

Project Nexus Sponsors Forum

10th August 2016 - 10:00-11:00am

Agenda

- Update since last meeting (20 min)
- Project Nexus success factors (20 mins)
- Next steps and forward look to next meeting (20 min)

Update since last meeting

Deep Dive

PwC has been engaged by Ofgem to provide programme management services and quality assurance to Project Nexus through to successful Go-Live.

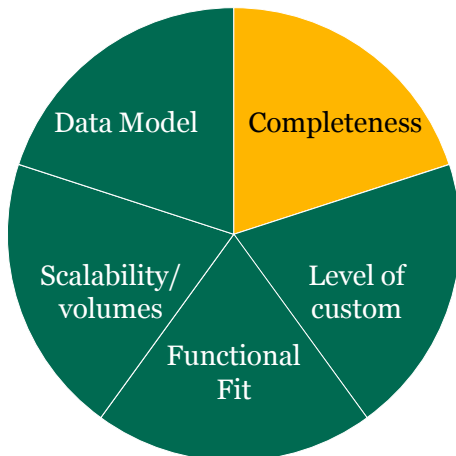
The key questions this review seeks to address are as follows:

1. Is this solution fit for purpose?
2. Is the solution sustainable without significant impact on the industry, Xoserve and consumers?
3. Is the solution likely to enable a 1 October 2016 go-live?

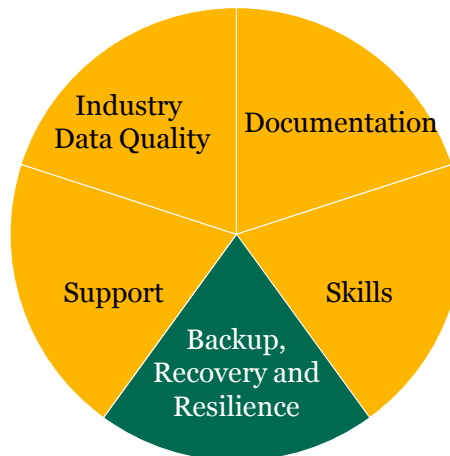
This review is to provide Ofgem with confidence over the **design, build, delivery and sustainability** of the central solution and support in the execution of their role as sponsor, as well as providing confidence to the industry participants.

- Risks with limited impact to GO-live
- Risks suggesting a 1 to 2 month delay
- Risks suggesting greater than 2 month delay

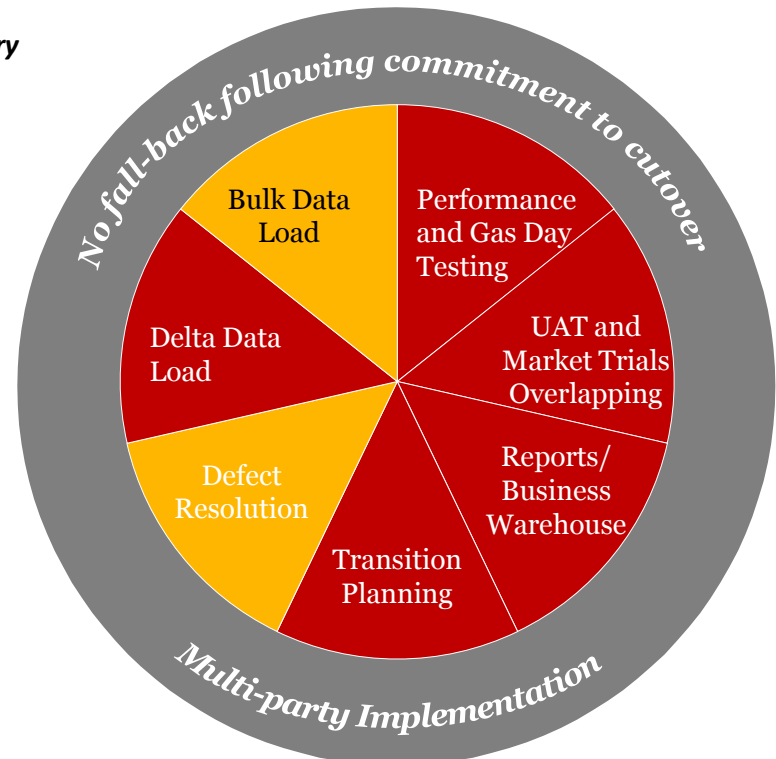
1. Is the solution fit for purpose?





2. Is the solution sustainable without significant impact on the industry, Xoserve and consumers?



3. Is the solution likely to enable a 1 October 2016 go-live?



An outline of the activities and outcomes over the last three months is depicted below.

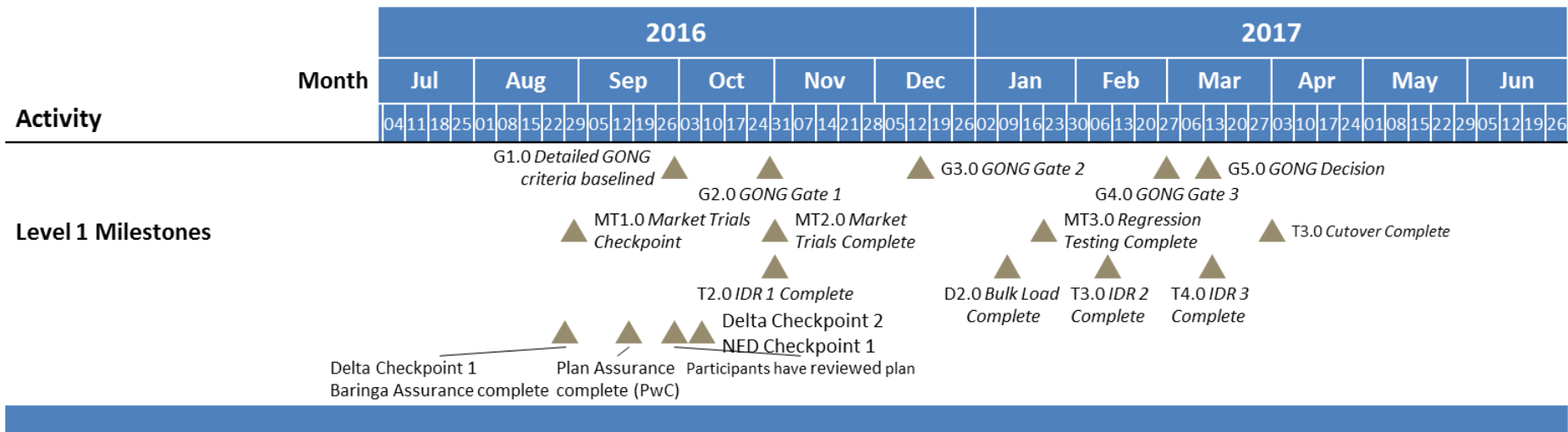
May	June	July
Deep Dive on Xoserve 	 Ofgem issue position paper  Constituent Consultation Workshops Ofgem published Scenario C decision 	<div> <p>To following activities took place to inform the reporting baseline plan:</p> <ul style="list-style-type: none"> • 20+ meetings with Market Participants through full day planning sessions MTWG, TPG, DMG, Defect Calls, PNDG and PNSG • 3 Portal submissions from Market Participants • 15+ meetings with Xoserve • Ongoing site visits to Market Participants </div> <div> New reporting baseline plan  </div>

Through many interaction points between stakeholders we are in a position to know 1 October 2016 go live is not realistic and the earliest feasible date for implementation is 1 April 2017. This is being set as a new reporting date – but it is not a new implementation date.

This is based on the best available information available to date and this will continue to be revisited at checkpoints going forward. Continued Xoserve detailed planning, PwC assurance of the plan and additional progress made in Market Trials will inform this go live date.

A set go live date will not be published until Ofgem is confident in that date. Until then, a range of dates will be communicated.

The high level plan aligned to the reporting baseline date is depicted below:



Detail below this is across Solution Delivery, Market Trials, Data Migration and Cleansing, Transition and Service Operations.

Definitions of milestones, assumptions and dependencies have been developed for this plan.

Programme Status Report

Project Nexus as @ 9 Aug 16

Sponsor: Jon Dixon

PMO: Melisa Findlay

End Date: 01 Apr 17 (reporting baseline)

RAG Status	Project Delivery	Market Trials	Data	Transition	GONG
Overall	● ↓	● ↓	● ↔	● ↓	●
Xoserve	● ↓	● ↓	● ↔	● ↔	●
Baringa <small>view of Xoserve</small>	●	●	●	●	●
Participants	● ↓	● ↓	● ↓	● ↓	●

Programme Status:



Programme Trend:



● Poses significant risk to go-live – Immediate mitigation require

● Go-live at risk – manageable with mitigation

● On Track

● Complete

● N/A or No information

↑ Increase in severity since previous report

↔ No Change in Status

↓ Decrease in severity since previous report

Project Nexus Programme Background: Project Nexus is the implementation of new business processes for gas settlement reform and single service provision for GT and iGT's with the central system being delivered as part of Xoserve's UK Link Programme. The programme involves participation from shippers, gas transporters, independent gas transporters and Xoserve. This report structures the programme into five workstreams: Project Delivery (Solutions and Services); Market Trials; Data (Migration and Cleansing); Transition; and GONG.

Activities since last PNDG:

- Market Participant industry planning session.
- Market Trials problem solving session.
- Market Trials Task Force analysis.
- PNSG approval of new reporting baseline.
- Development of new PNDG reporting format.

Upcoming activities:

- Monitoring and delivery of the actions identified through the problem solving session.
- Continued refinement of the delivery plan.
- Continue to work with Xoserve and MT to improve Market Participant confidence in exiting Market Trials.

Overall RAG Commentary: The PNSG agreed to adopt the draft industry plan as a reporting baseline. The PNSG acknowledged that there is uncertainty particularly in relation to Xoserve's data migration activities and the end date for market trials. The PNSG recognised that adopting the plan as a reporting baseline was not setting 01 Apr 17 as a fixed go-live date. Against the new plan the project is currently rated red. This is driven by the uncertainty around data migration (red) and market trials (amber). With respect to data migration, the red status is driven by a lack of contingency in Xoserve's data migration workstream, issues with the delta load and lack of planning certainty around regression testing. Xoserve has plans in place to develop greater confidence during Aug. In addition, key project activities such as delta testing are scheduled during Aug. Completion of these will build further confidence. For market trials, the amber status is driven by an uncertainty around the completion date. The rating reflects the fact that 23 of 29 participants reported green / amber status against an end of Aug completion (1 month earlier than the reporting baseline), the number of open MT defects continues to fall, the average test completion rate across all participants reported in the last 2 weeks exceeds the average run-rate necessary to complete by end of Sep and there are a number of actions in place aimed at further improving performance.

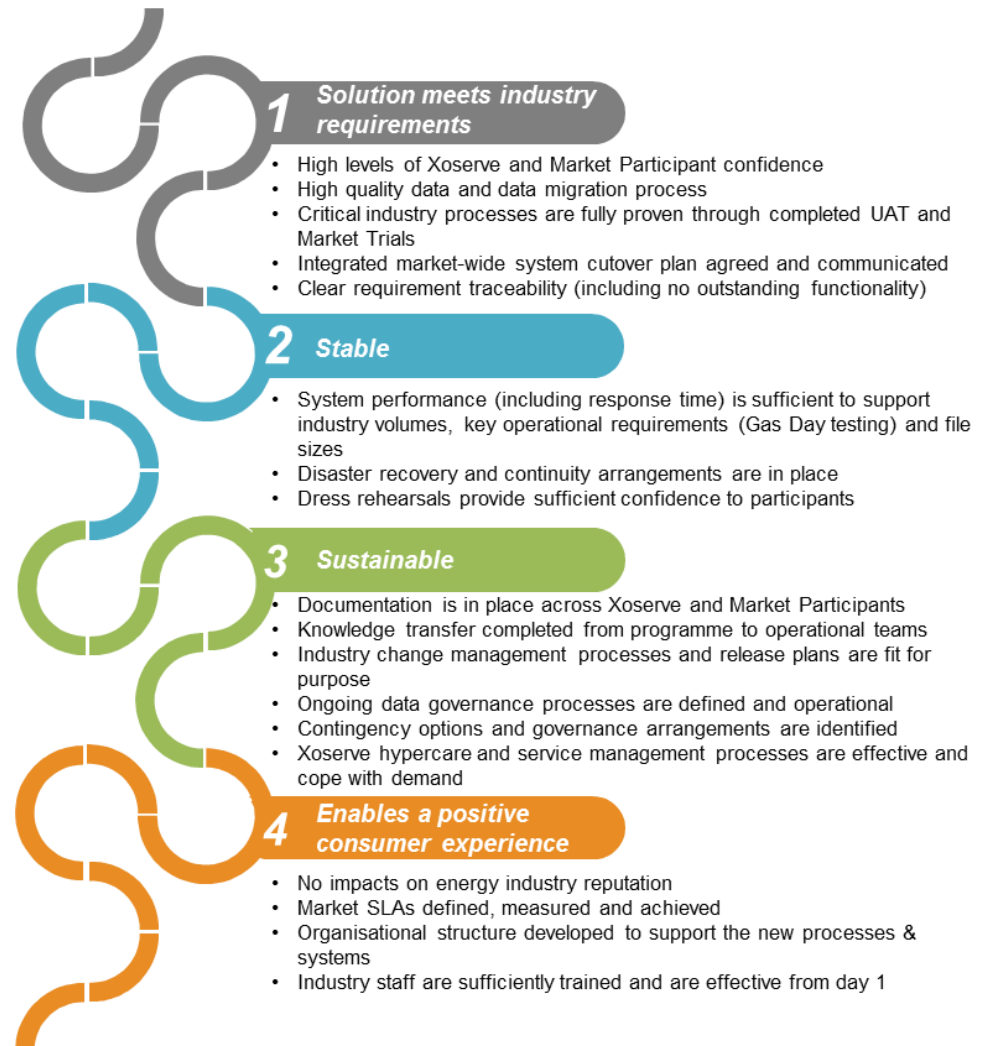
Remediation Action: Plans are in place to drive greater certainty in the Xoserve data migration activities (and across the Xoserve plan more generally) during Aug. For Market Trials a number of tactical improvement actions are underway and performance will be tracked by the 2-weekly portal submissions and weekly defect prioritisation calls. Market Trials contingency options will also be explored during Aug such that they can be triggered should progress and defect rates in market trials not show sufficient improvement. To be triggered, any contingency option must be able to reliably predict an earlier completion of MT than that which can be predicted for the current approach. The outcome of these activities could result in updates to the reporting baseline to reflect greater certainty. Any such changes will be considered by the PNSG. A series of key confidence checkpoints has been established to measure plan confidence. More detail on these checkpoints and the steps during Aug are shown on the following pages.

Project Nexus Success Factors

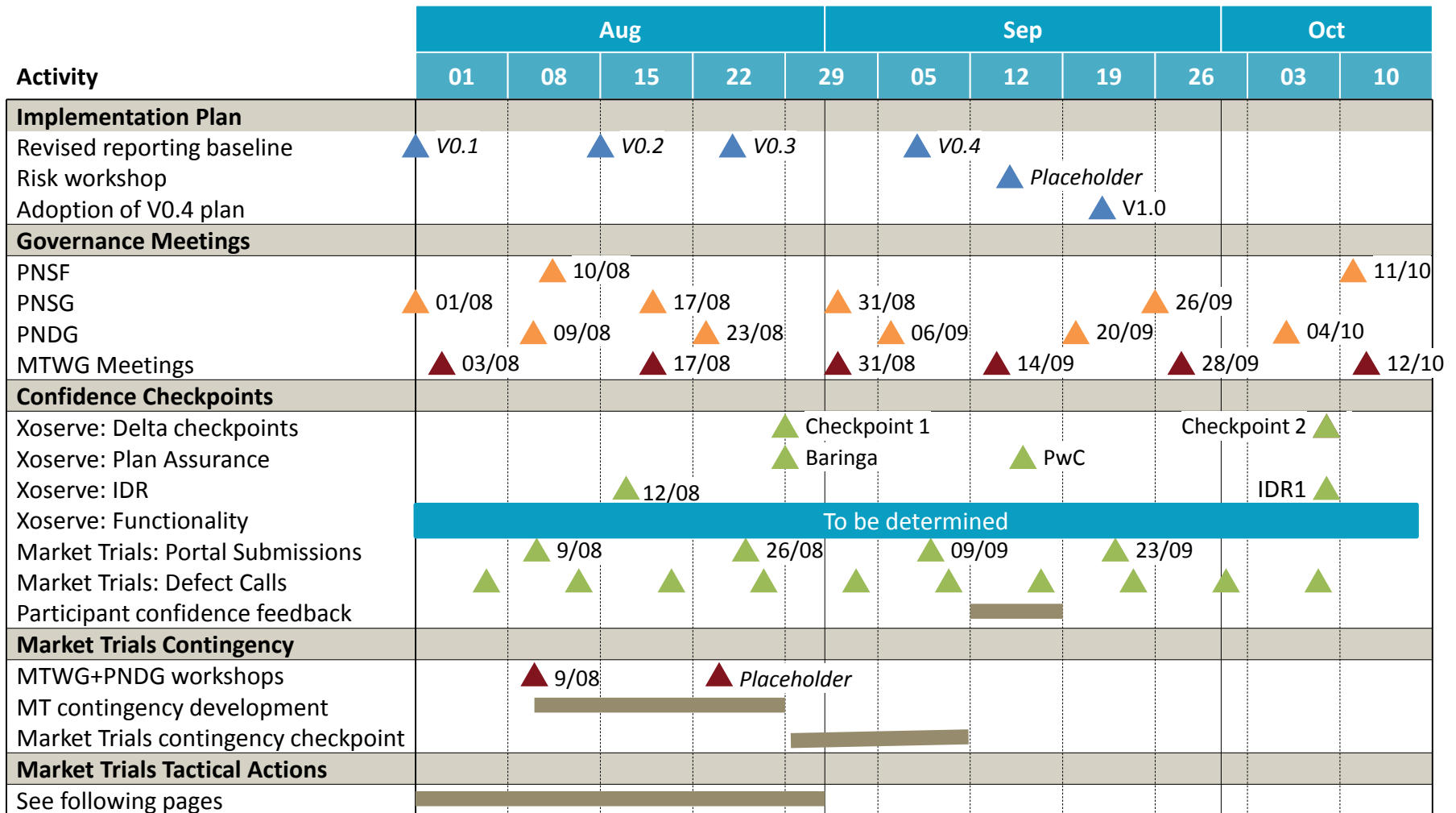
Nexus *Driving towards successful outcomes for consumers and the industry*

Ofgem have developed a set of Project Nexus Success Factors that have been used to inform a revised set of Go/No Go (GONG) decision. These same criteria are also included within the evaluation framework.

The degree to which each scenario supports the attainment of the success criteria is rated on a red/amber/green basis.



Next steps and forward look to
next meeting



MTWG Meeting Focus

03/08/2016	17/08/2016	31/08/2016	14/09/2016	28/09/2016
<ul style="list-style-type: none"> Regression approach Data requirements Contingency approach 	<ul style="list-style-type: none"> Regression approach Data requirements P3 defect resolution priorities 			

PNDG Meeting Focus

09/08/2016	23/08/2016	06/09/2016	20/09/2016	04/10/2016
<ul style="list-style-type: none"> Revised reporting pack Progress on planning action Plan artefact structure 	<ul style="list-style-type: none"> Progress on planning actions Plan artefact walkthrough Plan update v0.2 	<ul style="list-style-type: none"> Progress on planning actions Plan update v0.3 		

PNSG Meeting Focus

17/08/2016	31/08/2016	26/09/2016		
<ul style="list-style-type: none"> Progress on planning actions Update on Market Trials 	<ul style="list-style-type: none"> Progress on planning actions MT Contingency go/no go Plan update v0.3 	<ul style="list-style-type: none"> GONG Assessment criteria and process Plan update v0.4 		

MTWG+PNDG Meeting Focus (contingency arrangements)

9/08/2016	17/08/2016 (placeholder)			
<ul style="list-style-type: none"> MT contingency options 	<ul style="list-style-type: none"> MT contingency options 			