de-risk the IDR process (back-to-back nature of IDR2 and IDR3).

This information will also feed into industry checkpoint 3.

43. Xoserve have committed to delivering the results of the iGT data test cycle 5 results to demonstrate ability to achieve the 9 NEDs + 3 VNBDs framework prior to the final industry checkpoint.



Decision 13

44. PNSG accepted the recommendation of TPG (along with the caveats noted) that the Transition plan continues to be based on a 01 Jun 17 PNID with 9 Non-Effective Days (NED) and 3 Variant Non-Business Days (VNBD). A query was raised – which does not affect the decision – about the proposal from Xoserve to explore setting defined “slots” during the catch-up window, which is being considered by TPG.
45. Please note that the above decision does not limit any decision Ofgem may make with respect to the relevant UNC modifications which will be taken at the time they receive the FMR recommendation, based on all relevant information at that time.
46. During the call, a participant asked about compliance with licence obligations on switching times. Ofgem clarified that it would assess any non-compliance which might arise as a result of the Nexus cutover in line with its priorities set out in its Enforcement Guidelines. These make clear that we will consider *the “apparent seriousness and impact, or potential impact, on consumers or competition”*. In determining priorities for any enforcement action we will consider *“the harm or potential harm to consumers and whether our resources are focussed on a relevant policy project which we consider may better address the identified harm”*. It is against this framework that we would need to assess the impacts of possible minor delays in switching times due to the Nexus cut-over. Our assessment would depend on the circumstances of the event, the root causes of any delays and the length of any delays.

NEW ACTION:

47. **A198** - Agree with SP two new risks to be managed through the programme’s risk management process covering:
 - Risk of the requirement for slots to be assigned during the catch-up batch
 - Risk to catch-up batch timescales of shippers cutting over early[Ofgem - Due Date 09 Jan 17]

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