

Project Nexus Steering Group [PNSG] Status Report

24 October 2016

ofgem

Agenda

#	Title	Slide
1	Agenda and approval of PNSG minutes	5 min
2	PNSG programme summary	15 min
3	Market Trials and Market Trials Exit	30 min
4	Risks & Issues Advisory Group (RIAG) Update	25 min
5	GONG Governance & Approach	15 min

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

Overall Summary: The programme continues to be assessed as an Amber / Green rating. **Data:** Confidence has improved as good progress has been made with data load testing in IDR1. **Market Trials:** The level of control imposed over the Managed MT activity is providing greater levels of transparency and allowing Xoserve and participants to be better focused. At the time of reporting 6 participants have completed testing with a further 3 expected to complete shortly. However, progress by some other participants has been slower than expected and this has caused a move to Amber status overall for MT due to the risk created by participants extending testing beyond 11 Nov 16. **Solution Delivery:** The Amber/Green rating is due to some PT defects that will require some later activity to re-test (it is believed that this can be accommodated within plan contingency). In addition, the timely delivery of CRs to support code stability remains on the critical path.

Status Since: 27 Sep 16



Status



Trend

Solution Delivery

Market Trials

Data

Transition

GONG

Commentary

The RAG status of Solution Delivery continues to track as Amber Green reflecting the risk to Performance Testing (PT) and delivery of the CRs required for regression testing:

- PT is in TC3 and this remains on track for 24 Oct 16 completion, less processing reads and DM reconciliation. Work is ongoing to understand what impact this will have post go-live.
- Additional PT test to undertake residual testing will be required and this will be reflected in updates to the POAP.
- Gas Day testing will commence as planned.
- 9 outstanding UAT defects remain within invoice reconciliation. In mitigation a new data run has enabled further progression. Xoserve have deployed additional SME to Pune in support of the off-shore team.
- Timely CR deliver remains a risk due to the proximity of CR delivery to the start of regression testing.

Market Trials is rated as Amber: Managed Market Trials for 26 Participants has commenced and whilst there have been positive trends in the reduction of open defects, some participants' test plans show testing-extending beyond 11 Nov 16. In addition, some slippage in planned completion dates has been observed.

PwC will continue to work closely with participants and Xoserve to progress the Managed Market Trials Plans as well as identifying the key areas of functionality unlikely to complete by 11 Nov 16 and develop an approach for managing them.

The achievement of the MT exit milestone is dependent on a sustained level of defect resolution and subsequent re-testing within the managed MT test phase window. PwC will continue to monitor progress against the agreed Managed MT via one-to-one progress meetings as well as upcoming Portal Submissions on 21 Oct 16 and 4 Nov 16.

The Data workstream is currently rated as Amber/Green. The completion of IDR1 has built confidence in the data load and cutover processes however the main area of concern remains defects in delta data load process. Xoserve are currently considering whether to invoke the 'none go-live impacting' contingency delta test cycle (January).

The DMG is focusing action on priority data cleanse activities.

- For completeness of data the main risk is the IGT portfolio. In this area, 3 focus areas have been identified that will clear 95% of the differences. A working group is aiming to clear these by the end of the year using Ways of Working which are being agreed at the DMG on 20 October.
- For data compliance the DMG has prioritised 7 rules where the industry should cleanse data and actions plans are in place for the one high risk item.

The RAG status of Transition is rated as Green:

- IDR 1 activities are progressing broadly to plan (currently 5 days behind the plan but are still within the 4 week contingency period).
 - Go Live Scenarios were tested successfully on 08 Oct 16.
 - Post Go Live simulation of a sample NED window catch-up was undertaken successfully.
 - A high level overview of the IDR 1 Execution was presented at TPG on 11 Oct 16 with a more detailed lessons learnt session planned for 08 Nov 16.
- A communications Sub-group Workshop took place on the 19 Oct 16. This session was used to develop the approaches for all communications that need to be issued to third parties regarding Project Nexus.
- The IDR approach is to be reissued to market participants by 21 Oct 16.

Preparations underway to commence the first GONG assessment in Dec 16.

A questionnaire asking participants whether they will be able to provide the suggested supporting evidence for GONG was released via the portal on 17 Oct 16. This will provide early visibility of gaps in advance of the G1 assessment and give participants the opportunity to apply the GONG criteria to their own projects. Evidence is not required to be submitted at this point.

Participants will be asked to start providing a RAG status against The GONG during November. Once RAG statuses are received the workstream will be given an overall RAG status.

Milestone G1.0 - Detailed GONG criteria base lined is Amber and at risk for 31 Oct 16. The original GONG document was issued as part of the consultation in June 16 however input from RIAG and the feedback from the GONG questionnaire may result in updates.

Action

A123, A134 A138, A142, A144, A146, A149 – A161

A045

Enactment of Contingency

Context

- The current baseline of the Project Nexus Implementation Plan has a 01 Jun 17 go-live date.
- A 1 month contingency period has been identified and may be invoked at Ofgem's discretion.
- The decision to enact this contingency period will be managed through three key checkpoints. These checkpoints have been established at points in time where it is believed we will obtain greater certainty on delivery and will enable a decision to be taken on either retaining a 01 Jun 17 go-live date or if the contingency period should be invoked. These dates are:

Checkpoint Date	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)

Market Dependencies

- Within this plan there is an inherent **assumption that participants will be ready to move** to a July implementation date should the Programme need arise.
- Impacts will vary by participant, however it is acknowledged that this **may require maintenance of 2 transition plans** until the checkpoints have been passed, or a planned contingency period following the checkpoints when transition plans can be revised to July.
- At these checkpoint dates, participants are expected to be ready to switch on this basis, with a lack of preparedness being considered unacceptable by Ofgem.
- **Any participants who believe they will be unable to sustain this position should raise this through their Transition Progress Group (TPG) representatives by 21 Oct 17.**

Appendices

#	Title	Slide
1	Market Trials and Market Trials Exit	06 - 13
2	Risks & Issues Advisory Group	14 - 15
3	GONG Governance & Approach	16 - 26

Market Trials and Market Trials Exit

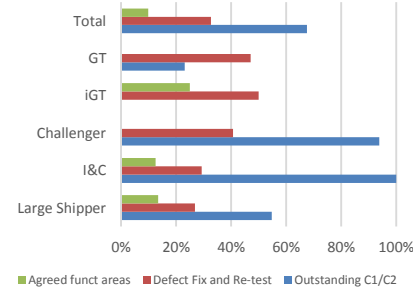
Based on PwC interaction with participants during Managed MT Phase: As @ 21 Oct 16)

26 Participant Managed MT RAG

● 3 Participants are complete
● 7 Forecast to complete by 11 Nov and within 15% of baseline plan
● 13 Forecast to complete beyond 11 Nov OR 15% or more behind baseline plan
● 3 Forecast to complete beyond 11 Nov AND 15% or more behind baseline plan

↑ Improving ↓ Deteriorating ↔ No change

Managed MT by Sector



Defect Position (@21 Oct)

	Defects Raised with Xoserve
Open 30 Sept	118
Opened since 30 Sept	52
Closed since 30 Sept	119
Open 21 Oct	51

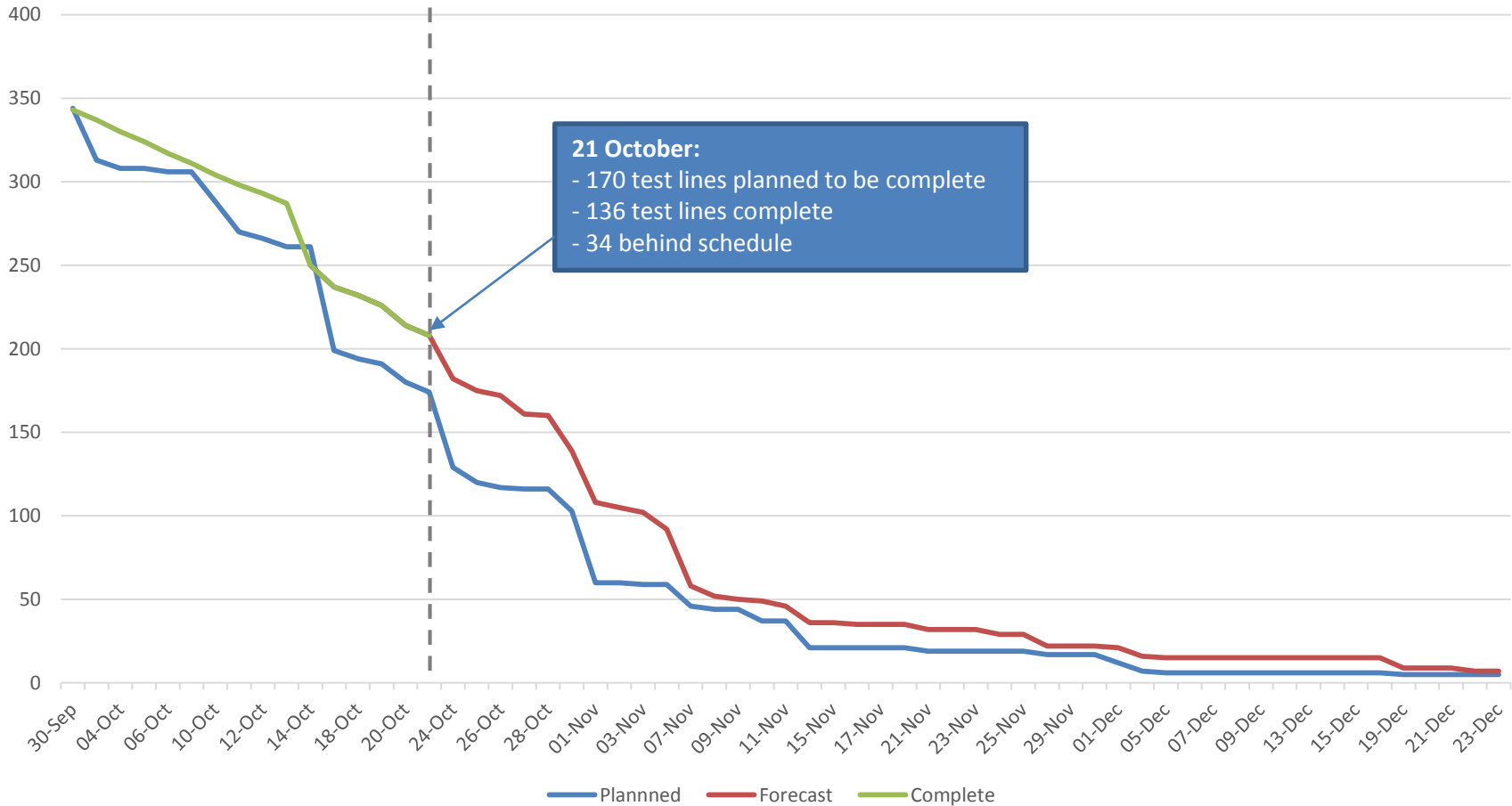
Managed MT Scope Summary

Category	Planned	Complete
TOTAL Test Lines	344	136
Outstanding C1/C2 Tests	114	77
Defect Fix and Re-test	159	52
Agreed Funct. Areas	71	7

Criteria	Desired outcome	Due Date	12 Oct	21 Oct	Trend	Comments
New defect rate	Sustained reduction in new defects raised rate.	Fortnightly	↑	↔	↓	51 new defects raised since the start of Managed MT and 26 have been opened since 12 October, which indicates the new defect rate is not reducing. Note: This includes both valid and invalid defects
Defect closure rate	Increase or sustained performance on defect closure rate aligned to defect fix plan	Fortnightly	↑	↑	↔	119 defects closed since 30 Sep 16 with 37 defects closed since 12 October.
RAG assessment	RAG assessment based on how data received in participant test plans maps to defined timelines for Managed MT.	Fortnightly	↓	↓	↔	3 Participants are complete and a further 12 Participants have indicated target completion dates prior to 11 Nov. 11 participants are currently not scheduled to complete by 11 November, which has increased from 7 since 19 October.
Managed MT Completion against plan	Participant Managed MT meetings with PwC show an increase or a sustained performance against planned completion dates.	Fortnightly	↓	↔	↑	40% of test lines are complete. The market planned to have completed 170 test lines but only 136 have been completed (34 lines behind plan). This rate progress has matched the baseline plan since 14 October.
Number of participants complete	Market Participants confirm that they have completed there MT plan and require no further support from Xoserve.	Fortnightly	↔	↓	↓	Three of the Managed MT participants have now completed MT, which is one behind the baseline plan.



Managed MT Phase Burn Down

Test Line Burn Down (@21 Oct)





Forecast to complete after 11 Nov

MT test lines forecast to complete after 11 November 2016 (as @21 Oct):

Functional area	Mandatory Scenario	Number of test lines	Number of participants blocked after 11 Nov		Range of forecast completion	New since 17 Oct
Shared Supply points (Unique Sites)	7.7	9	1	Large Supplier 'A'	30 Nov to 16 Dec	
Invoicing (thick files)	16, 17, 18	15	6	Large Supplier 'B' 'C' 'D' I&C 'A' 'B' Challenger 'A'	1 Dec to 23 Dec	
Annual AQ NRL	15	5	3	Large Supplier 'E' I&C 'A' 'C'	1 Dec to 21 Dec	
iGT New Connection	3.4, 7.1	2	1	I&C 'D'	15 Nov to 25 Nov	
CR176 / CR182**	8.2, 8.5, 9, 10	3	2	Large Supplier 'B' GT 'A'	23 Dec	NEW
Twin stream site daily readings	9.9	1	1	Large Supplier 'A'	18 Nov	NEW
Meter Point Creation	27.1	1	1	Large Supplier 'A'	25 Nov	NEW
Total	4 blocked scenarios	36  (25 @17 Oct)	10	 (25 @17 Oct)		

Forecast to complete w/c 7 Nov

MT test lines currently forecast to complete during w/c 7 November 2016 (as @21 Oct). Therefore, considered most at risk of slipping beyond 11 November.

Functional area	Mandatory Scenario	Number of test lines	Number of participants impacted	Range of forecast completion
Confirmation accepted	4.1	1	1 Large Supplier 'C'	10 Nov
Confirmation ToO (MIN)	7.1	2	1 Large Supplier 'A'	9 to 11 Nov
New Connection	8.1	2	2 Large Supplier 'A' Large Supplier 'C'	8 to 10 Nov
CR176 / CR182	8	1	1 I&C 'A'	11 Nov
Meter Exchange	8.2	1	1 Large Supplier 'A'	11 Nov
Class 4 – Submit Read	9.8	1	1 I&C 'D'	7 Nov
Invoicing Thick File	17.3, 18.1	3	2 Large Supplier D I&C 'D'	7 to 11 Nov
Awaiting CMS portal to re-open	20	7	4 Large Supplier 'E' iGT 'A' GT 'A' Challenger 'A'	7 to 11 Nov
Check Reading (class 3)	Advisory List	2	1 Large Supplier 'A'	11 Nov
Confirmation – change of class	14.1	2	1 Large Supplier 'A'	11 Nov
Total		22  (22 @17 Oct)	9  (8 @17 Oct)	

Market Trials Risk & Issues Log

Risk & Issues	Workstream	Rating	Due Date	Mitigating Actions	Progress	Owner
<p>New R069: A high number of defects are identified during the MT Regression phase, which results in a requirement to suspend the test phase.</p>	Market Trials	<p>12</p> <p>Current Rating:</p> <p><i>Likelihood: (3)</i></p> <p><i>Impact: (4)</i></p>	11 Nov 16	<p>1) A158: Ensure that programme adheres to a robust MT Exit assessment.</p>	1) Ongoing.	1) PNSG
	<i>Milestone Affected:</i>		30 Nov 16		<p>2) A159: Review approach to monitor defect levels and resolution progress through MT regression.</p>	2) In progress.
	MT3.4 MT Code Stability		30 Nov 16	<p>New A169: MTWG to develop a plan to manage a test suspension should a high number of defects occur in MT regression testing.</p>		3) MTWG

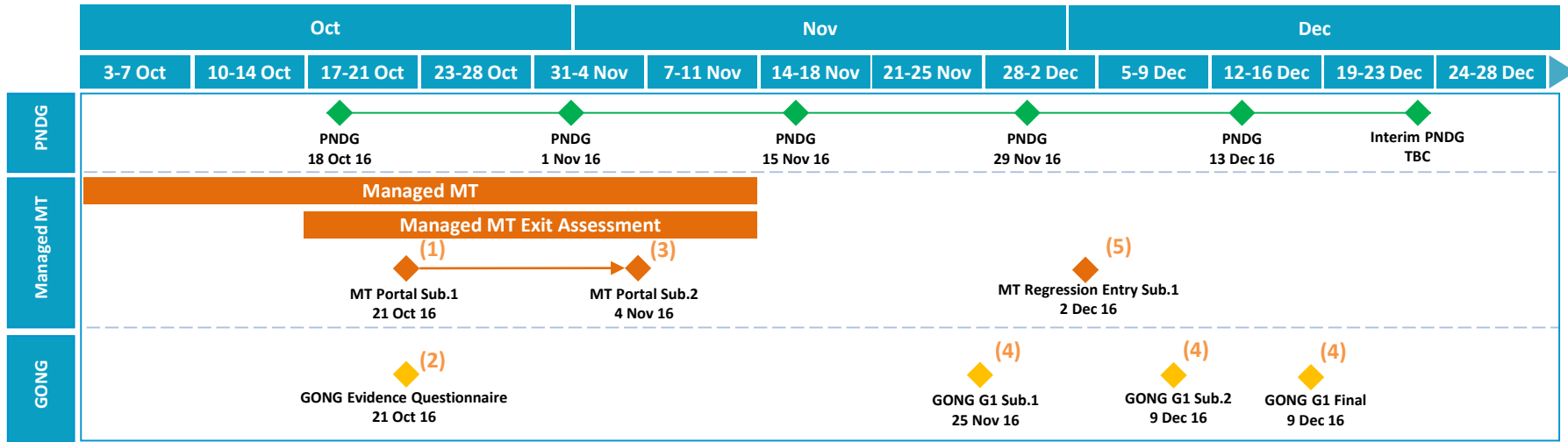
MT Exit Assessment - Process

The process on completion of participants Market Trials plan will be:

- Confirm to your Managed MT PwC contact that you have completed Market Trials and require no further support from Xoserve.
- PwC will review your historic portal submissions to understand your position as well as any documentation previously submitted.
- Once this is completed, you will be sent an email from PwC which will include:
 - A request for further information where applicable. This may include:
 - Summary of test scripts and evidence of completion
 - Final of status reports/dashboard
 - Defect list indicating the final defect position
 - Workarounds which have been accepted by the business (if applicable)
 - Sign-off Market Trials phase exit from appropriate stakeholders
 - On sample basis a request for a site visit or teleconference to clarify PwC's understanding of your MT Exit position and discuss any potential risks.
- This work will form part of a final MT Exit Recommendation to the PNSG.

MT Exit Timeline

MT Exit Timeline – The timeline below shows the sequence of key activities and milestones in a timeline leading to the end of market trials, entry to MT Regression and GONG assessment 1.



MT Portal Sub.1
21 Oct 16 (1)

- All participants complete portal submission based the MT Exit Criteria.
- Additional evidence will be requested to support MT Exit assessment where participants indicate they have completed MT

GONG Evidence Questionnaire
21-Oct-16 (2)

- All participants to complete portal questionnaire outlining the expected evidence for that will required to support the GONG criteria at each GONG assessment point.

MT Portal Sub.2
4-Nov-16 (3)

- All participants complete portal submission based the MT Exit Criteria.
- Additional evidence may be requested to support MT Exit reviews where participants indicate they have completed MT.

GONG 1
25-Nov, 9 & 16 Dec (4)

- All participants to complete a portal submission to RAG themselves against the GONG criteria.
- Additional evidence may be requested to support the G1 assessment point.

MT Regression Entry
2-Dec-16 (5)

- All participants to complete a portal submission to assess readiness to enter the phase based on defined entry criteria.
- Additional assessments may be required based on the outcome of the first submission

Risks & Issues Advisory Group Update

Update on RIAG Sessions

Meeting # 1 on 06 and 07 Oct 16

- During the meetings participants reviewed key milestones from each of the programme workstreams (excluding Service Operations and GONG due to time constraints), and outlined key risks and suggested controls/mitigating actions to help reduce the likelihood or impact of the risks discussed.
- Participants were particularly keen to discuss factors around the completion of Market Trials, issues concerning change releases and code stability and ideas about transformation rules and reconciliation.
- An action that came out of the meeting was for PwC to set up a teleconference call with Colin Bezzant (PwC) and RIAG members, to build a common understanding of data risks. The call took place on Thu 13 Oct 16.

Meeting # 2 on 20 Oct 16

- The focus of the discussion was on the process for attaining and managing code stability and concerns that participants had with MT3.3 Managing Code Stability.
- In addition, a review around risks relating to MT2.0 (Market Trials Complete) was presented.
- A review of the programme plan was conducted with focus on milestones over the next 6 weeks and/or red and amber rated milestones within the plan.

Attendees

- The sessions were chaired by PwC and attended by participants from Baringa, British Gas, Brookfield Utilities, EDF, First Utility, Gazprom, Ofgem, Scottish Power, SGN, SSE and Xoserve.
- Participants agreed to complete a set of actions that would help resolve some of the key issues that were talked about in the meeting. Some of these actions have been added to the RAID log and were presented as part of the new MT risks at PNDG on 20 Oct 16.

Upcoming Meeting in w/c 31 Oct 16

- The next RIAG session will include topics on:
 - Planning a managed and structured regression approach
 - How to minimise risk when functionality and data first come together at go live.

GONG Governance and Approach

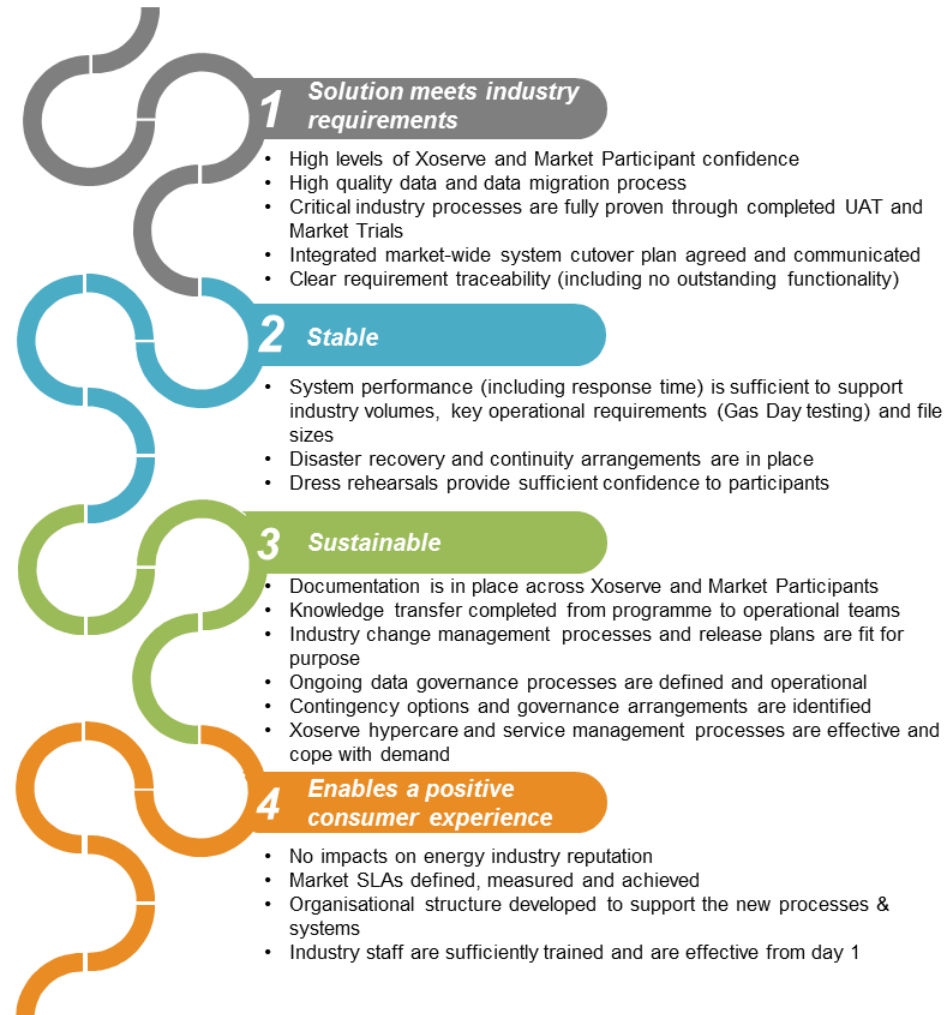
05 Sep 16

Transition Risk & Issues Log

Risk & Issues	Workstream	Rating	Due Date	Mitigating Actions	Progress	Owner
<p>R011: The transition approach may not support a high quality, low risk implementation.</p> <p>As a result of delaying the 'low level' transition design and a concern that the overall transition approach is not sufficiently robust, there is a risk that participant's preparation and readiness for go live may impact the transition.</p>	Transition Milestone Affected: Go Live	<div style="text-align: center;"> 9 Current Rating: Likelihood: (3) Impact: (3) </div>	01 Jun 16	1) Cross industry transition planning workstream and PNDG to oversee approach and preparation for transition.	1) Complete	1) TPG
			01 Jun 16	2) Finalise the low level transition approach and detailed cutover plan. Ensure the market is fully aware of the agreed approach and plans.	2) Complete	
			01 Jun 16	3) Determine how a low level dress rehearsal can be best achieved to mitigate the risks associated with an early point of no return and the high level of confidence that is required.	3) Complete	
			24 Oct 16	4) A045: Develop an industry wide transition governance framework that incorporates the GONG criteria.	4) The governance framework has been drafted and is in review. The document will be targeted to be presented at the PNSG on 24 Oct 16. The due date has been updated to reflect v1.0 of the plan.	

- This paper has been created to set out the programme governance that is required to be followed to enable the GONG criteria to act as a gateway to the live environment.
- Over 40 market participants will send and receive files to Xoserve. The introduction of Nexus will require the participant to update their own IT systems to accommodate the new files.
- At the point of Nexus deployment, it will not be possible to roll back if an issue is encountered due to the number of participants making changes and so a fix forward approach will be adopted.
- To mitigate this risk, the evaluation of the programme's readiness to cutover can be determined through Go/No Go (GONG) criteria.

- 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 are able to provide evidence to demonstrate completion of the GONG assessment and are ready for deployment.



- In designing the GONG Assessment Framework and the associated criteria, the following principles have been adhered to:
 - **Self Assessment** – Participants to assess their position and submit via the Nexus Assurance Portal;
 - **Interim Assessments** – Three assessments will track the readiness of Nexus for go live however, it is envisaged that regular interim check points will be required in order to monitor progress towards these assessments;
 - **Focused** – Focus will remain on market-critical processes and achieving the Project Nexus Success Factors; and
 - **Evidence Based** – Measurable and demonstrable criteria.
- The evidence to meet the GONG criteria has been defined. The intention is to circulate the criteria and supporting evidence as part of an upcoming Nexus Portal submission for the industry to confirm whether they can supply the evidence or not.

- To assess the GONG, activities within the delivery plan required to be completed. Successful completion of the activities demonstrates that the system can meet the Nexus Success Factors.
- The GONG funnel (see right) illustrates how the different Nexus workstreams (e.g. Market Trials, Data, Transition, Service Operations) contribute towards demonstrating the system’s readiness.
- As the milestones are met, the output from the activity can contribute to meeting one or more of the Nexus success factors resulting in evidence to demonstrate that the system is 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.

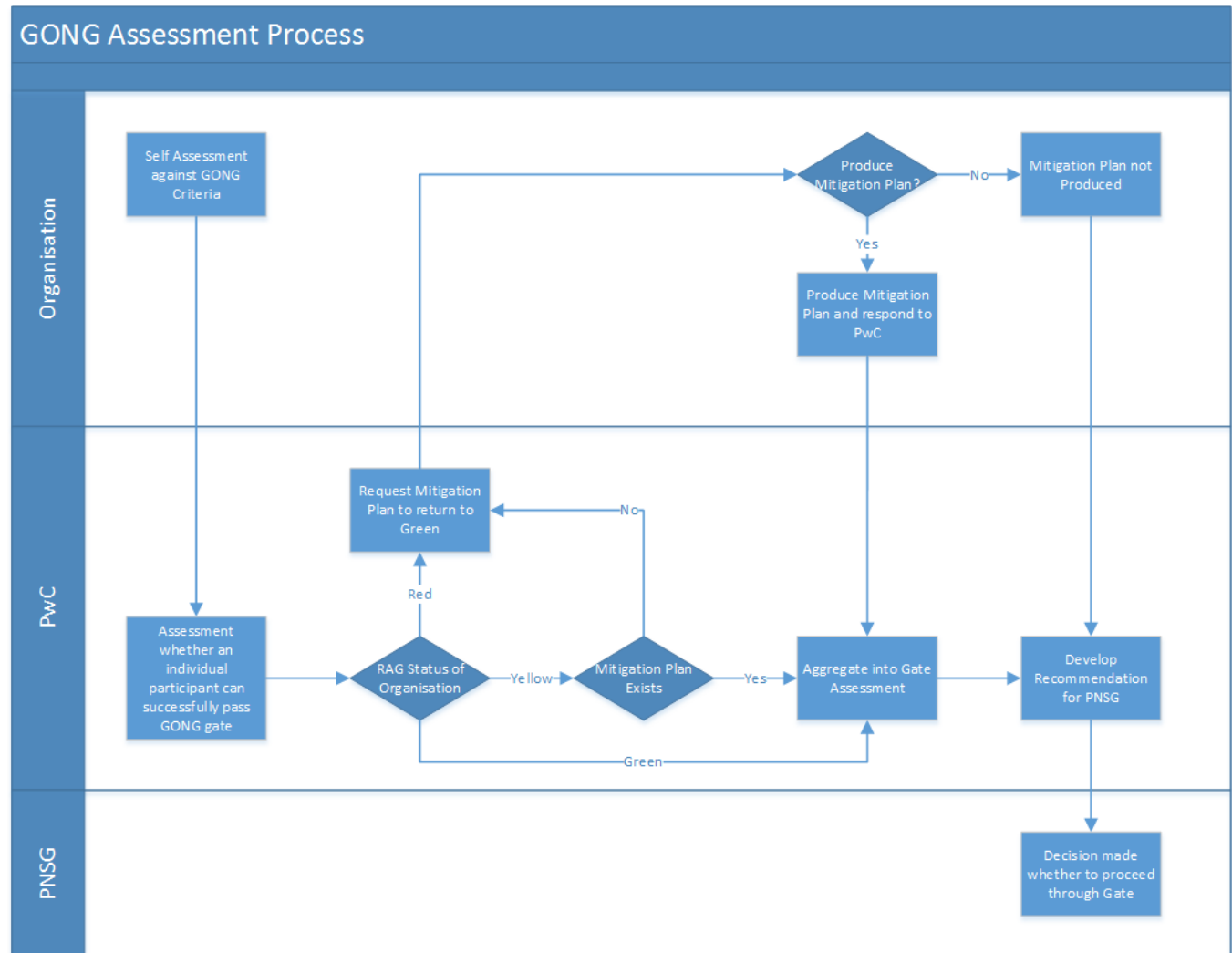
Assessment	Milestones
GONG Assessment 1	Market Trials Complete Gas Day Testing Complete IDR 1 Complete Near Term Release Approach and Schedule Xoserve Support Model Approach Participant Support Model Approach
GONG Assessment 2	IDR 0 Complete IDR 2 Progress Check Bulk Load 2 Complete MT Regression Complete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

- To track progress against the GONG criteria, Xoserve and the Market Participants will be required to complete a self assessment of their readiness against the GONG criteria.
- The self assessments will take place on a fortnightly basis using the PwC Project Nexus Portal.
- The self assessment will entail the organisation assessing their attainment of criteria relevant to that assessment point and provide a forecast assessment for future points.
- PwC will collate the results from the self assessment and report progress of the GONG readiness at the PNDG.

- Each Assessment has a set of evidence to demonstrate that the organisations will need to individually produce to demonstrate readiness for go live.
- At each self assessment, organisations will need to assess using a RAG whether they can meet the evidence for the forthcoming assessments:
 - **Green** – meaning that the criteria have been attained (or for future assessments are projected to be attained);
 - **Amber** – meaning that the criteria have not been attained (or for future assessments are projected not to be attained) but, a credible mitigation plan exists to either bring attainment of the criteria back on track without affecting the critical path or develop a work around that will allow the participant to proceed in absence of attainment; or
 - **Red** – meaning that the criteria have not been attained (or for future assessments are projected not to be attained) and a credible mitigation plan does not exist. In other words, based on their current plan, the organisation will not be ready for go-live.

- The process to the right will be used at each assessment to provide a recommendation to the PNSG whether the assessment can be passed.
- In the event of a assessment not being passed, corrective action will need to be taken to develop a plan to return to green.



The next steps for the GONG process are as follows:

- **Evidence questionnaire** – In October PwC will request that the industry review the evidence required to meet the GONG criteria and confirm whether they will be able to supply the evidence.
- **Initial GONG assessment** – December – The self assessments will commence at the end of November with the first GONG checkpoint assessment occurring on 22 December.

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) as part of PwC's call-offs under the framework agreement dated 11 April 2016. PwC accept no liability (including for negligence) to anyone else in connection with our work or this document.