

# Project Nexus Steering Forum [PNSF]

*10 October 2016*

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# Agenda

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Minutes can be found on the **ofgem** website at:  
<https://www.ofgem.gov.uk/gas/retail-market/market-review-and-reform/project-nexus>

- Project Nexus Steering Group agreed to Summer 2017 implementation.
- Updated plan shows June 1st 2017 go-live date with potential for 1 month contingency – the plan is included in the appendix for information
- Three key checkpoints have been identified at which greater certainty on delivery will be obtained and a decision will be taken on whether to retain the June 1st go-live date or invoke the contingency. These checkpoints along with the primary measures that will be considered at each are as follows:

Checkpoint	Measures
19 November	Successful completion of Delta Test Cycle 3 and Market Trials Exit
23 December	Successful completion of Delta Test Cycle 4 and on track for Market Trials Code Stability
27 January	Successful completion of first Delta Test Cycle contingency run (if required)

- The plan reduces parallelism in Xoserve’s delivery and includes contingency on key activities
- A managed phase has been added to drive MT completion (6 Market Participants have currently declared complete). Xoserve have confirmed their ability to support this plan but any extension or scope creep could put pressure on key resources

**Overall Summary:** This status is prepared against V1.0 of the plan which shows a go-live date of 01 Jun 17. The inclusion of contingency in the plan, removal of parallelism and the inclusion of remedial MT activity for selected participants results in an improvement in overall RAG status of the plan. This plan is currently rated Amber / Green due to Market Trials and Data. The plan would return to Green with an agreed plan for MT managed activity, confirmed defect fix dates, completion of IDR1 (including all data loads) and evidence of improvements to iGT data.

**Status Since: 27 Sep 16**



**Status**

Baselined  
Plan

**Trend**

## Project Delivery

- Against a 01 Jun 17 go-live the RAG status of Project Delivery is Green:
- Stress Testing now aligns to the June 2017 plan with defect resolution continuing and cycle 3 underway.
- The start of Gas Day Testing is dependent on the end of stress testing.
- There is no immediate impact on the programme's critical path if either of the above are delayed.

## Market Trials

- Against a 01 June 17 go-live, Market Trials is rated as Amber/Green:
- The portal submission from 23 Sep 16 shows participants moving from an Amber status to either Red or Green against a 30 Sep 16 completion date.
- 6 Market Participants have concluded Market Trials testing as of 06 Oct 16. This includes one of the six largest shippers, two I&C, two Challengers and one iGT .
- For selected participants who have not completed testing, a period of managed activity has been included within the plan. Activity in this period is based on the tests still outstanding on 30 Sep 16. 25 Market Participants have been included in this managed Market Trials phase and activity undertaken in this period will be closely monitored.
- The achievement of MT milestones is dependent on the timeline for target defect fix dates and subsequent re-testing within the managed MT test phase window . This is currently being analysed as part of the managed MT activity.

## Data

- The 01 Jun 17 go-live affords additional time and contingency for the migration, reconciliation and business validation of the necessary bulk and delta load data. Two key milestones have recently been passed:
- IDR1 Delta Prep and iGT Test Cycle3 completed with proposed defect fixes targeted for resolution within IDR1.
- IDR1 go decision reached with source data cut extracted in readiness.
- The Data workstream is however rated Green/Amber due to two risks:
  - Successful completion of delta testing as part of IDR1. This is underway but remains a risk.
  - Loading and reconciling iGT file submissions; this area did not show improvement month to month. However DMG have an agreed mechanism in place to address this.
- Successful completion of delta testing in IDR1 and evidence of improvements to iGT data following adoption of the 'ways of working' document will allow this pillar to move to Green.

## Transition

- Against a 01 Jun 17 go-live, the RAG status of Transition is rated as Green:
- The approval of the Communications approach is being sought to allow baselining.
- Xoserve PIS approach walkthrough was held on 07 Sep 16 and aims to internally baseline by 30 Sep 16.
- A time extension is sought from TPG to allow additional time for comment, on the 'Industry Transition and Industry cutover principles and behaviours' document.
- The draft Contingency planning has been shared with TPG and feedback received.
- On watch is the progress and completion of IDR1 which is currently underway. A failure to complete IDR1 could result in a downgrade to Amber.

## GONG

- Preparations are underway to commence the first GONG assessment later this year. Participants will be asked via the portal to start providing a RAG status against this assessment during December. Once RAG statuses are received the workstream will be given an overall RAG status based on the ability of participants to pass through the GONG gate.
- A questionnaire describing the supporting evidence that will be required for GONG will be released to the industry via the portal during Oct 16.

**Plan Assurance Objectives:** Plan Assurance is designed to assess the level of confidence in Xoserve's plan for delivering their components of the Nexus programme, considering three key questions:

- 1) Is the Xoserve plan **consistent with** (aligned and supportive of) the **proposed industry wide plan** (discussed in the constituency meetings in week commencing 12 September) and agreed baseline date?
- 2) Is the plan **complete** and **reasonable**, in that it includes:
  - An **appropriate level** of scope and **all the planning elements** we would expect based on our knowledge of the programme
  - **Logical dependencies** between planning elements
  - **Sufficient time** to deliver the planning element.
- 3) Does **Xoserve** have the **capacity** and **capability** to deliver the revised plan?

## Consistency with Industry Plan



In general, the Xoserve and industry plans have consistent milestones and baseline dates and are based on common assumptions.

Processes to share information between the Industry Wide plan and Xoserve's internal planning are working effectively.

The level of resources to support managed market trials activities after 30 Sep 16 is being discussed with Xoserve and will be confirmed at PNSG.

## Complete & Reasonable



The plan contains the elements that we would expect and logical dependencies between these elements.

The revised date of 01 Jun 17, with a contingency for 01 Jul 17, provides additional time and contingency for critical path activities. The main risk to the timetable is the outcome of IDR1, which has been front-loaded. Successful completion would lead to a green rating.

Though some activities are run in parallel, the extent of parallelism is not unusual for a programme of this nature and does not give rise to multiple critical paths.

## Capacity and Capability



Critical path activities rely on a finite pool of subject matter experts. However, the revised timetable effectively doubles the period when these resources are under most pressure (from IDR Preparation to the start of Market Trials Regression)

Commentary

Conclusion

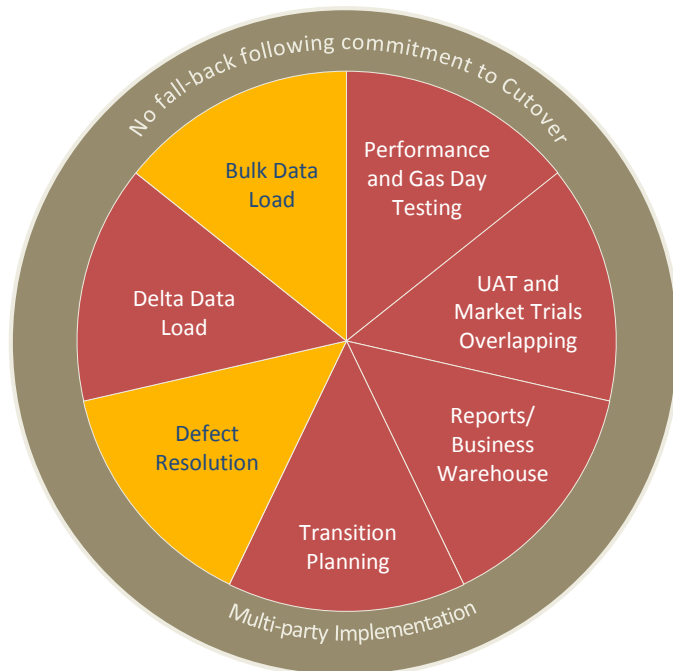
Based on this short review activity, the revised Xoserve plan is consistent with the baseline industry plan, is complete and reasonable based on a 01 Jun 17 go-live and provides a certain degree of flexibility in relation to key resources. Contingency has been built into the critical path data activities and parallelism reduced to what would we consider an acceptable level. This does not eliminate programme risk, but the Xoserve plan should be considered as a reasonable basis for programme execution and the GONG criteria used as checkpoints to monitor that this programme execution is being carried out effectively.

## Delivery Risk Assessment at the Deep Dive Review – May 2016

In the 'Deep Dive' review in May 2016 we assessed three key questions:

- 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 01 Oct 16 go-live?

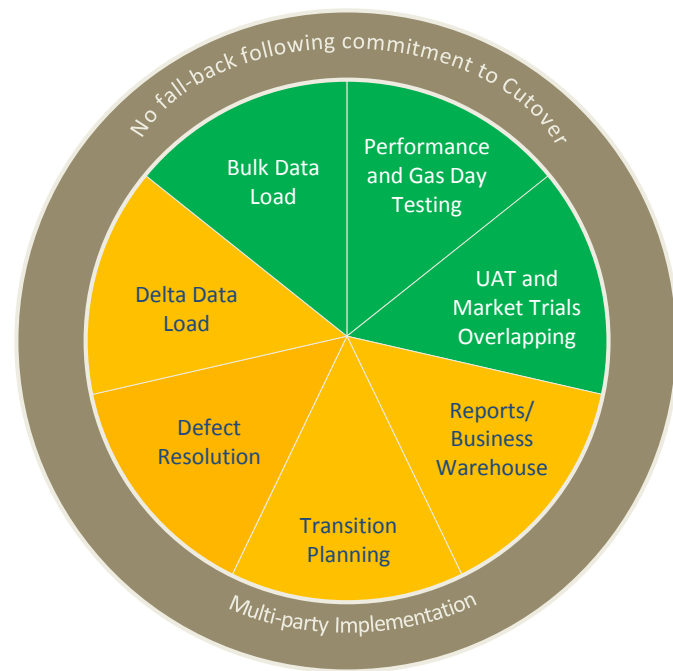
The main risks we observed were in delivering the solution on the planned date, as summarised in the chart below.



## Current Delivery Risk Assessment - September 2016

The re-plan to a June go-live date significantly removes the delivery risk.

Some risks remain, particularly in September and October, where specific resources may be stretched to support any extension to Market Trials as well as preparing for transition and resolving defects. Balancing resources needs to be considered carefully in both Industry and Xoserve planning any ongoing Market Trials activity. A clear definition of code stability has been prepared (and issued for agreement by the appropriate Nexus governance groups), to provide confidence to participants in the results of Market Trials Regression.



# Executive Summary: Context

## Context

- As part of its Client Side Advisor role, Baringa wished to provide due diligence over the Xoserve replanning activities so as to assess the robustness of data being fed into the wider Industry replan
- This report outlines the method and findings of this assurance report and sets out a set of recommendations, based on supporting analysis, to derisk the onwards delivery of the UK Link Programme
- The assurance review aims to deliver the following:
  - To assess the plan maturity of underlying workstream plans
  - Validate the risk profile associated with the proposed Xoserve replan
  - Quantify the potential impacts to the plan of those risks & associated assumptions
  - Support required decision making to balance an acceptable risk profile vs delivery certainty

## Approach

- Assurance has been performed as an iterative process throughout replanning of the central Xoserve delivery plan
- Delivery risks have been identified, collated, impact assessed and recommendations made against them
- Workstreams were considered both individually and cross-stream to ensure overall levels of parallelism were assessed
- This executive summary has been prepared for Xoserve and assumes an appropriate level of context / understanding

## Conclusions

- Baringa believe that Xoserve replanning to a date of June 2017 (with July 2017 as contingency) represents a more achievable plan and appropriate balance of risk vs delivery certainty.
- Residual activities to close out remaining areas of uncertainty e.g. CR impact assessments, must be completed as a priority
- In order to achieve the replanned date, Xoserve must set the Programme up for success through delivery of a wider set of enabling/corrective actions

# Driving delivery of new implementation plan

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# Forward Look to next meeting

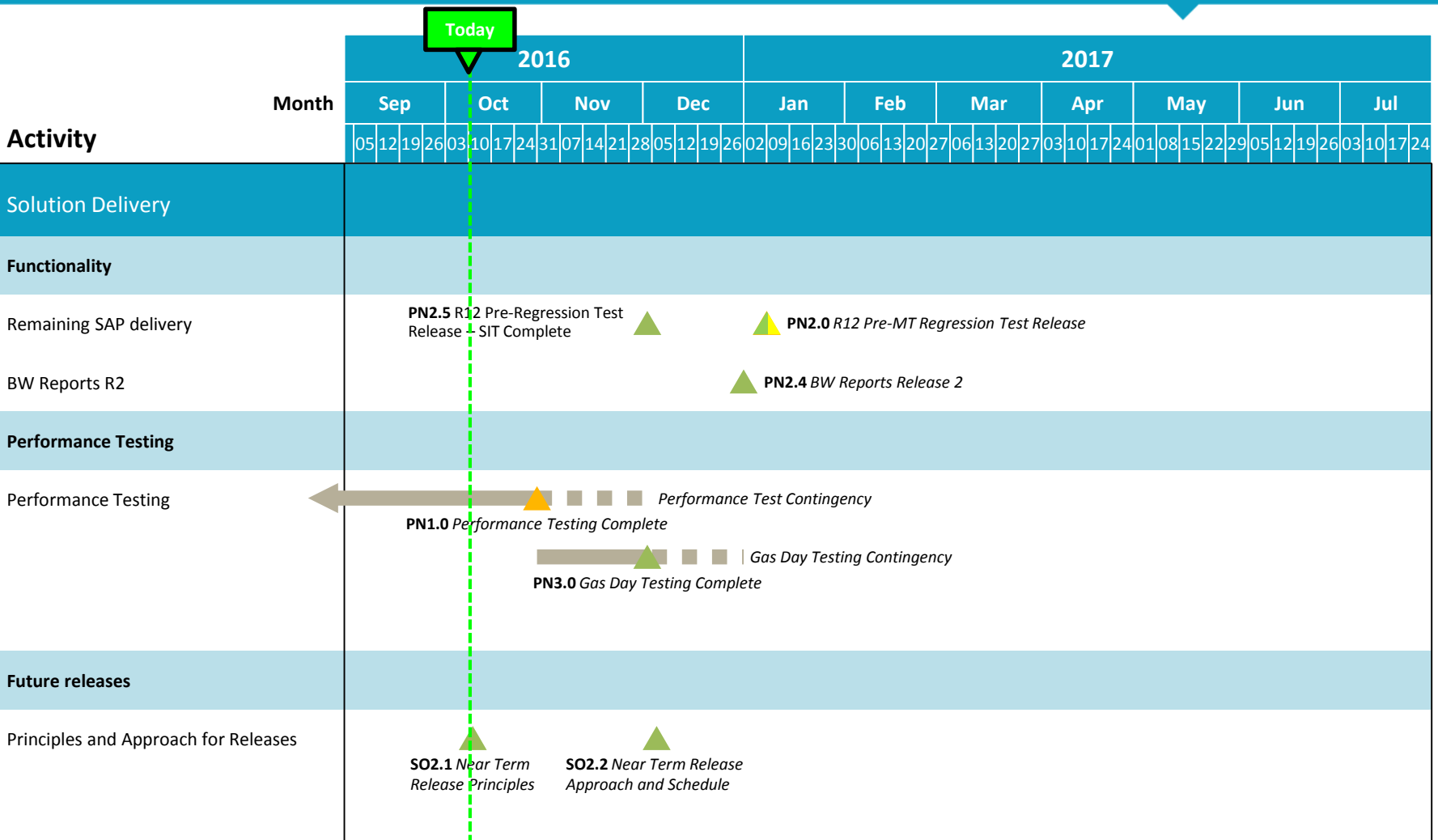
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#	Title	Slide
1	Implementation Plan	11-16
2	Managed MT Phase	17 - 18
3	GONG Approach	19 - 22

# Implementation Plan

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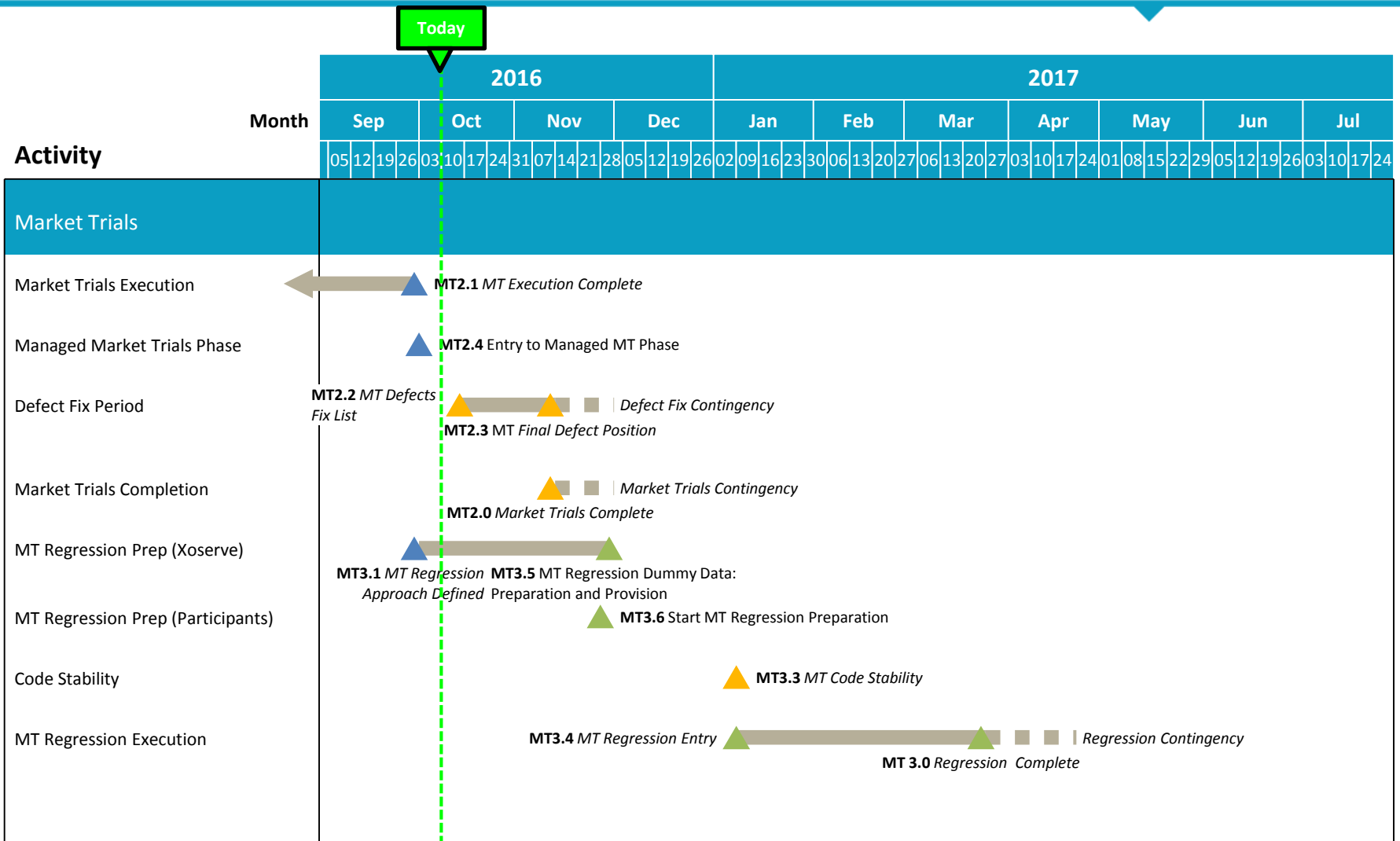
# Solution Delivery Plan



**Milestone RAG Key:**

- ▲ Industry Milestone
- ▬ Industry Activity
- ▬▬▬ Contingency
- ▲ Complete
- ▲ On Track
- ▲ Risk to individual milestone(s)
- ▲ Risk to go-live
- ▲ On Hold
- Slip/expected delay of milestone

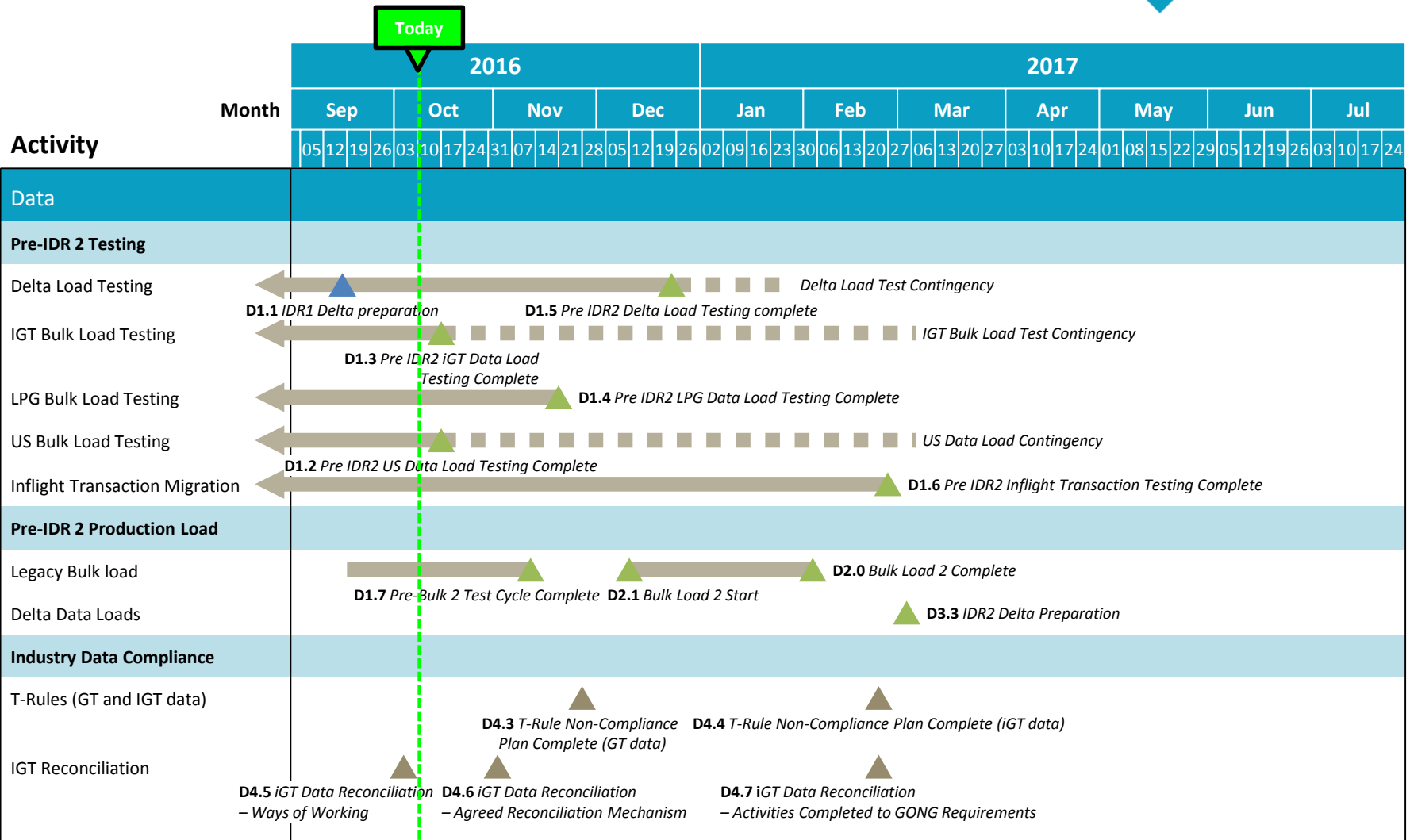
# Market Trials Plan



**Milestone RAG Key:**

- ▲ Industry Milestone
- ▬ Industry Activity
- ▬ Contingency
- ▲ Complete
- ▲ On Track
- ▲ Risk to individual milestone(s)
- ▲ Risk to go-live
- ▲ On Hold
- ← Slip/expected delay of milestone

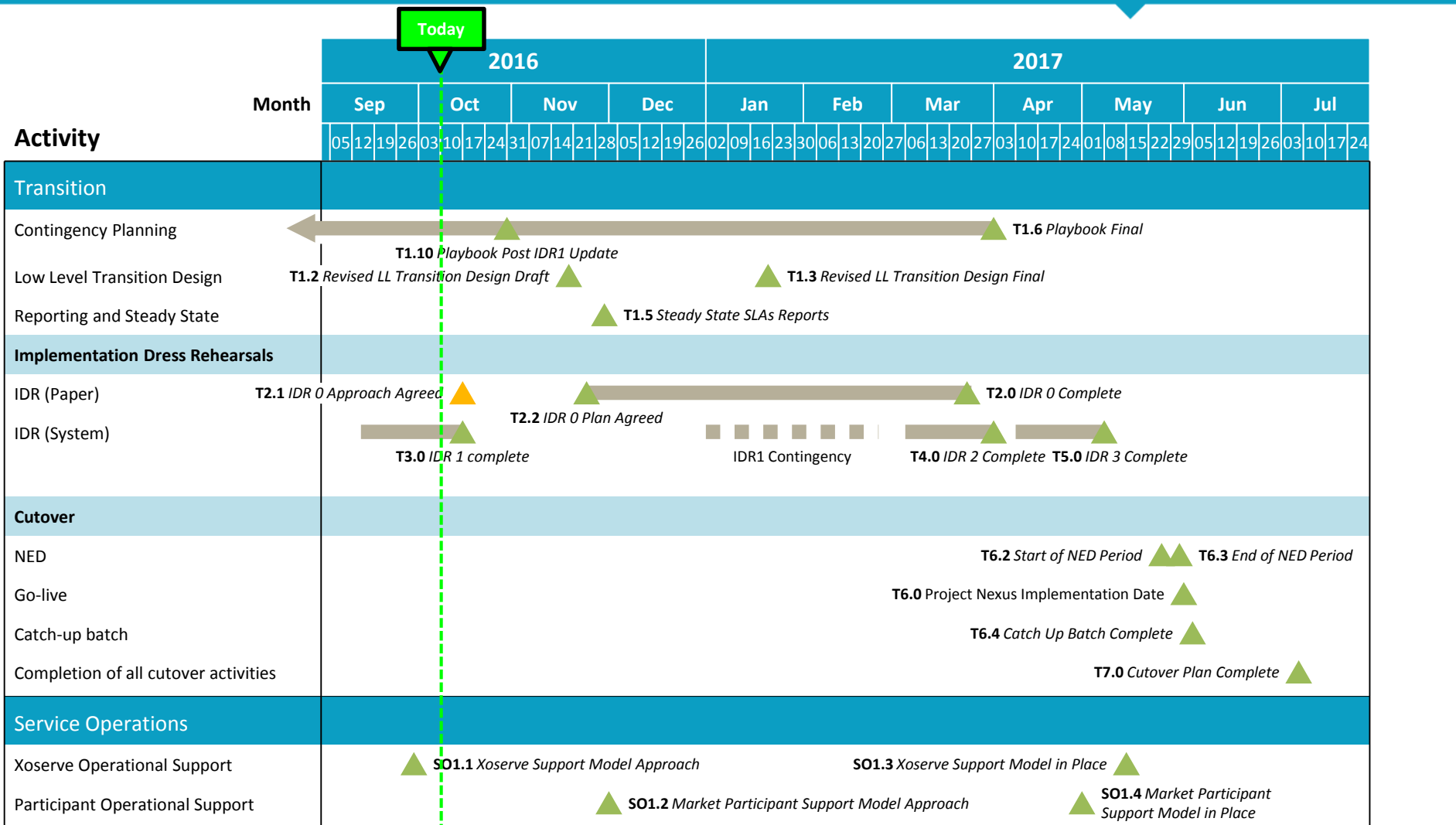
# Data Workstream Plan



**Milestone RAG Key:**

- ▲ Industry Milestone
- ▬ Industry Activity
- ▬▬▬ Contingency
- ▲ Complete
- ▲ On Track
- ▲ Risk to individual milestone(s)
- ▲ Risk to go-live
- ▲ On Hold
- Slip/expected delay of milestone

# Transition Workstream Plan

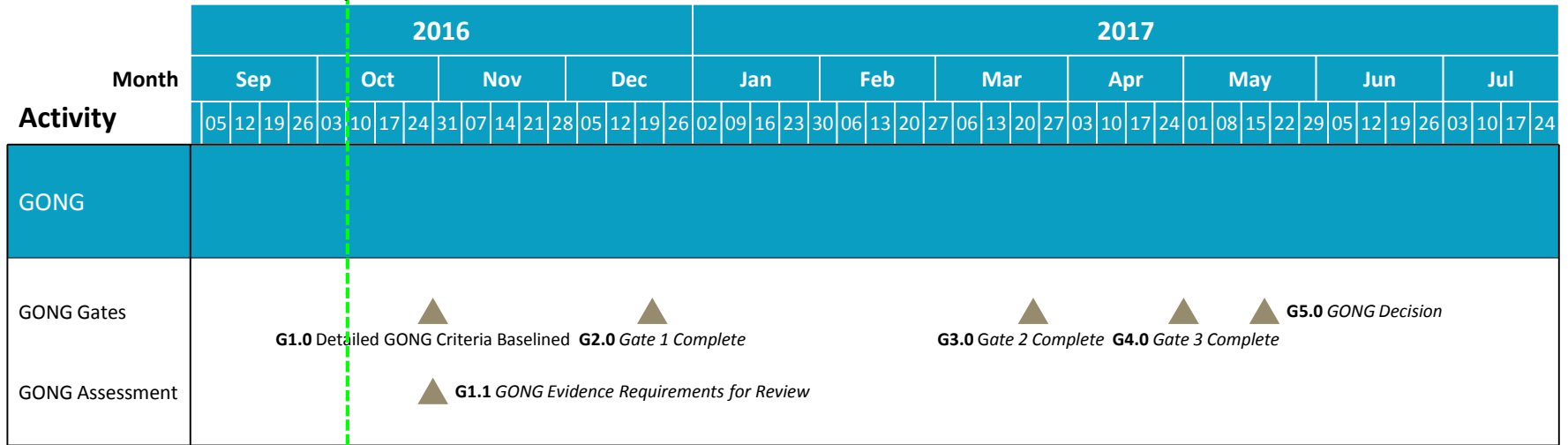


**Milestone RAG Key:**

- ▲ Industry Milestone
- ▬ Industry Activity
- ▬ Contingency
- ▲ Complete
- ▲ On Track
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- ▲ On Hold
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# GONG Workstream Plan

Today



**Milestone RAG Key:**

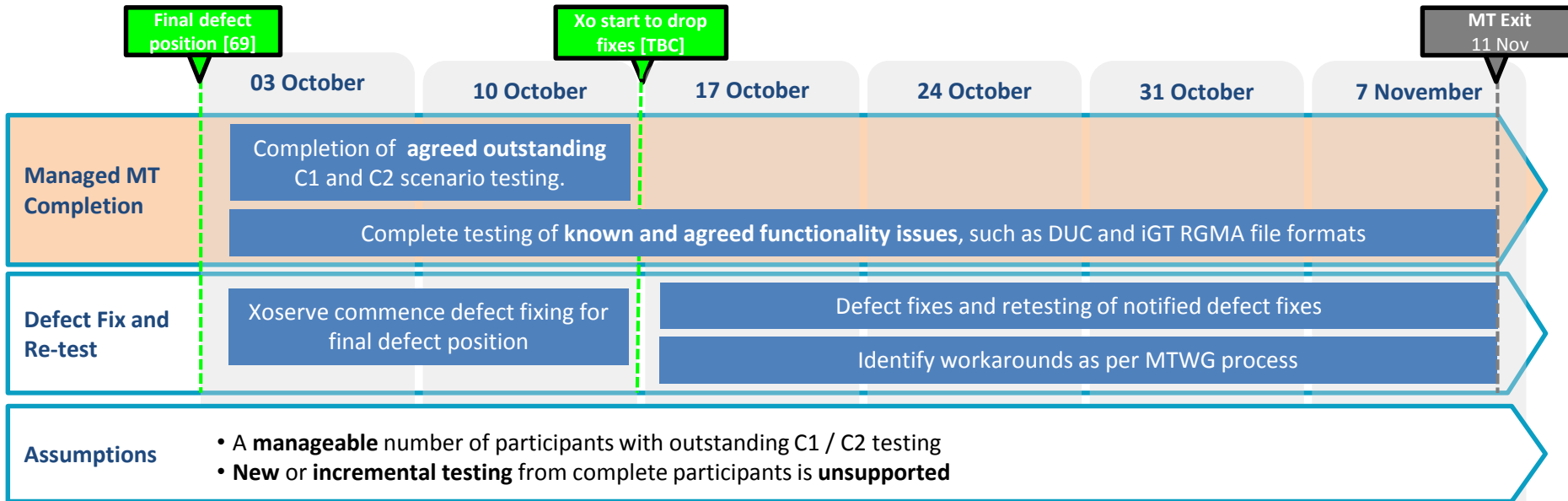
- Industry Milestone
- Industry Activity
- Contingency
- Complete
- On Track
- Risk to individual milestone(s)
- Risk to go-live
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# Managed Market Trials Phase

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Remedial actions post 30 Sep 16 will be required to allow a number of participants to complete key elements of their testing. There will be a notable step change to MT as we transition into a phase of managed 'ramp down' of MT activity.



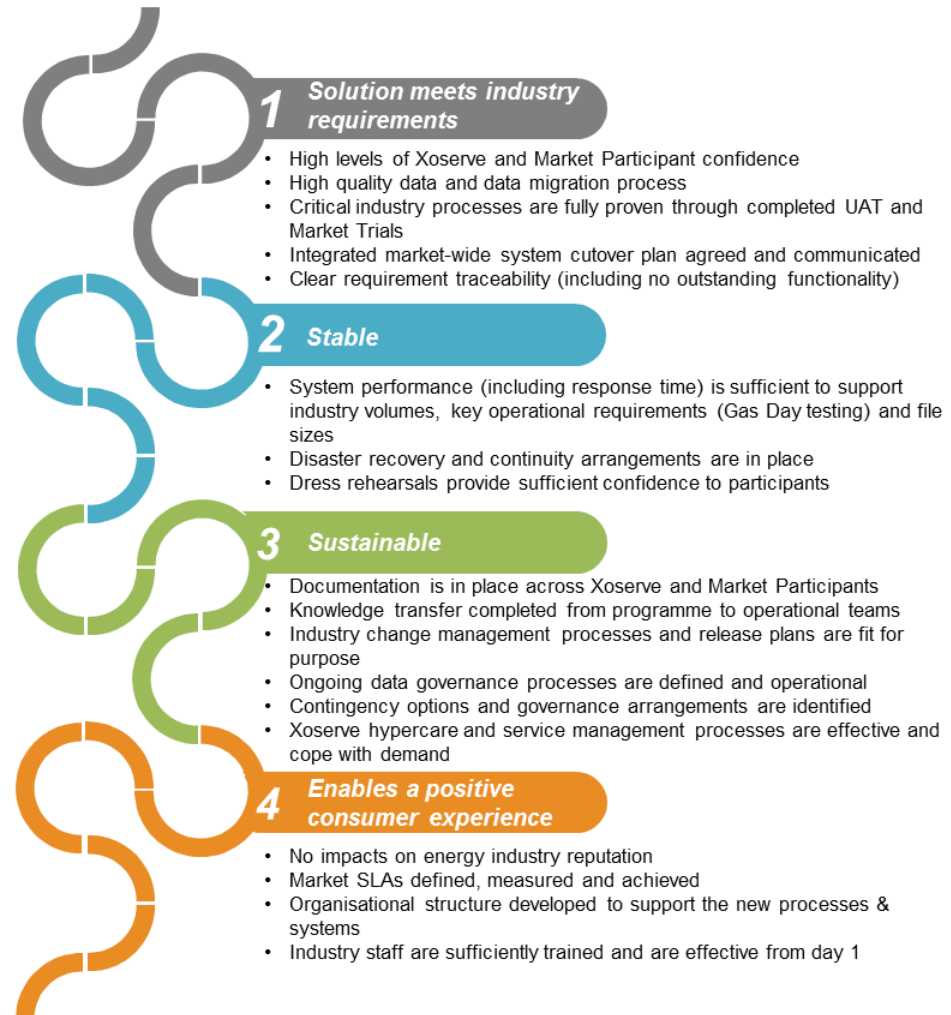
## Approach to mobilising managed MT phase:

- Proposed test plans received from 25 organisations to build overall managed test phase scope definition.
- Test plans reviewed and agreed with each organisation during w/c 26 Sept 16.
- The overall test scope definition reviewed with Xoserve on 27 Sept 16 to confirm supportability.
- From 3 Oct 16, PwC commenced close monitoring of test execution with each organisation.

# GONG Governance and Approach

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- Project Nexus is underpinned by a set of Success Factors (see right) which have been defined to support the industry in measuring the success of the project.
- The GONG criteria provide the industry with the ability to demonstrate that they can meet the Success Factors.
- To measure the GONG criteria, a framework was created and issued as part of the Ofgem consultation on 2 June 16.
- It is expected that the industry will be able to provide evidence to demonstrate completion of the GONG assessment and are ready for deployment.



- To track the progress against the GONG criteria, 3 formal Assessments will be incorporated into the delivery plan which culminate in a final GONG decision.
- These assessments will be aligned to key milestones in the plan that provide confidence the system is working as expected.

Assessment	Milestones	
GONG Assessment 1	Market Trials Complete Near Term Release Approach and Schedule Xoserve Support Model Approach	Gas Day Testing Complete IDR 1 Complete Participant Support Model Approach
GONG Assessment 2	IDR 0 Complete Bulk Load 2 Complete	IDR 2 Progress Check MT Regression Complete
GONG Assessment 3	IDR 2 Complete IDR 3 Progress Check	Market Participant Support Model in Place Xoserve Support Model Progress Check
GONG Decision	IDR 3 Complete Xoserve Support Model In Place	

- The Assessments will be used by the PNSG to gain an indication of progress towards a GONG decision and whether to proceed with the delivery. If the progress is not being met, then it provides an opportunity for corrective measures to be employed.
- In between assessments progress towards the next assessment point will be tracked

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