

Project Nexus Steering Group [PNSG]

04 May 2017

ofgem

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>

PNSG Programme Summary



Status



Trend (from last PNSG)

Overall Summary: The Programme remains Amber / Green. **Market Trials** milestone is proposed to be closed following completion of residual testing on 21 Apr 17. Any remaining defects will be managed through the weekly defect call and reported as part of the GONG workstream. **Data** remains Amber/Green with activities conducted through IDR3 performing as expected. Final cycles are being validated but early indicators show a reduced number of defects despite the higher volumes of data. **Transition** improves to Amber / Green in response to the successful completion of IDR2 and continuing success of IDR3. **GONG** is rated Amber / Green reflecting completion of the G3 milestone. Ongoing assurance work will validate reported statuses to Ofgem on 11 May 17. **Post Go Live** report an Amber rating due to the design of Go Live Governance has extended beyond the end of Apr 17. Re-planning has been conducted to address any extension and being closely monitored.

Significant risk to Go Live - Immediate mitigation required	Increased risk to Go Live - Urgent mitigation required	Go Live at risk – manageable with mitigation	On track but being closely monitored	On Track	Complete	N/A or No information	Improvement since previous report	No Change in Status	Degradation since previous report
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	Market Trials	Data	Transition	GONG	Post Go Live
Commentary	<p>The MT workstream is proposed to be closed based on the following;</p> <p>Residual MTR testing was finalised on 21 Apr 17 and the defect and workaround position baselined at 21 Apr 17 as part of the overall defect position.</p> <p>The remaining defects and workarounds will be managed to the final Go Live position through the weekly defect call and reported as part of the overall defect position.</p> <p>The final defect and workaround position will be reported in Go live Decision (GLD) pack as part of the 'fallout' report and progress towards this position will continue to be reported to programme governance.</p>	<p>The Data workstream is Amber / Green as data loads in IDR3 continue to meet time and quality expectations. Validation of the final cycles is pending but indicated defects levels (in particularly parked defects) are significantly lower than in IDR2 despite markedly higher data volumes (meter read volumes were C.50% higher than anticipated). In addition;</p> <ol style="list-style-type: none"> 1) The mini-DMG on 5 Apr 17 confirmed progress made at the previous DMG on 8 Mar 17. A further discussion is arranged for 11 May 17 to resolve remaining detailed issues. 2) There was an issue, reported to the IRG, with the load of In Flight data from two iGTs. Due to the completion of In Flight testing immediately before IDR2, IDR3 was the first time the In Flights had been fully tested with iGTs. The root cause of issues has been identified and submissions re-tested so this problem is not expected to recur at cutover. 3) No significant issues were reported to Ofgem in the independent assurance on the delta load in IDR2. 4) Portal submissions showed increased confidence from Mar - Apr and amber and red responses had a strong correlation to any remaining issues being worked by the DMG. 	<p>The Transition workstream has improved to Amber / Green following the successful completion of IDR2 and ongoing Green RAG status within IDR3.</p> <p>Focus continues on ensuring that the catch up for IDR3 is successful and the Transition monitoring being put in place kicks off successfully.</p> <p>Testing of the IRG processes took place on the 27 Apr 17 with the scenario of a Market Participant being unable to send catch up files. The incident has yielded a number of lessons learnt that will be incorporated to refine the processes and logistics.</p> <p>Organisations are expected to maintain normal volume behaviour across the Transition period and raise a change request to Ofgem if they are behaving differently or wish to change their advised cutover timelines.</p>	<p>The GONG workstream status is rated as Amber / Green.</p> <p>The G3 milestone will be marked as complete based on the information provided in this report. The main exceptions raised are known to the Programme and are already being managed.</p> <p>The sample assurance activity continues and an updated status will be presented to Ofgem on 11 May 17 and inform the final Go Live decision pack.</p> <p>Key issues remain around;</p> <ul style="list-style-type: none"> - Provision of Post Go Live (PGL) arrangements; - finalisation of the Market Trials Regression defect and workaround position; - reliance on Third Party IT providers; and - completion of Market Participant transition preparation activity. <p>The GONG team will continue to work to resolve the noted actions and caveats ahead of the Go Live Decision.</p>	<p>The Post Go Live workstream is Amber as Post Go Live Governance design has extended beyond end of April. The first draft of ToRs received C. 150 comments of which majority have been responded to.</p> <p>6 key themes were shared with RIAG on 27 Apr 17 and now require to have further discussions with industry. It is likely that a further iteration will be required to ensure engagement is as broad as possible.</p> <p>With the confirmation that the transition of PIS Industry Governance should start no earlier than 1st July, the plan was revisited and delayed tasks re-planned.</p> <p>The next PIS Release workshops continue – with a number of issues being worked through; and more detail required by the group's attendees. Actions agreed and next meeting 3rd May.</p>

Programme Risk Landscape

Area	Milestones	Risks	RAG	Trend	Outlook	Status	Potential impact
Xoserve post Go Live operations readiness - readiness to operate new systems and processes	Post Go Live	R75 R76 R99 R100 R106	Amber	↔	↑	<p>Work is required by Xoserve to quickly confirm arrangements for Post Go Live including releases, management, governance, processes, testing and Post Go Live support. Information is required so that Market Participants can plan their own programmes and operations. Steps in place to engage with participants on post Go Live release planning and development of a Post Go Live POAP.</p> <p>Project governance will remain intact until end of June at which point the phased transition to new governance will commence. This is being defined in more detail on Xoserve's post Go Live POAP. A version of this plan was presented to RIAG on 27 Apr 17 and was shared with PNDG.</p>	Lack of Xoserve readiness could lead to a failure to meet GONG criteria Potential Go Live issue.
Participant readiness - readiness to operate	Post Go Live	R85 R89 R90 R93 R104	Amber / Green	↔	↔	<p>Relates to the readiness of participants for Go Live and their ability to support operations. This is being monitored through GONG for Market Participants. A workshop was held with some energy suppliers who use a third party shipper.</p> <p>Initial analysis of the G3 submissions shows an improvement but assurance work is required to confirm.</p>	Customers could be adversely impacted. Potential Go Live issue depending on volume and impact.
<p>↑ Improved/Improving</p> <p>↓ Deteriorated/Deteriorating</p> <p>↔ Stable</p>							

Programme Risk Landscape

Area	Milestones	Risks	RAG	Trend	Outlook	Status	Potential impact
Cutover execution - xoserve and industry coordination and execution of cutover and cutover decision making	T3.5	R86 R98 R107	Green	↔	↔	An industry 23 day plan has been presented to TPG. This plan promotes a common interpretation of what is expected from Market Participants during cutover. A Go Live governance plan has been prepared showing the decision making process from IDR2 through to cutover. IDR0 has walked through the cutover and tested contingency scenarios with Market Participants and Xoserve. The G3 submissions show increasing confidence in this area. PwC and Xoserve are developing catch up contingency scenarios.	Reactive changes to the 23 day plan may be required during cutover in order to resolve issues. This could include emergency requirements for additional VNDBs.
Market Trials Regression - Ability to complete to schedule	MT2.6	R94 R95 R96 R97 R105	Amber / Green	↔	↑	Residual MTR testing was finalised on 21 Apr 17 and the defect and workaround position baselined at 21 Apr 17 as part of the overall defect position. The remaining defects and workarounds will be managed to the final Go Live position through the weekly defect call and reported as part of the overall defect position. Regression test evidence and a draft regression test pack was taken to RIAG and the defect call in w/c 24 Apr 17.	Lack of confidence at Go Live.
Cutover file volumes - Clarity on file volumes processed during cutover	T3.4	R78 R102	Amber / Green	↑	↑	Catch up processing successfully completed to plan on 02 May 17, reconciliation and overall analysis of effectiveness and possible contingency on-going, aim to have a complete position 8 May for final IDR3 exit report.	Additional VNBD's may be required which would require urgent modification status. Status of MT Regression needs to be updated. Richard should be able to help here.

- ↑ Improved/Improving
- ↓ Deteriorated/Deteriorating
- ↔ Stable

Programme Risk Landscape

Area	Milestones	Risks	RAG	Trend	Outlook	Status	Potential impact
iGT Data reconciliation and T-rule compliance- consistency between iGTs/Shippers and Xoserve	D3.4	R73 R84	Amber / Green	↔	↑	A follow-up mini-DMG was held on 5 Apr 17 which confirmed that iGT data inconsistencies primarily arise from timing differences and participants were confident that actions were in place to address remaining differences	Exceptions Post Go Live. However it must be recognised that the data is already incorrect in the current system so in many cases there is already a customer impact.
Cutover Files - Uncertainty over timing and format of some files produced during cutover	T3.5	R71 R103	Green	↑	↑	IIL files were issued in IDR2 and IDR3. No material defects found at this time. R103 is a general risk that further unknown areas exist.	Unlikely to impact Go Live.
Market trials not fully representative of production - Some functionality and data may not be fully tested in Market Trials	Post Go Live	R52 R59 R74	Amber / Green	↑	↔	Functionality not tested has been collated and reviewed by MTWG, DMG has reviewed T-rules that were not applied during the MT data load. PwC have reviewed use of dummy iGT test data as part of MTR Exit assurance. This area is now largely an inherent risk that must be accepted.	Exceptions could occur Post Go Live.
↑	Improved/Improving						
↓	Deteriorated/Deteriorating						
↔	Stable						

IDR3 Key Messages

- Notional (PNID) Go Live date of 27 Apr 17 was achieved;
- Execution of the cutover plan remains Green, with no critical or major issues outstanding;
- Delta 2, Delta 3, Delta 4, iGT, Unique Sites, DMCSEPs and Inflight migration activities (including Data Validation activities) have now concluded to plan;
- SAP BW Extraction and Load continues to progress to plan;
- Business Scenario execution is continuing to plan; out of 4 that were planned to complete for this reporting period, all have been successful. Remaining scenarios are on track;
- Gemini and CMS Consequential change activities are on track as per the plan;
- The Catch Up Smoke Test completed to plan. Catch Up activities commenced with the catch up for NED Day 1 completing to plan. Catch up processing successfully completed to plan on 02 May 17, reconciliation and overall analysis of effectiveness and possible contingency on-going, aim to have a complete position 08 May 17 for final IDR3 exit report.
- BW Extraction activities continue and on track for completion late 02 May 17.
- Business scenario activities including Inflight validation, testing SMART files and integration with SAP solution and generation of portfolio files planned until 04 May 17.
- System restoration planned to start 04 May 17 in readiness for the start of Cutover preparation 15 May 17.

Defects Identified in IDR3:

- Data Defects have been identified during Data validation activities. The second Fallout status report is due to be published 28 Apr 17. Final status report is planned for 04 May 17 in preparation for discussion at TPG and DMG w/c 08 May 17.
- On 18 Apr 17, Xoserve experienced a P3 incident that affected the receipt of Inflight files from 2 iGT organisations containing 4927 records for Inflight change of supplier notifications.
- The problem statement of the incident, actions taken so far and planned actions have been discussed in detail with the Issue Resolution Group (IRG) and IGT organisations on 25 Apr 17.
- The outline of the issue has been shared with Market Participants on 26 Apr 17 during the Daily IDR3 Progress call and the details will be reviewed on the call 28 Apr 17.
- Data Defects have been identified during Data validation activities. The second Fallout status report was published 28 Apr 17. Final status report is planned for 04 May 17 in preparation for discussion at TPG and DMG w/c 08 May 17.
- 2 Infrastructure issues (PO and power failure within a server) experienced 28 April 17 have been successfully rectified. Issues did not affect progress of IDR3.

G3 Coverage and readiness

The information is based on GONG self assessment information provided on the Nexus Assurance Portal on 20 Apr 17 as part of G3 and site visits conducted up to 26 Apr 17. Based on this information and the subsequent slides the proposal is to mark the G3 Milestone as complete with the noted actions and caveats.

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Market Participants (MPs) provided a G3 portal submission on 20 Apr 17.

05

MPs have not engaged in the GONG process and have been escalated to Ofgem to make formal contact.

15

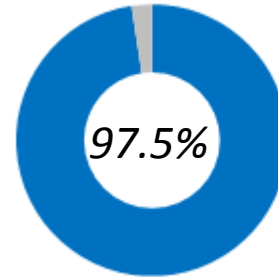
MPs have been subject to independent assurance covering 60% AQ, 73% Supply Points, 2 GTs and 2 iGTS.

33

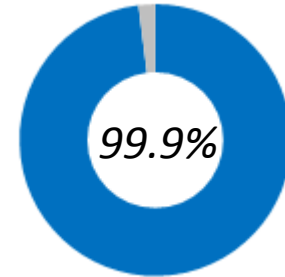
Out of 45 MPs (72.5% AQ) have self assessed as Green overall at G3.

Market Coverage:

- 40 of 45 Market Participants have provided a G3 portal submission equating to 97.5% Annual Quantity ('AQ') and 99.9% of supply points coverage.

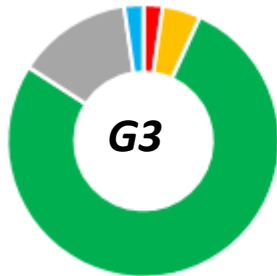


Market AQ %

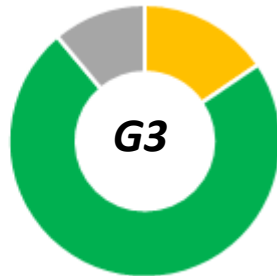


Market Supply Point %

Market Participant self assessed overall RAG status



Projected G3 RAG status as at 16 Mar 17



G3 RAG status as at 20 Apr 17

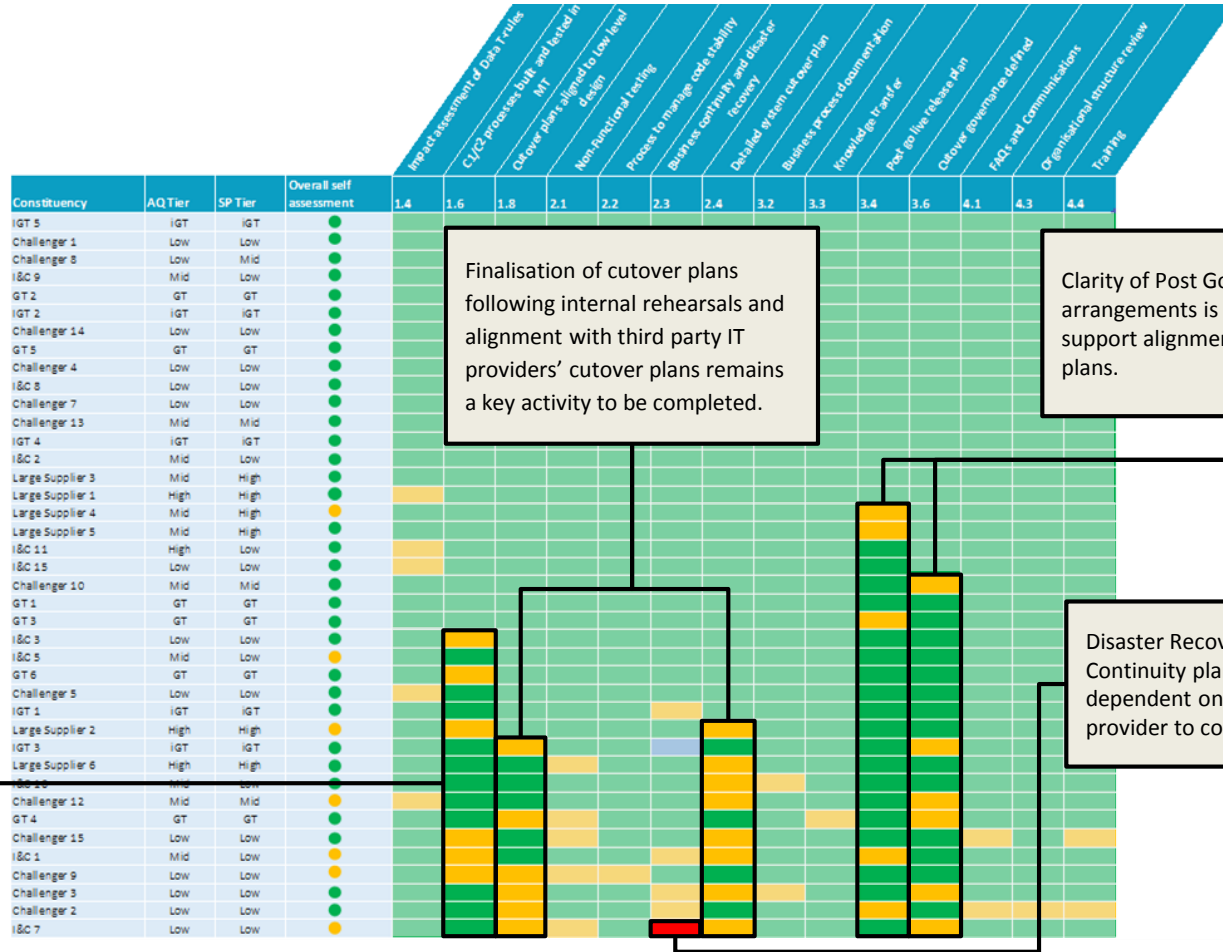
* Please note weightings have not been applied to the diagrams on this slide.

Market Participants overall readiness summary:

- No Market Participants reported as a 'red' overall status at the G3 self assessment on 20 Apr 17.
- 7 Market Participants reported as amber at G3 indicating that whilst they believe they can be ready to Go Live there is a requirement to action caveats including:
 - Provision of Post Go Live (PGL) release approach, support and governance framework to Market Participants to finalise their PGL plans.
 - Finalisation of the Market Trials Regression defect and workaround position.
 - Reliance on 3rd Party IT suppliers to finalise project activity and transition plans.
 - Completion of Market Participant transition preparation activity.

G3 assessment detailed view

Analysis of Market Participants' self assessed statuses against GONG criteria as of 20 Apr 17.



Finalisation of cutover plans following internal rehearsals and alignment with third party IT providers' cutover plans remains a key activity to be completed.

Clarity of Post Go Live arrangements is required to support alignment of internal plans.

Disaster Recovery and Business Continuity plan is in progress and dependent on third party IT provider to complete.

Finalisation of defect position and provision of appropriate test evidence to demonstrate Xoserve retesting of fixed defects is required before Go Live.

- Attained or on track to attain
- Mitigating actions to bring back on track by next assessment
- Will not be attained and no mitigation plan to bring back on track
- Data missing – partial submission made
- No Submission
- High** – <7% coverage
- Mid** – <1% <7% coverage
- Low** – <1% coverage

G3 assessment summary

GONG criteria groupings are aligned to the Project Nexus success factors. A weighted Red, Amber, Green (RAG) status based on combined AQ and Supply Point coverage has been presented and a summary of caveats provided.

Success Factor	G2 Status	G3 Status	Trend	Summary of Caveats and Risks	Mitigating Actions ahead of Go Live Decision	Owner
Solution meets industry requirements			↑	<ul style="list-style-type: none"> Provision of evidence to demonstrate code stability following deployment of defect fixes not re-tested in MTR. Potential cumulative impact of current open defect position. Resolution of specific transition queries including concerns around IIL file produced in IDR2. 	<ul style="list-style-type: none"> Provide appropriate test evidence to demonstrate Xoserve retesting of fixed defects. Finalise MTR position at MTWG, RIAG and PNSG. Transition workstream to address queries and provide clarity on iGT elements of industry plan. 	<ul style="list-style-type: none"> Xoserve. Xoserve. TPG/ iGTs.
Solution is stable			↑	<ul style="list-style-type: none"> Completion of planned internal project activity. Reliance on third party providers to provide Nexus ready solution and detailed transition plans. 	<ul style="list-style-type: none"> Track Market Participant internal project activity ahead of final submission on 11 May 17. Contact key third party IT providers to understand current risk to associated Shipper Go Live readiness. Shippers to manage and escalate third party IT supplier issues. 	<ul style="list-style-type: none"> PwC. PwC/ Ofgem. Shippers.
Solution is sustainable			↑	<ul style="list-style-type: none"> Clarity of post Go Live arrangements including; detailed release plans, support during hypercare/PIS and governance arrangements. 	<ul style="list-style-type: none"> Through ongoing activity in the PGL workstream provide Market Participants with clarity of: <ul style="list-style-type: none"> i) PGL release approach including dates. li PIS and enduring support processes. iii) Final PGL governance arrangements for PIS and transition approach to enduring framework. 	<ul style="list-style-type: none"> Xoserve/ Ofgem/ PwC.
Enables positive consumer experience			↑	<ul style="list-style-type: none"> Completion of planned internal project activity such as training and external communications during cutover. 	<ul style="list-style-type: none"> Track Market Participant internal project activity ahead of final submission on 11 May 17. 	<ul style="list-style-type: none"> PwC.

* Please note, in line with direction from Ofgem, weightings have been applied to the diagrams on this slide to reflect Market Participant share of AQ and supply points.

■ Attained or on track to attain
 ■ Will not be attained and no mitigation plan to bring back on track
 ■ No Submission
 ■ Data missing – partial submission made
 ↑ Improved Position forecast at G3
 ↔ No Change in position at G3
 ↓ Degradation in position at G3

G3 assessment summary

Based on all information evaluated through the Assurance Activity or the wider GONG workstream, Market Participants have also been categorised into one of four groups in relation to their readiness status. This table summarises the caveats and the associated actions required ahead of the Go Live Decision.

Market Participants	Market Share		Summary of Caveats	Mitigating Actions ahead of Go Live)	
	AQ	SP			
Group 1 Specific Readiness concerns <ul style="list-style-type: none"> 4 Market Participants (inc. 3 Shippers) 	2 Low 1 Mid 1 NA	2 Low 1 Mid 1 NA	<ul style="list-style-type: none"> Specific concerns about the readiness of these Market Participants have been identified through the G3 assurance activity or the wider GONG workstream Through enhanced monitoring and associated actions the impact to the Market is expected to be manageable ahead of Go Live Should concerns remain at the Go Live decision point the Market Participant(s) will be contacted and assessed against the criteria presented as part of the Go Live decision information. 	<ul style="list-style-type: none"> Bilateral calls scheduled and close tracking of project status 	
Group 2 – Incomplete evidence provided to date <ul style="list-style-type: none"> Challenger 12 Challenger 9 Challenger 3 	<ul style="list-style-type: none"> I&C 5 iGT 3 Challenger 2 Challenger 5 	Mid	Mid	<ul style="list-style-type: none"> Incomplete evidence provided to support self assessment status 	<ul style="list-style-type: none"> Ofgem to officially request evidence provision Advise transition team of status to enable prioritisation during Market Participant transition monitoring activity
		<ul style="list-style-type: none"> I&C 10 Large Supplier 3 	<ul style="list-style-type: none"> I&C 1 Large Supplier 2 	High	High
Group 3 Minimal evidence <ul style="list-style-type: none"> I&C 15 I&C 8 	<ul style="list-style-type: none"> Challenger 1 Challenger 4 	Low	Low	<ul style="list-style-type: none"> Minimal evidence provided however, smaller organisation with a low complexity implementation and considered lower risk 	<ul style="list-style-type: none"> Advise transition team of status to enable prioritisation during Market Participant transition monitoring activity
Group 4 Evidence supports self assessment <ul style="list-style-type: none"> 21 remaining Market Participants who made a G3 Submission 		High	High	<ul style="list-style-type: none"> Sufficient evidence provided to date to support self assessment 	

High – <7% coverage **Mid** – <1% <7% coverage **Low** - <1% coverage

Read

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Project Nexus

GONG G3 Market Participant Assurance Update

Confidential

April 2017

26 April 2017

This document has been prepared by PwC only for Ofgem and solely for the purpose and on the terms agreed with Ofgem in PwC's statement of work (of 1 August 2016, Spec 7, and subsequently 1 November 2016, Spec 8 and GONG Plus) as part of PwC's call-offs under the framework agreement dated 11 April 2016 and extended on 2 December 2016. PwC accept no liability (including for negligence) to anyone else in connection with our work or this document.

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GONG G3 – Market Participant Assurance Update @26 April 17

The objective of the GONG G3 Market Participant assurance activity is **to evaluate the evidence which supports the participants' self-assessments against the GONG Criteria** and confirm whether these support the self-assessment ratings. This update provides a summary of the **interim findings to date** from this activity. Remaining site visits and follow-up calls are planned to complete by end of w/c 8 May 17, prior to the final GONG portal submission on 11 May 17.

GONG G3 Assurance Approach

A sample of **15 participants** was selected based on criteria agreed with Ofgem. For each of the 15 participants, the following steps were taken to assess the level of confidence in their reported completion status:

- Review the participant's submission to the PwC Assurance Portal from 6 and 20 April 17;
- Request additional evidence as required beyond the documentation already provided on the portal; and
- Complete evidence review and conduct a site visit or telephone call.

Key findings to date

Our conclusion to date is that the **evidence provided by the sampled participants, supports their completed self-assessment status in the majority of cases**. Where there is lack of alignment, these have been reported to Ofgem and fed into the GONG Management workstream with mitigating actions identified.

- **6 participants have demonstrated good quality documentation that supports their self-assessment status.**
- **6 participants have demonstrated good quality documentation but evidence is currently incomplete.** This evidence has been requested from these participants and/or site visits/calls are planned to review outstanding evidence.
- **1 participant has provided good quality documentation, however, the overall 'Green' self-assessment status is not considered to be fully reflective of their current programme status.** Through further review with the participant, actions are now considered to be in place to resolve the underlying issue.
- **2 participants are yet to provide requested documentation and therefore, we have been unable to evaluate whether evidence supports their self assessment status.** This will be followed up and escalated as required as we complete the remainder of the GONG G3 assurance activity.



respect > commitment > teamwork

Final G3 Readiness Summary

Discuss

Xoserve G3 Status Summary

Aggregate G3.2 RAG 

The aggregate RAG status at G3.2 remains **AMBER** / **GREEN**. The overall risk profile is however growing given the limited time available to apply mitigations ahead of Go Live. Data defect close out remains a priority with fix efforts being focused by defect materiality. Fully defining detailed PIS processes is another key priority

Pillar	Ref.	G3 Criteria	G3.1	G3.2	Key Achievements	Residual Risk Areas
Meets industry requirements	1.5	Bulk and Delta Data Loads	G	G	<ul style="list-style-type: none"> MTR contingency closed on 21/4 Cutover plan updated with IDR2 learnings Traceability maintained for Change Requests 	
	1.6	C1 / C2 Process built and tested in MT	G	G		
	1.8	Cutover plans aligned to low level design	G	G		
	1.9	Requirements Traceability	G	G		
Stable	2.1	Non-functional testing	A	A	<ul style="list-style-type: none"> IDR3 achieved notional PNID and catch-up processing to plan Functional defects are being assessed to determine Regression Testing needs in order to safeguard solution stability Fall Out Management Approach in place to handle data issues identified during IDRs / Cutover 	<ul style="list-style-type: none"> NFR traceability on-going (albeit nearing completion) Penetration Test and Disaster Recovery Test outcomes require analysis to determine if any remedial actions is needed ahead of Go Live Data migration defects persist with resolutions prioritised based on production 'need date' Production data fix activity required to address residual Meter Read defects
	2.2	Process to manage code stability	G	G		
	2.3	Business Continuity and Disaster Recovery	G	A		
	2.4	Detailed system cutover plan	G	G		
	2.5	Data migration testing (Dress Rehearsals)	G	G		
	2.6	Data migration defects	A	A		
Sustainable	3.2	Business process documentation	A	A	<ul style="list-style-type: none"> PIS release definition work progressing in line with communicated plan Industry engagement underway to define interim governance arrangements 	<ul style="list-style-type: none"> LWI plans remain challenging – prioritisation in place to focus on those which are required for Day 1 Hand offs between PIS substreams need to be clearly defined – workshops in progress to establish the next level of detail Operational Reporting / MI yet to be finalised
	3.3	Knowledge Transfer	G	G		
	3.4	Post Go Live release plan	G	G		
	3.5	Data governance	G	G		
	3.6	Cutover governance defined	G	G		
	3.7	Hypercare IT support processes	A	A		
Consumer Experience	4.1	FAQs and Communications	G	G	<ul style="list-style-type: none"> Training underway and on plan PIS exit criteria approved 	<ul style="list-style-type: none"> Manual workaround understanding is there, further assessment is needed to determine full FTE implications Higher than anticipated volumes of exceptions may also have Ops impacts – core/flex support team model being deployed
	4.2	Hypercare exit criteria	G	G		
	4.3	Organisational Structure	A	A		
	4.4	Training	G	G		
Wider Risk Factors	<ul style="list-style-type: none"> Design documentation updates remain in progress (not deemed day 1 essential) Data archiving solution yet to be finalised (not deemed day 1 essential) 					

* - The Xoserve Portal submission is Green as only full colours can be reported on the portal

Read

UKLP Go Live Readiness

A CSA review of
Xoserve's GONG G3 submission

Client Xoserve
Date: April 2017



Context

- ▶ GONG G3 marks the third assessment point that build towards a final Go/No-Go decision for Project Nexus on the 19th May 2017
- ▶ In order to assess progress towards the final milestone at each of these points, a set of Industry wide assessment criteria has been formed by Ofgem. Xoserve have submitted a status against these criteria at each GONG assessment point
- ▶ Xoserve have continued to review their status against established internal GONG criteria. These internal criteria have been mapped to the Industry criteria to provide a consistent view of readiness
- ▶ Ofgem have requested that Baringa provide commentary against Xoserve's readiness and validate the level of risk that Project Nexus is carrying towards Go Live. This report builds on the view presented by Baringa at GONG2 and presented to PNSG on the 6th April

Scope

- ▶ Presented upon completion of the G3 milestone this assessment reports on whether GONG associated activities have been completed as expected for G3 and provides an updated position on any risks to the Final Go Live Decision that exist, with associated mitigating actions. In addition, this report makes a recommendation on whether Xoserve are on track to achieve Go Live. The following specific questions are to be answered:
 1. Have Xoserve achieved their own internal go live readiness criteria?
 2. Have Xoserve demonstrated that they have achieved the GONG criteria associated with Success Factor 1 - Solution Meets Industry Requirements?
 3. Have Xoserve demonstrated that they have achieved the GONG criteria associated with Success Factor 2 - Solution is Stable?
 4. Have Xoserve demonstrated that they have achieved the GONG criteria associated with Success Factor 3 - Solution is sustainable?
 5. Have Xoserve demonstrated that they have achieved the GONG criteria associated with Success Factor 4 - Solution Enables a Positive Consumer Experience?
 6. IDL Process Assessment:
 - a) Do Xoserve have the appropriate IDL file processes, procedures and controls to be reliably produce them in production?
 - b) What validation does Xoserve do of IDL files, and are appropriate and robust processes and procedures in place to remediate any issues in production?
 7. Non Functional Testing Status:
 - a) Have Xoserve proven that the Production environment is suitably sized to meet the expected Industry volumes?
 - b) Do Xoserve have suitable frameworks in place to support scalability in line with Industry forecasts/demand?
- ▶ The above analysis contributes to an overall conclusion on the accuracy of Xoserve's own assessment of risk profile as the Programme continues towards Go Live
- ▶ NB Data points quoted within this report are as at the G3 checkpoint (20th April) unless otherwise stated.

Executive Summary

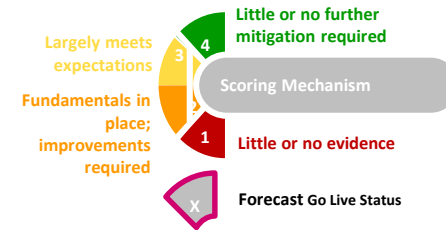
Our Approach

- ▶ Baringa have been independently reviewing Xoserve's GONG management process since its inception in 2015
- ▶ Baringa's assessment of risk has been established based on our involvement in this process, and a detailed review of the data submitted against each GONG criteria
- ▶ Where required, additional deep dive reviews of supporting documentation, or workstream activity, have been performed to support the assessment of risk. This, however, has not been performed across all criteria, only those where the perceived risk profile requires it

Conclusions

- ▶ In conclusion, Baringa agree with risk profile submitted by Xoserve as part the G3 portal submission
- ▶ Analysis performed has uncovered no critical risks/issues that should stop progression towards Go Live at this time. The current Green/Amber status is driven by pockets of localised risk that have formed and there is a need to ensure that robust mitigation plans are tracked through to, and following, a Go Live decision
- ▶ Data Migration is still a key risk area and on the critical path with defects needing rapid triage and resolution, however a positive trend has been seen in the number of recent Delta cycle DM defects. Establishing resolution plans for residual Meter Read and Easy Billing Framework (EBF) defects is key to continued success
- ▶ Wider key risk areas sit within the Sustainability category with demonstrable progress needed in establishing the readiness of the Xoserve Post Implementation Support (PIS) Structure in the weeks leading up to Go Live
- ▶ Baringa have identified a number of lower level GONG criteria statuses that we believe to be currently overstated and are working with Xoserve to address these disparities
- ▶ There are also a number of key recommendations that are yet to be completed, despite in most cases progress is being made. Critical activities for pre and post Go Live have been listed within this report
- ▶ The detailed criteria status indicates a transfer of risk from Programme/delivery to Operational risk for Xoserve. The process is now in place by which appropriate Business Acceptors and Executive sponsors must sign on to the acceptability of the risk profile – Part of which will be ensuring that robust mitigation plans are in place. Baringa will ensure that any Client Side Adviser (CSA) recommendations are also embedded within the associated criteria mitigation plans
- ▶ Xoserve have also responded to Baringa's challenge to provide more focus on the GONG process itself, with additional administrative support being provided and improved engagement in GONG governance fora
- ▶ Baringa forecast that Xoserve's GREEN/AMBER status should be preserved through to Go Live as long as the Programme continue to hit IDR3/Cutover plan milestones and key risk mitigations are put in place ahead of /post Go Live

GONG G3 Summary Position



- ▶ Baringa assess Xoserve’s GONG G3 status as GREEN/AMBER and forecast that this status will be unchanged through to Go Live on the basis that the Programme continue to hit IDR3/Cutover plan milestones and key risk mitigations are put in place ahead of, and post, Go Live
- ▶ There are not judged to be any showstopper issues that would prevent Go Live at this stage
- ▶ Data Migration is still a key risk area within the GONG criteria with defects needing rapid triage and resolution within IDR timelines (dependent on source), however a positive trend has been seen in terms of the number of Delta cycle DM defects
- ▶ Wider key risk areas sit within the Sustainability category with demonstrable progress needed in establishing the readiness of the Xoserve Post Implementation Support (PIS) Structure in the weeks leading up to Go Live
- ▶ *The below RAG scoring and commentary is a summary of an assessment against a series of specific questions posed by Ofgem. Detailed questions and responses are covered on slides 8-14.*

Success Factor 1 - Solution meets industry requirements

Findings

- ✓ MT Regression Test activities have now concluded, with the final defect position understood
- ✓ Positive progress made with recent IDR3 Delta migration cycles with reducing defect rates
- ✓ Meter read (MR) and EBF defects represent specific areas of data risk
- ✓ Holistic workarounds are yet to be fully quantified in terms of FTE impact.

Recommendations

- ▶ Implementation of intended burn down functional defect reporting
- ▶ Finalise Post Go Live deployment schedule
- ▶ Conclude the approach for Meter Read data fixes and EBF retest plans
- ▶ Finalise workaround FTE impacts and assess against operational team capacity.

Success Factor 2 - Solution is stable

Findings

- ✓ Non functional testing is now complete
- ✓ Code stability maintained over the course of MT Regression test
- ✓ Low Level Cutover Plan (LLCP) re-baselined for IDR3 embedding lessons learned
- ✓ Business Readiness Test actions require resolution ahead of Go Live
- ✓ CR delivery timelines now extend towards Go Live.

Recommendations

- ▶ Residual action required to close out NFR traceability & BW report performance optimization – Inc. early post Go Live performance monitoring
- ▶ Agree timings for residual DR activities and priority Penetration test actions
- ▶ Publish finalised LLCP ahead of Cutover
- ▶ Publish regression test outputs
- ▶ Implement granular reporting to close out all BRT actions and track CR progress.

Success Factor 3 - Solution is sustainable

Findings

- ✓ Training / KT progresses to plan
- ✓ Post Go Live (PGL) release definition continues in line with wider PGL stream plans
- ✓ Local Work Instruction development continues to be slow but now prioritised
- ✓ PIS structure and detailed processes still represents a risk however new manager appointed and gap analysis is in flight
- ✓ Exceptions RCA process not yet fully defined
- ✓ PGL environment strategy definition in progress.

Recommendations

- ▶ Strengthen links between Market Trials team (Performing initial Workaround/LWI engagement) with the Business operational teams
- ▶ Clarify the governance processes that sit around PGL activities
- ▶ Finalise PIS management roles & responsibilities, completing operational gap analysis
- ▶ Document and prove the Exception RCA processes
- ▶ Finalise PGL environment strategy

Success Factor 4 - Solution enables a positive consumer experience

Findings

- ✓ Market Trials Info. Library maintained
- ✓ PIS exit criteria agreed within Xoserve
- ✓ Day 1 FOM in place and Xoserve people transition agreed for all teams
- ✓ Further detailed WoW / control / handoff points to be defined for PIS incidents
- ✓ Management Information clarity is growing through Command Centre reporting structure and PIS process clarity but still represents a risk area.

Recommendations

- ▶ Ways of working (WoW) to be agreed between Internal comms teams & nominated Industry Reps for each Industry Governance group
- ▶ Xoserve to articulate the E2E MI/reporting suite to be used at Go Live
- ▶ Confirm date for sharing the PIS exit criteria with Industry.

Discuss

GONG Industry Criteria – Assurance Delta View



- Summary findings documented below are based on a review of ongoing GONG management processes and Xoserve GONG status as submitted for Gate 3 on 20th April 2017. Note – The ‘delta’ views expressed within this table relate only to risk areas that drive a perceived status difference in the Industry GONG criteria, as seen below.

Pillar	Ref.	G3 Criteria	Xoserve	Baringa	Reason for Delta	Mitigation Actions Required
Meets industry requirements	1.5	Bulk and Delta Data Loads	G	A	• Data fix activity is required to rectify outstanding Delta Defects related to Meter Reads.	• Ensure that the Meter Read data fix mechanism is fully tested and results validated by the business ahead of usage in Production.
	1.6	C1 / C2 Process built and tested in MT	G	G		
	1.8	Cutover plans aligned to low level design	G	G		
	1.9	Requirements Traceability	G	G		
Stable	2.1	Non-functional testing	A	A	• N/A	• N/A
	2.2	Process to manage code stability	G	G		
	2.3	Business Continuity and Disaster Recovery	A	A		
	2.4	Detailed system cutover plan	G	G		
	2.5	Data migration testing (Dress Rehearsals)	G	G		
	2.6	Data migration defects	A	A		
Sustainable	3.2	Business process documentation	A	A	<ul style="list-style-type: none"> • The iGT File processing issue identified in IDR3 has identified some communication channels/routes of escalation that require additional control points adding for Incident Management • Timelines for delivery of planned PGL activities are challenging, with Programme focus continuing to be on critical path activities ahead of Go Live • Greater clarity is needed over how the PIS environment approach will support the Post Go Live release plan and ‘fix on fail’ requirements. 	<ul style="list-style-type: none"> • Perform root cause analysis and implement additional control points to ensure effective comms and escalation of cutover incidents • Appoint a delivery lead to take overall delivery accountability for Post Go Live workstream activities and establish appropriate governance within Xoserve to support delivery • Increase clarity of environment provision & planning within Programme governance.
	3.3	Knowledge Transfer	G	G		
	3.4	Post Go Live release plan	G	A		
	3.5	Data governance	G	G		
	3.6	Cutover governance defined	G	A		
	3.7	Hypercare IT support processes	A	A		
Consumer Experience	4.1	FAQs and Communications	G	G	• N/A	• N/A
	4.2	Hypercare exit criteria	G	G		
	4.3	Organisational Structure	A	A		
	4.4	Training	G	G		

Conclusions



- ▶ In conclusion, Baringa agree with risk profile submitted by Xoserve as part the G3 portal submission
- ▶ Analysis performed has uncovered no critical risks/issues that should stop progression towards Go Live at this time. The current Green/Amber status is driven by pockets of localised risk that have formed and there is a need to ensure that robust mitigation plans are tracked through to, and following, a Go Live decision
- ▶ Baringa have identified a number of lower level GONG criteria statuses that we believe to be currently overstated and are working with Xoserve to address these disparities
- ▶ The detailed criteria status indicates a transfer of risk from Programme/delivery to Operational risk for Xoserve. The process is now in place by which appropriate Business Acceptors and Executive sponsors must sign on to the acceptability of the risk profile – Part of which will be ensuring that robust mitigation plans are in place. Baringa will ensure that any Client Side Adviser (CSA) recommendations are also embedded within the associated criteria mitigation plans
- ▶ There are also a number of key recommendations that are yet to be completed, despite in most cases progress is being made. A short list of critical activities for pre and post Go Live are detailed below against each of the Project Nexus Success Factors:
 - ▶ **Meet Industry Requirements**
 - ▶ **Prior to Go Live:** Articulate the plan/approach for Data Migration defect resolution for Meter Reads and EBF residual defects. Clarify functional defect deployment schedules & Confirm holistic workaround sustainability for Xoserve operations
 - ▶ **Post Go Live:** Ongoing communication mechanisms for regression test outcomes and continuation of defect burn-down reporting
 - ▶ **Solution Stability**
 - ▶ **Prior to Go Live:** Closure of Business Readiness Testing actions and close out of non functional requirement traceability
 - ▶ **Post Go Live:** Heightened monitoring of early BW report performance & agreement of timing for residual DR activity
 - ▶ **Solution Sustainability**
 - ▶ **Prior to Go Live:** Finalise PIS management roles and responsibilities and complete the operational PIS process gap analysis. Clarify the governance processes that sit around PGL activities and the PGL environment strategy
 - ▶ **Post Go Live:** Complete residual design document updates & consider identifying readiness report checkpoints ahead of key business process pinch points
 - ▶ **Impacts to Consumer**
 - ▶ **Prior to Go Live:** Confirm the PIS Incident Management communications approach, expedite offshore exceptions team set up & Xoserve to articulate the E2E MI/reporting suite to be used at Go Live
 - ▶ **Post Go Live:** Establish the accountability for monitoring and refinement of the E2E MI/reporting suite & Confirm date for sharing finalised PIS exit criteria
- ▶ Xoserve have also responded to Baringa's challenge to provide more focus on the GONG process itself, with additional administrative support being provided and improved engagement in GONG governance fora
- ▶ Baringa forecast that Xoserve's GREEN/AMBER status should be preserved through to Go Live as long as the Programme continue to hit IDR3/Cutover plan milestones and key risk mitigations are put in place ahead of /post Go Live

Market Trials Status Report

The MT workstream is proposed to be **closed** based on:

- **Residual MTR testing was finalised** on 21 Apr 17 and the defect and workaround position baselined at 21 Apr 17 as part of the overall defect position (see next page).
- The **remaining defects and workarounds** will be managed to the final Go Live position through the weekly defect call and **reported as part of the overall defect position into the weekly defect call.**

MTR Exit Caveat	Action	Key metrics	Status	Source / point	
1	Remaining approved MTR test lines are completed.	1.1	Approved test lines to be completed.	28 of 37 test lines complete (includes 1 'de-scoped'). 8 of 10 participants complete. 9 test lines across 2 Market Participants accepted as 'incomplete'.	Complete MPs via PwC @21 Apr 17
2	Agreed list of defects to be fixed Post Go Live (P3 defects).	2.1	List of P3 defects to be fixed Post Go Live agreed by industry through weekly defect call.	87 defects agreed for PGL fix. 3 defects pending final agreement for PGL fix.	Finalise on weekly defect call Xoserve @21 Apr 17
	Agree approach and plan to deploying and testing any defects that are agreed to be fixed pre Go Live (P2 defects).	2.2	Deployment date confirmed for code impacting P2 defects to be fixed pre Go Live.	5 P2 open defects agreed for fix - due for deployment 08 May 17.	Deployment 08 May 17 Xoserve @21 Apr 17
		2.3	Test approach agreed for code impacting P2 defects to be fixed pre Go Live.	15 P2 defects where Xoserve to provide test approach to Market Participants.	Xoserve presented approach on 28 Apr defect call Xoserve @21 Apr 17
3	The workaround position is confirmed and communicated to industry.	3.1	Workarounds are documented, tested and approved by industry through weekly defect call.	35 workarounds approved. 19 workarounds in progress.	In Progress Xoserve @21 Apr 17
	Xoserve can support the operationalisation of the approved workarounds.	3.2	Xoserve confirm they can support workarounds operationally.	The required headcount to support the manual workarounds identified to date is built into the PGL structure for postponed CR's and defects. If further workarounds are identified resource requirements will be evaluated.	Complete Xoserve @21 Apr 17
4	Xoserve is able to provide appropriate support (in terms of people and environment) during the specific closure activity outlined in 1 above.	4.1	Xoserve to confirm supportability.	Support confirmed by Xoserve following review of approved test lines.	Complete N/A

Discuss

Xoserve Defect Position @ 21 Apr 17

DEFECTS (all test areas included exc. Data)	External / (Internal)	Total	Notes
Total Defects Opened at and since 09-Jan:	117 (398)	515	Information taken from HPQC
Total active and PGL	64 (141)	205	
Total active:	14 (82)	96	
Under assessment / fix in progress	9 (12)	21	Includes 5 open P2 defects from MTR
N/A – Xoserve internal impact only	5 (70)	75	See definition*
Total PGL:	50 (59)	109	
PGL – Manual workaround – In progress	8 (11)	19	
PGL – Manual workaround – Approved	19 (16)	35	Includes 87 defects agreed for PGL fix and 3 to be agreed
PGL – Manual workaround not required	23 (32)	55	
Total Closed:	53 (257)	310	Post-RDB; Closed as Passed / Dup / Rejected

***'N/A Xoserve Internal Impact Only' definition** - not common code impacting (eg., report config within SAP BW) and deployment would not impact on the testing already performed by the industry.

Breakdown of defects by Test Area (exc. Data defects)			
Defects Open at and since 09-Jan:	Active	Total PGL	Total Closed
	External / (Internal)		
AMT Testing	- ()	1	
CR Testing	- (2)	0	- (31)
IDR / IDR Migration	- (13)	2	- (51)
Market Trials / Market Trials Regression	14 (14)	86	53 (84)
Operational Readiness	- (53)	20	- (91)
SMART	- ()		
Total :	14 (82)	109	310

Steps to finalise Go Live defect and workaround position

- Track defect and workaround closure through the weekly defect call.
- Final defect and workaround position to be reported in the Go Live Decision (GLD) pack as part of the 'fallout' report.
- Continue to report defect and workaround closure progress to programme governance.

Data Portal Submission

Analysis of data readiness responses

The main reasons for participants reporting amber or red status are:

- 1) They have not yet completed resolution of iGT data inconsistencies, with the risk that the remaining inconsistency may impact a customer's ability to switch or for billing, settlement, or AQ calculation to be inaccurate for the impacted MPRNs;
- 1) They have not completed their own data cleansing in response to Xoserve's transformation rules, with the risk that data post Go Live the Market Participants may find that files submitted in relation to the impacted MPRNs are rejected;
- 1) Two of the smaller challengers have left data cleanse activities particularly late, although the volume of impacted MPRNs is minimal.

These risks have been discussed at DMG and are not anticipated to prevent Go Live. However, pressure to complete final data cleanse activities is being maintained, to minimise the levels of data exceptions that will arise post Go Live.

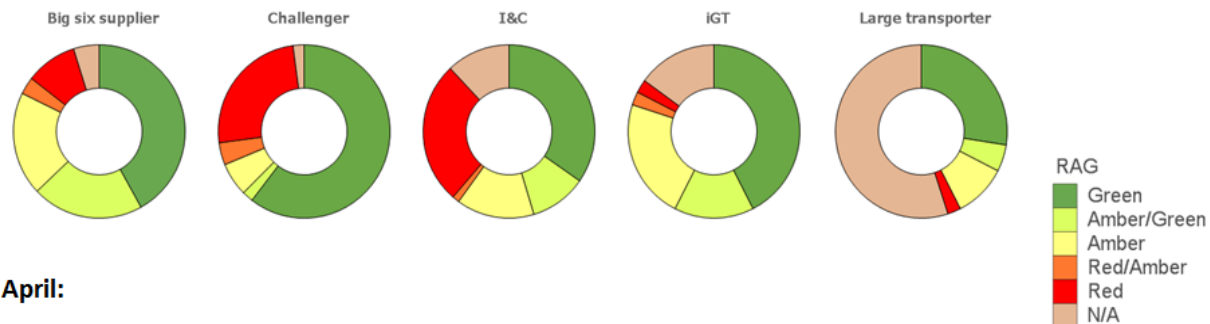
The final DMG meeting is being brought forward to 11 May 17 to ensure that if any issues emerge they can be discussed and presented to PNSG at the final GONG decision.

Summary of Data Portal Submissions - 20 Apr 17

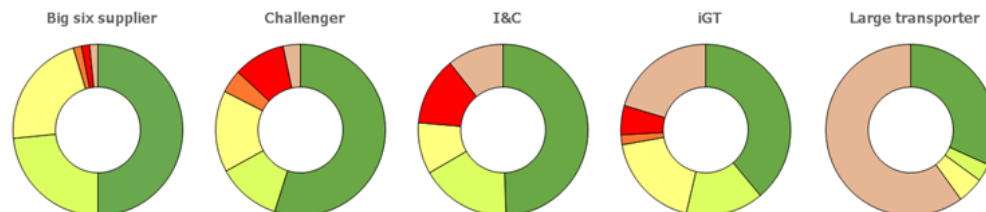
The data portal submissions are Market Participants' self-assessment of progress on their own data cleansing activities and understanding of the overall Nexus data cleansing requirements such as Transformation Rules. These have been weighted by organisation type (average RAG rating based on numbers of responses in each group, not weighted by SP or AQ). The response indicates the level of completion of activity with red and amber-red indicating a potential concern that activities will not be completed prior to Go Live.

These self-assessments have not been subject to assurance or audited to assess consistency with the overall GONG criteria; they have been used to support engagement with Market Participants on data issues and to ensure those issues are addressed by the Data Management Group. Individual conversations have been held with all participants reporting red or amber-red to confirm that there is no significant risk to Market Participants readiness.

March:



April:



PNSG Action Log

Action #	Action	Progress	Owner	Status	Due	Forum
A254	Xoserve are to provide relevant Market Participants with the business continuity plans for Commodity Invoicing.	A draft of the Capacity Invoice scenario has been provided for comment to Transporter Representatives along with a sample of the information available for the outstanding defects. These have highlighted some further requirements for clarification of the information, a follow up meeting is scheduled for 4 th May where these clarifications will be walked through with relevant Market Participants.	Xoserve		21-Apr-17 => 28-Apr-17 => 04 May 17	PNSG
A258	Xoserve are to consider how best to bring the DSC members up to speed with the Nexus programme.	Update provided to DSC Change Management Group each month regarding Project Nexus, the new Post Go Live Governance structure has also been discussed with the same group. Propose to close as a new action has been opened regarding ongoing communications.	Xoserve		04-May-17	PNSG
A262	Reach out to BEIS (Department of Business, Energy and Industrial Strategy) regarding communication protocols in the event of an energy emergency during or immediately following cutover.	Meeting is being set up, propose to change date to 15 May 17.	Ofgem		04-May-17 => 15 May 17	PNSG
A263	Confirm the requirements under the UNC should an emergency change need to be made to the Project Nexus Implementation Date (PNID) during the cutover.	Work in progress, propose to change date to 15 May 17.	Ofgem		04-May-17 => 15 May 17	PNSG

PNSG Action Log

Action #	Action	Progress	Owner	Status	Due	Forum
A264	Ofgem to consider issuing a communication to all Market Participants noting the importance of engaging in the PNSG constituent meetings ahead of the GONG focused PNSGs on the 17 and 19 May 17.	Propose to change date to 11 May 17 once Constituent Meeting dates have been confirmed.	Ofgem	Yellow	04-May-17 => 11 May 17	PNSG
A265	Representatives to advise Project Nexus PMO (projectnexus.pmo@uk.pwc.uk) on their schedule for constituency meetings pre the 17 and 19 May PNSGs.	<p>The following meeting times have been confirmed:</p> <ul style="list-style-type: none"> I&C - 15 May 17 @ 4pm Big 6 - 16 May 17 - time TBD Challengers - 16 May 17 @ 2:30pm <p>The remaining have yet to be communicated:</p> <ul style="list-style-type: none"> IGT - TBD GTs - TBD 	Constituents	Red	28-Apr-17	PNSG
A266	Ofgem to consider what support can be made available to constituency meetings pre the 17 and 19 May.	Propose to change date to 11 May 17 once Constituent Meeting dates have been confirmed.	Ofgem	Yellow	04-May-17 => 11 May 17	PNSG
A267	Prepare a list of contingency scenarios around Go Live decision making logistics and present to the 04 May 17 PNSG.	Complete. See slide titled 'Contingency Scenarios' within the Appendix of this report.	PwC	Blue	04-May-17	PNSG

Appendices

#	Title	Slide
1	Governance Meeting Schedule	28 - 29
2	Hot Topic - Contingency Scenarios	30
3	Hot Topic - Review of Success Factors	31 - 35
4	Disclaimer	36
5		
6		
7		
8		
9		

Governance: Meetings

RIAG Meeting Focus

11 May 17	25 May 17	08 Jun 17
<ul style="list-style-type: none"> Final review of Risk Log ahead of GONG decision 	<ul style="list-style-type: none"> Post Go Live 	<ul style="list-style-type: none"> TBC

Future PIS Governance

- Post Go Live Governance model (PIS) and the associated governance meetings are under development. Meeting names and agendas to be updated in due course. These will replace the current meetings in a phased approach after a governance freeze to ensure stability over the cutover period.

PNDG Meeting Focus

09 May 17	23 May 17	06 Jun 17	20 Jun 17	04 Jul 17
<ul style="list-style-type: none"> Programme update Workstream update 	<ul style="list-style-type: none"> Programme update Workstream update 	<ul style="list-style-type: none"> Programme update Workstream update 	<ul style="list-style-type: none"> Programme update Workstream update 	<ul style="list-style-type: none"> Programme update Workstream update

PNSG Meeting Focus

04 May 17	15 May 17	16 May 17	17 May 17	19 May 17	09 Jun 17
<ul style="list-style-type: none"> Final G3 Assurance report Final G3 Assurance position Final G3 Readiness status 	<ul style="list-style-type: none"> Transmit only [Open Invite] PwC/Ofgem hosted walkthrough of Go Live Decision. 	<ul style="list-style-type: none"> Constituent Meetings 	<ul style="list-style-type: none"> IDR3 Exit Report Transition Progress Dashboard Risk Acceptance or closure Xoserve final G3 Readiness Status 	<ul style="list-style-type: none"> GONG Decision PwC Updated Final GONG MP Readiness Status Baringa Final GONG Assurance Report Xoserve Final GONG Readiness Status PwC Updated Final GONG Assurance Report 	<ul style="list-style-type: none"> TBC

PNSF Meeting Focus

10 May 17
<ul style="list-style-type: none"> Programme update Outcome of IDR2 and IDR3 GONG Assessments Go Live preparations

Governance: Meetings

MTWG

Information

- This Working Group has now been closed following completion of MTR

DMG

18 May 17

- GONG 4 (Data)
- Mitigations
- Post-live comms

28 Jun 17

- Exception Handling
- Post Go Live data cleansing

TPG

10 May 17

- IDR3 Lessons Learnt
- Walkthrough of IRG Test Scenarios from IDR3

7 Jun 17

- TBC

Future PIS Governance

- Post Go Live Governance model (PIS) and the associated governance meetings are under development. Meeting names and agendas to be updated in due course. These will replace the current meetings in a phased approach after a governance freeze to ensure stability over the cutover period.

Contingency Scenarios

Actions taken since the last PNSG

- Duplicate meeting rooms have been booked at PwC for both PNSG meetings.
- WebEx has been established for each meeting.
- Ofgem briefings are underway to update Rob's alternate on programme progress and decisions.
- Alternatives have been identified and invited to the PNSG meetings for Ofgem, Xoserve, Baringa, PwC, PNSG constituents.
- Meeting room bookings for each PNSG have been extended by 1 hour.
- WebEx booked on 15 May 17 to broadcast a walkthrough of the PNSG report with Market Participants ahead of report distribution.
- Due dates for each PNSG inputs have been confirmed with all contributors.

Assumptions

- All steps will be taken to achieve full constituent representation at the PNSG. The PNSG TOR does not have a quorum requirement, the final GONG decision will sit with Ofgem. The approach taken throughout the programme has been to seek consensus where possible for any decisions taken. Ultimately the decision sits with Of
- If meeting attendance at the beginning of either PNSG session does not include the key members, the attendees will be asked whether they feel it is appropriate to reconvene in 1 hour. PMO will be responsible for the communication and logistics associated with any changes agreed.
- PNSG members and alternates have flexible schedules on 17 and 19 May 17 in case the meetings run over the allotted time and a decision has not been made.

Action to take ahead of the PNSGs the week of 15 May 17

- PNSG constituent representatives to agree a process to contact their alternate if required.
- PNSG constituent representatives and central PMO promote the constituent meetings being held ahead of the PNSGs, stressing the importance of engagement and participation in the decision making process.
- Ofgem to assist in contacting Market Participants flagged as not being engaged in constituent meetings ahead of the PNSG.
- Final decision requirement to be confirmed with Xoserve in case the PNSG on 19 May 17 does not take place, or fails to lead to a decision.

Contingency for the PNSG on 17 May 17

- WebEx established.
- Meeting can be completed on 19 May 17.

Contingency for the PNSG on 19 May 17

- WebEx established.
- Afternoon meeting rooms booked.
- Weekend meeting could be undertaken.

Review of Success Factors

We are taking an incremental approach to build confidence for a Go Live decision.

- Last week, following a series of questions from a market participant and a trade association, we issued a FAQs document which brought together information available on a range of potential risks around Go Live for Project Nexus.
- A decision on whether to Go Live will be taken on 17 May, subject to final confirmation on 19 May at a meeting of the Project Nexus Steering Group.
- The Go Live decision will be taken following a consideration of the extent to which the Project Nexus Success Factors are met or look likely to be met (noting a set of GONG criteria for Xoserve and participants has been developed to underpin these Factors).
- The next four slides set out a high-level summary of the information included in the FAQ document, structured around the Success Factors.
- **PNSG are invited to consider this information, provide comments and identify particular areas of interest, so we can reflect this in the information we look to provide to support the Go Live decision.**

NB: We have already shared a version of the pack that will support the Go Live decision and are incorporating suggestions to the final version.

Review of Success Factors

1. Solution meets industry requirements

- High levels of Xoserve and Market Participant confidence
- High quality data and data migration process
- Critical industry processes are fully proven through completed UAT and Market Trials
- Integrated market-wide system cutover plan agreed and communicated
- Clear requirement traceability (including no outstanding functionality)

- All industry participants have self assessed as Green or Amber for their preparations to Go Live as part of GONG 3 assessment process. PwC has undertaken sampled based assurance over Market Participant at the GONG assessment points.
- Xoserve has been independently assessed as Green or Amber against all their readiness criteria by Baringa.
- Successful exit from Market Trials (MT) and Market Trials Regression (MTR) Testing phases (as independently assured by PwC) has demonstrated Xoserve systems support the critical market processes. Baringa also undertook an independent assessment on the stability of the code base when exiting MT and MTR phases.
- Industry work around requirements individually identified and agreed for each remaining P3 defect in the Xoserve solution.
- Successful GT data Bulk Load completed by Xoserve (with no data defects, as independently assured by PwC).
- Delta data load process has been tested and executed through IDR2 and IDR3, with clear 'fall out' reporting developed to highlight any exceptions to participants. The migration of inflight transactions was also successfully rehearsed.
- Market-wide system cutover plan has been developed through Transition Planning Group (TPG).
- Two substantive decisions have been taken to descope functionality (RAASP and DUC) – it was agreed by PNSG these were not necessary for Go Live.

Review of Success Factors

2.

Stable

- System performance (including response time is sufficient) to support industry volumes, key operational requirements (Gas Day testing) and file sizes
- Disaster recovery and continuity arrangements are in place
- Dress rehearsals provide sufficient confidence to participants

- Industry non-functional business requirements (NFRs) agreed with industry during 2012 and Project Nexus UNC Group validated NFRs during 2015 and 2016.
- Xoserve Performance Testing executed between July and December 2016.
- Performance proved under stressed conditions, other than proving 32 million meter reads on a daily basis against a target of 42 million.
- Xoserve have undertaken scenario analysis indicating initial industry volumes will be significantly below 32 million meter reads and PNSG decided this was acceptable and does not present a Go Live issue.
- Solution has been designed to be scalable and Xoserve has arrangements in place with its IT partners to increase the capacity of the systems, with an expected lead time of 2-3 months.
- Gas Day Testing successfully completed.
- IDR1 (Sep-Oct 16) completed outside of planned timetable, with a number of optimisations included for IDR2. Changes were subsequently agreed through UNC and programme governance to increase non-variant business days and included in new Xoserve and industry cutover plans.
- IDR2 and IDR3 completed successfully within the planned timetable.

Review of Success Factors

3.

Sustainable

- Documentation is in place across Xoserve and Market Participants
- Knowledge transfer completed from programme to operational teams
- Industry change management processes and release plans are fit for purpose
- Ongoing data governance processes are defined and operational
- Contingency options and governance arrangements are identified
- Xoserve hypercare and service management processes are effective and cope with demand.

- Xoserve has an exceptions workstream in its programme, which has undertaken an analysis of likely sources of exceptions and their likelihood of occurring.
- Xoserve has sized its team that will manage exceptions according to this analysis. This has included scenario planning, stress testing and including head room for unexpected exceptions.
- Xoserve has also adopted a flexible resource model, with the ability to quickly increase resources from third parties as necessary.
- Exception resolution paths have been tested through MT and MTR phases with handling instructions prepared for staff
- Xoserve has presented its Post Go Live Plan on a Page to industry, and will be presented for approval to this meeting of the PNSG. As part of this a release plan will be finalised before Go Live (Xoserve are currently engaging with industry on this plan).
- Xoserve has presented the transaction KPIs it will monitor system performance during the post Go Live period. It is preparing further, more detailed metrics that it will monitor and these will be shared with industry before Go Live.
- Knowledge transfer is included as part of the Xoserve and participant GONG criteria: in the most recent assessment all bar 1 organisation have rated themselves as Green against this criteria (the remainder rated as Amber).

Review of Success Factors

4 Enables a positive consumer experience

- No impacts on energy industry reputation
- Market SLAs defined, measured and achieved
- Organisational structure developed to support the new processes and systems
- Industry staff are sufficiently trained and effective from day 1

- Ofgem expects shippers to communicate with their supplier customers to make them aware of the Go Live of Project Nexus and any potential implications. Ofgem has also held a Supplier Forum to assist their understanding of the implications for end consumers and the activities they should be co-ordinating with their shippers.
- Xoserve SLAs are defined in the Data Services Contract and will not be changing as a result of Project Nexus Go Live, but some additions will be made to reflect the provision of IGT services.
- Xoserve is finalising its plans for Post Implementation Support (PIS), which is due to be baselined on 12 May.
- Over the PIS period the established cross-industry Issue Resolution Group (IRG) will continue to be in place to deal with major issues.
- Ofgem intends to leave existing programme governance in place for a period after Go Live to provide for stability.
- Ofgem expects the transition to BAU governance will take a few months, but it will be criteria based.
- Ofgem is developing a set of Exit Criteria to manage this transition.
- Availability of sufficiently trained staff are included as part of the Xoserve and participant GONG criteria: in the most recent assessment all bar 2 organisations have rated themselves as Green against this criteria (the remainder rated as Amber).

This document has been prepared by PwC only for Ofgem and solely for the purpose and on the terms agreed with Ofgem in PwC's statement of work (of 1 August 2016, Spec 7, and subsequently 1 November 2016, Spec 8) as part of PwC's call-offs under the framework agreement dated 11 April 2016 and extended on 2 December 2016. PwC accept no liability (including for negligence) to anyone else in connection with our work or this document