**Project Nexus background**

Project Nexus is the implementation of new business processes for gas settlement reform and the single service provision for Gas Transporters (‘GTs’) and independent Gas Transporters (‘iGTs’).

The central gas settlement system is being delivered as part of Xoserve’s UK Link Replacement Programme and spans a solution based on SAP IS-U[[1]](#footnote-1) and AMT Sybex’s Market Flow. The current UK Link suite of systems provide two critical functions in the UK gas market – firstly, the provision of central gas registration systems to facilitate customer switching and, secondly, the calculation of £billions of gas transportation invoices levied to the gas shippers. The programme is also a key enabler for the GB Smart Metering Implementation Programme (‘SMIP’), providing improved capability to process the increased volumes of meter reads that will be generated by mass smart meter roll-out. Its implementation will also address one of the Adverse Effects on Competition which the Competition and Markets Authority identified in their recent inquiry into the GB energy supply market, arising from deficiencies in the current gas settlement arrangements.

The programme involves extensive participation from Shippers, GTs, iGTs, Daily Metering Service Providers (‘DMSPs’) and Xoserve. It is an industry programme who remain responsible for delivering the component parts; however, in 2016 Ofgem took on an end-to-end sponsorship role given the risks to consumers of a failed implementation and to improve confidence in the programme’s timely delivery.

The industry programme approach to the period that is required to move from the current UK Link to the new systems (‘Transition’) and go-live is predicated on:

* Xoserve clearly articulating and rehearsing their sequence of activity across the 23-day cutover period that is required to move from the current UK Link to the new systems and processes introduced by the Nexus programme;
* Market participants aligning their cutover and transition activity with the Xoserve transition activity. Participants are responsible for developing their own plans, performing their own dress rehearsals and executing their transition activity; and
* The industry-wide Go / No Go (‘GONG’) framework that will measure market participant and Xoserve’s readiness for transition at three points in the run-up to the go-live decision, including the alignment of participant plans with Xoserve activity, dress rehearsal execution and contingency planning.

Ofgem has established a set of Success Factors for the programme, which are based on the systems supporting positive outcomes for consumers and there being a sufficient market-level degree of readiness to operate in the new arrangements.

**The specific context to this document**

Participants are entering a period of stakeholder and Board briefings in the run up to Nexus implementation during June 2017. Clear communication of the programme status is needed at this point. Therefore, Ofgem and Xoserve are publishing this list of **Frequently Asked Questions** (‘FAQs’) as a single reference guide, with the objective of drawing together some key discussion threads. These are published / time stamped at a moment in time, being the 26 April 17.

**Link: Project Nexus Success Factors**



**Contents**

|  |  |  |
| --- | --- | --- |
| *FAQ* |  | *Page* |
| *1* | *What and where are the key governance decision points over the coming weeks and months? What should I expect to see and do (and when)?* | *4* |
| *2* | *What is the scope and coverage of the go / no-go (‘GONG’) decision making framework? How is confidence building that industry readiness across system, process and people aspects is being considered in a pragmatic and balanced manner?* | *5* |
| *3* | *What has been done to prepare consumers for the change in industry systems and processes?* | *6* |
| *4* | *How has confidence been built in the capability and the capacity of the central Xoserve systems to handle the likely industry transaction volumes on day 1 and day 100? How will Xoserve respond if unexpected peaks in volumes of transactions are experienced?* | *7* |
| *5* | *Can Xoserve scale the capacity and capability of their systems and processes, if / when industry transaction volumes increase in the future? What are the lead times to accommodate this scalability?* | *10* |
| *6* | *How are Xoserve gearing up to monitor and manage exception volumes from their new SAP system, knowing that this is a key learning from similar programmes in the industry? What are the forecasted level of exceptions and what is in place to address these?* | *11* |
| *7* | *What metrics have been defined to monitor whether and when a ‘business as usual’ state has been achieved in critical industry process (such as Change of Supplier), or to focus further action if needed?* | *12* |
| *8* | *How will the post go-live support, or hyper care, period be managed and governed? How will a smooth ‘handback’ to BAU industry governance be achieved and what is the timeline for this?* | *13* |
| *9* | *What is the interaction between the constituted FGO Governance arrangements and Nexus Governance and how will this be integrated to ensure a single governance structure for post Nexus arrangements?* | *14* |
| *10* | *How will the key issues be managed and escalated over the cut-over and post go-live periods – to the point that ‘stability’ is reached?* | *15* |
| *11* | *What are Ofgem’s expectations of participants in supporting the Nexus implementation? Are there some key areas that we should be focused on to best land this within our organisation?* | *16* |
| *12* | *What is Ofgem’s view on enforcement of licence obligations directly impacted by major systems issues at go-live? How will Ofgem support supplier’s messaging to customers if there are serious impacts on the customer experience as a result of implementation?* | *17* |

**The Frequently Asked Questions and responses**

1. ***What and where are the key governance decision points over the coming weeks and months? What should I expect to see and do (and when)?***

We have taken an incremental approach to checking and assuring the developments of the central systems and participant readiness. A sequence of key governance checkpoints and forums have been executed, or are scheduled to occur over the coming weeks in the run-up to the planned implementation date of 01 June 2017. Of these, the key elements are:

* **The decision to enter Market Trials Regression.** On 09 Jan 17, the Project Nexus Steering Group (PNSG) agreed that code stability had been sufficiently attained to enter the Market Trials Regression period;
* **The decision to enter Implementation Dress Rehearsal 2 (‘IDR2)’**.  On 06 Mar 17, the PNSG agreed that the entry criteria had been attained and that Xoserve were ready to enter IDR2;
* **The decision to exit Market Trials Regression (‘MTR’)**.  On 22 Mar 17, the PNSG agreed that the MTR period could be formally closed with a number of caveats.  These caveats included the continued execution of a small number of test lines that had not been completed.  Testing of these lines was allowed to continue during the pre-determined MTR contingency period which ended on 21 Apr 17;
* **A dry-run of the go / no-go decision on 13 April 17**, attended by the PNSG members. This will be based on the information, amongst other sources provided by the ‘G2’ milestone and the IDR2 exit decision (see below); **Decision to enter Implementation Dress Rehearsal 3 (‘IDR3’**).  On 06 Apr 17, the PNSG agreed that IDR2 had successfully exited and that the IDR3 entry criteria had been met and that Xoserve were ready to enter IDR3;
* **The final go / no-go decision from 17 May 2017**. This will be made by the Project Nexus Steering Group (‘PNSG’), which has representation from all key market participant communities that are impacted by Project Nexus. The decision on 17 May 17 will be ‘in principle’ and will be confirmed at a subsequent meeting on 19 May 17, Barring an unforeseen event, the industry will then move to a ‘fix forward’ situation on 22 May 17. Materials and information to drive this decision will be circulated to PNSG members by the Nexus Project Management Office (‘PMO’) in advance of this meeting; and
* Underpinning the final decision **is the critical information provided by the go / no-go (‘GONG’) framework** that has been communicated to market participants and Xoserve over the last year. The GONG framework has measured the glide path of participants’ and Xoserve’s readiness for go-live at two points in time (G1 at 22/12/16, G2 at 24/12/17). A final readiness assessment will be made (G3) at 30/04/17.

The key governance forums and their dates are summarised below, with further details to be made available in PNSG packs on the Ofgem website.

|  |  |  |
| --- | --- | --- |
| **Date** | **Forum** | **Activity** |
| 02 May | PNSG | Nexus PMO release pack for 04 May PNSG |
| 04 May | PNSG | Review G3 assessment |
| 08 May | PNSF | Nexus PMO release pack for 10 May Project Nexus Sponsors Forum (PNSF) meeting |
| 10 May | PNSF | PNSF meeting – information only, no decisions expected |
| 15 May | PNSG | Nexus PMO release pack for 17 May PNSG |
| 17 May | PNSG | Assess IDR3 exit, acceptance of risk landscape and GONG decision. |
| 19 May | PNSG | Confirmation of GONG decision |
| 22 May | PNSG | Barring unforeseen event, enter industry fix forward point. |

1. ***What is the scope and coverage of the go / no-go (‘GONG’) decision making framework? How is confidence building that industry readiness across system, process and people aspects is being considered in a pragmatic and balanced manner?***

In terms of its **scope**, the GONG framework evaluates key criteria that will be critical for a successful implementation against the dimensions of system, process, people and data that will be critical to a successful Nexus implementation. To aid clearer and faster decision-making, the underlying criteria are aligned to four key Success Factors:

The solution:

* + Meets market requirements;
  + Is stable;
  + Is sustainable; and
  + Enables a positive consumer experience.

Participants self-assess against the detailed criteria by answering structured questions aimed at establishing their level of readiness. To build confidence in the quality and reliability of the assessment, we expect each participant’s self-assessment to be supported by sufficient evidence. The quality of evidence is evaluated in PwC’s scheduled management of each participant and by targeted assurance visits to a sample of participants. Over the G1 and G2 assessments, we are encouraged that participants are generally executing the actions required to complete their preparations and achieve a ‘ready’ status. The latest results from the G3 submissions show all participants reporting either Green or Amber against all criteria except for a single participant who has rated themselves Red against a single criteria.

In terms of its **coverage**, all shippers, iGTs and GTs operating in the market are included within the GONG process. There are a small number of participants (6 at G2, 5 at G3) that have not participated in GONG measurement, despite constructive encouragement and support from Ofgem and PwC to do so. These comprise smaller shippers and are not viewed, by Ofgem, as impacting the overall readiness of the market – the current expectation is that we would proceed without these participants proving their readiness. **The shippers reporting at the G2 gateway represent 97% of market AQ and 99% of supply points**.

Xoserve readiness is a key component of the GONG assessment, with a more expansive set of go-live criteria that are being tracked by Xoserve, with assurance activity from Baringa, through the same G1, G2 and G3 milestones.

**Link: Supporting GONG framework material**

<https://www.ofgem.gov.uk/publications-and-updates/gono-go-gong-criteria-and-assessment-framework-project-nexus-v2>

1. ***What has been done to prepare consumers for the change in industry systems and processes?***

It is Ofgem’s preference that the implementation of the new UK Link system is seamless to consumers. Industry should at all times be considering the potential impact to consumers when preparing their transition plans, and be looking to minimise the impacts to consumers and ensure that the new UK Link system is a benefit to consumers.

One of the four Nexus Success Factors measures whether Project Nexus ***enables a positive consumer experience****.* Supporting this Success Factor, there are four criteria that Xoserve and industry must measure their performance against:

1. No negative impacts on energy industry reputation;
2. Market SLAs defined, measured and achieved;
3. Organisational structure to be developed to support the new processes and systems; and
4. Industry staff are sufficiently trained and are effective from day 1 of the new Nexus system.

The key expectation on the industry is that gas shippers have readied their supplier organisations who, in turn, have ensured that the impact to consumers is considered in the transition and cutover planning. Consideration of UNC Modification 602A (iGTUNC 092a) and the implications of the non-effective period to switching timeframes during the cutover period are particularly relevant here[[2]](#footnote-2).

It is Ofgem’s expectation that industry appropriately consults and implements the outcomes from UNC Modification 602A (iGTUNC 092a) and has worked with any relevant impacted third party to ensure that the impact to consumers during the non-effective period is minimised. In asking Shippers to submit their GONG assessments, we are expecting shippers to have considered the integration of the suppliers using their services when determining their readiness for go-live.

Whilst gas suppliers are outside the scope of Project Nexus insofar as they are not UNC or IGT UNC signatories, or have access to the UK Link systems in their own right, Ofgem has recognised that some shippers may require assistance in readying their suppliers. As such, a stand-alone Supplier Forum was held on 03 April 17 to assist suppliers in understanding the scope of programme and the various activities they need to coordinate with their shippers prior to go-live.

**Link: UNC 602A Ofgem Decision Letter**

<http://www.gasgovernance.co.uk/sites/default/files/UNC602aIGT092aD%20(2).pdf>

1. ***How has confidence been built in the capability and the capacity of the central Xoserve systems to handle the likely industry transaction volumes on Day 1 and Day 100? How will Xoserve respond if unexpected peaks in volumes of transactions are experienced?***

The ability of the Xoserve solution to handle likely transaction volumes has been a critical consideration over the last 18 to 24 months. Xoserve and industry has focused on the following aspects in order to build levels of confidence:

* The specification of the non-functional requirements (‘NFRs’) expected from the Xoserve solution;
* The execution of performance testing on the Xoserve solution;
* Further analysis around the volume of Class 3 meter reads that can be expected from the industry; and
* Further testing of performance across Xoserve’s dress rehearsals, especially the assumptions around the volume of industry files that will require ‘catch-up’ in the non-effective day period.

These elements have been shared across the Project Nexus industry forums, but a summary of the results and any outstanding risk areas is presented below:

|  |  |  |  |
| --- | --- | --- | --- |
| Area | Key outcomes and results | Residual questions and issues | |
| Non-functional requirements (‘NFRs’) | * The External Industry Business Requirement Principles Document (‘BRD’) was agreed and approved by the industry during 2011 and 2012. Principles were taken into an Xoserve internally developed NFR BRD, which was approved in 2012. * Industry BRD for NFR was discussed at PNUNC (Project Nexus UNC Group) and latest version of Principles document baselined at 5 Mar 13. The NFRs were subsequently validated at PNUNC during 2015 and 2016. | * Limited engagement from industry participants regarding likely transaction volumes. | |
| Implementation Dress Rehearsal (‘IDR’) 1 | * The scope of IDR1 was communicated in advance. Some non-critical elements were de-scoped. * IDR1 updates were communicated via Transition Progress Group | * Overall timeline not met and required optimisation. As a result, further performance improvements have been made and the number of days allowed for the transition increased * Items removed from scope fully tested in IDR2 and IDR3. | |
| Performance test, executed over July through to December 2016 | * With the exception of meter reads, proved performance under stressed conditions. Performance test updates have been communicated via Transition Progress Group. * 32 million reads proven against requirement for 42 million class 3 meter reads on a daily basis. * Gas day testing successful. | | * Not full scope, e.g. catch-up and transition activity not covered, but full scope tested as part of IDR2 and IDR3. * Decision taken by PNSG that the demonstrated level of likely meter read performance is acceptable. | |
| Further Class 3 meter read analysis – concluding on the above performance testing | * Initial industry volumes likely to be below the level of 32 million class 3 reads proven during the performance testing. * PNSG decided that this is acceptable and does not present a go-live issue. | | * None | |
| Implementation Dress Rehearsal (‘IDR’) 2 | * Full scope, ran to schedule – with some further optimisation opportunity identified. * Residual issues from IDR1 successfully addressed. * Delta data load into production encountered low levels of fall-out in terms of impact or the number of MPRNs impacted. * Low levels of data fallout that will be fixed prior or during IDR3. * Some further contingency periods identified in the plan. | | * Scheduling and sequencing enhancements carried into IDR3. | |

**Link 1: Non-functional requirements (‘NFRs’):**

[Baselined Principles](http://www.gasgovernance.co.uk/nexus/brd/nonfunctional)

**Link 2: Xoserve IDR1 results**

[TPG Materials 8/11/16](http://www.xoserve.com/wp-content/uploads/TPG-Pack-08.11.16-v1.pdf)

**Link 3: November 2016 Performance Testing Results**

[Performance test update](http://www.xoserve.com/wp-content/uploads/TPG-Pack-22.11.16-v1.1.pdf)

[Gas Day Testing update](http://www.xoserve.com/wp-content/uploads/TPG-Pack-24.01.17.pdf)

**Link 4: IDR2 results and related Baringa assurance reporting**

[IDR2 update](http://www.xoserve.com/wp-content/uploads/UKLP-IDR-2-Summary-Final-Version-04Apr2017.pdf)



**Link 5: additional Class 3 meter read analysis**



**Link 6: Xoserve non-functional requirements testing overview**



1. ***Can Xoserve scale the capacity and capability of their systems and processes, if / when industry transaction volumes increase in the future? What are the lead times to accommodate this scalability?***

The Xoserve solution comprises of a combination of system components (SAP, Oracle and AMT Market flow) that are already used by many UK Energy suppliers/shippers. The solution components were selected by Xoserve on the basis of their maturity and the functional fit to Xoserve/Industry requirements.

The solution has been designed with scalability in mind and heavily leverages virtual machine technology to provide the necessary platform to support industry demands. Xoserve’s service management capability, specifically their alert and event management design, enables close monitoring of system utilisation.

This monitoring, coupled with Xoserve working with the industry (through existing governance arrangements) to assess future demand, will allow for timely decision making should a significant change in industry behaviour be seen/forecast. In the event that additional capacity is deemed necessary, Xoserve will leverage the Infrastructure-as-a-service (‘IAAS’) arrangements in place with its IT partners. Xoserve expects lead times will generally be no more than 2 to 3 months, depending on what is needed.

Lastly, Xoserve continues to develop its technology strategy/roadmap and through working with its IT partners, and IT vendors (SAP, AMT, Oracle) will assess new capability (such as SAP HANA) to further enhance the robustness of their solutions.

1. ***How are Xoserve gearing up to monitor and manage exception volumes from their new SAP system, knowing that this is a key learning from similar programmes in the industry? What are the forecasted level of exceptions and what is in place to address these?***

Xoserve has engaged with other UK energy suppliers that have implemented the same SAP ISU system to understand their learning around effective exception management. Based on this experience, and adjusting for the inherent functional differences between the Xoserve SAP installation and that used by energy suppliers, the following actions have been taken:

* An exceptions work stream exists in the Xoserve programme, including a dedicated Post Implementation Support team which leverages the resources and knowledge gained from the exception processes adopted during Market Trials;
* Xoserve has undertaken an analysis of the likely sources of exceptions in the Xoserve landscape, be this originating in systems (e.g. interfaces or batch jobs), data validation, or routine business processes. This includes exceptions that can occur throughout the end-to-end system landscape, not just SAP IS-U. The exceptions numbers/categories referred to in this section are “known” exception types.  They are independent of defects and/or workarounds.  Defects and workarounds may generate “unknown” exceptions.   Xoserve will be aware through the workaround documentation the specific actions to take do deal with these.  As defects and workarounds are resolved/closed over time, the numbers of related “unknown” exceptions will reduce.
* Exceptions are managed by Xoserve against Industry SLAs and Xoserve KPIs.  These are reported internally in Xoserve.  The extent to which these will be shared externally needs to be confirmed with Industry.  This is planned activity in progress;
* This analysis has identified approximately **215 known SAP-ISU ‘exception case categories’** (unique exception types) and **76 ‘work items’** (designed manual interventions within a process) requiring management. Exception case categories have been identified as primarily business (operational functional) or technical issues, of which the majority pertain to technical issues (data, file flow failures etc.);
* Probability analysis has been completed based on analysis of the exceptions scenario types, expected transactions, the intelligence gained from Market Trials and a range of assumptions. Based on this analysis, **75% of the known SAP-ISU exception occurrences are expected to be rare, 24% medium (infrequent but expected) and 1% high (will occur)**. The sources of exception have been grouped and clearance pathways determined, based on a blend of automated and manual processes;
* Based on the likely sources of exceptions and the clearance activity required, Xoserve has modelled the levels of resource required and carried this into its target operating model for day 1. This has included a number iterations incorporating Market Trials, Market Trials regression and IDR phases.
* Resource forecasting has included scenario planning, including stress testing and head room need for additional resources based on higher volumes of exception being received.
* A flexible resource model has been adopted, allowing for a core team for exception management resolution with the ability to flex up (or down) via multiple resource sources if required. Xoserve’s contracts with key third party service providers contain provisions to add resource quickly if this is needed;
* Specific supporting Management Information (‘MI’) requirements have been defined and will be in place ready for use in Xoserve’s live operations;
* All exception resolution paths have been tested during market trials, with exception management team phases and Local Work Instructions (‘LWIs’) / process flows created for all identified exceptions.

**Link: Xoserve exception management approach overview**



1. ***What metrics have been defined to monitor whether and when a ‘business as usual’ state has been achieved in critical industry process (such as Change of Supplier), or to focus further action if needed?***

Xoserve has presented the transaction KPIs it will monitor following go-live to the Transition Planning Group (‘TPG’). In summary, the business process metrics proposed for monitoring by Xoserve, with sharing to the industry, are as follows:

1. Switching volumes and average time to switch (in days);
2. Volumes of files received and the % rejection;
3. Transfer of Ownership meter read processing;
4. Meter read receipt and acceptance;
5. % acceptance of ONJOB and ONUPD meter asset updates; and
6. % Gemini and invoice availability.

Over and above this, Xoserve is now focused on further defining the Post Implementation Support structure and how this will transition to BAU. As part of this work, Xoserve are providing a map of existing industry SLAs and performance metrics and how these will change over the PIS and BAU periods.

**Link: Business process monitoring proposed by Xoserve**

[Return to Steady State KPIs](http://www.xoserve.com/index.php/our-change-programme/uk-link-programme/uk-link-programme-workstream-updates/uk-link-programme-transition/transition-progress-group-sub-groups/#ReturntoSteadyStat)

1. ***How will the post go-live support, or hyper care, period be managed and governed? How will a smooth ‘handback’ to BAU industry governance be achieved and what is the timeline for this?***

Ofgem has specified clear expectations and criteria required of the Xoserve Post Implementation Support (‘PIS’) during the period that follows go-live. This spans six key areas of activity and Xoserve are addressing these in the development of their plan on a page for their PIS capability.

Xoserve have shared their PIS Approach and PIS Release Schedule with the TPG. This details the details the organisation structure, roles and responsibilities and support processes that will be adopted. Over the post go-live support period, the cross-industry Issue Resolution Group (‘IRG’) and Defect Resolution Group (‘DRG’) will be in place to deal with major issues.

We expect further detail and clarity to be provided in this area, with a plan being developed and reviewed with Industry with respect to the transition to BAU Industry Governance and the associated timeline. The plan is currently in draft and will be shared with the RIAG group on 27 Apr 17 for challenge. The plan is due to be issued to the PNSG group for the review meeting on 04 May 17, before it is baselined on 12 May 17.

Ofgem has stated its objective to exit from its sponsorship role as soon as possible without jeopardising the Project Nexus Success Factors. The Project Nexus governance arrangements were put in place with the aim of improving reporting and streamlining decision making. It is likely there will be issues initially after go-live that will require streamlined decision making in a manner similar to that which has been required for project decisions.

Ofgem intends to leave the existing project governance intact through the go-live and for a short period afterwards. After a period of stability, in a controlled manner, there will be a transition from the existing governance and thereafter to the established business as usual governance. While we expect the transition to be a few months after go-live, it will be criteria based. Ofgem is developing a set of exit criteria to provide transparency and clarity on when this transition might take place.

**Link: Relevant PIS materials shared by Xoserve:**



1. ***What is the interaction between the constituted FGO Governance arrangements and Nexus Governance and how will this be integrated to ensure a single governance structure for post Nexus arrangements?***

Ofgem’s review of Xoserve Funding, Governance and Ownership (‘FGO’) was completed on 01 Apr 17, with the appointment of Xoserve as the gas industry Central Data Services Provider (‘CDSP’) and the establishment of a new contractual framework (the Data Services Contract (‘DSC’)) between Xoserve, Gas Transporters and Shippers. At the Project Nexus Implementation Date (‘PNID’), IGTs will also become party to the DSC.

DSC governance is exercised through a Contract Management Committee (‘CMC’) and a Change Management Committee (‘ChMC’). The composition and voting arrangements of both Committees is defined in the UNC (General Terms Section D, Annex D-2), and voting representatives have been appointed through industry agreed nomination and election processes. CMC and ChMC meetings are chaired by the Joint Office of Gas Transporters, with non-voting DSC Contract Managers and CDSP representatives also in attendance.

Notwithstanding the existence of the newly established groups under the FGO arrangements, Ofgem believes that to provide stability there needs to be a continuation of the Project Nexus governance groups for a period after go-live to manage any immediate issues which need to be considered at short notice and operate alongside the formal FGO groups. This is not dissimilar to the way these groups have worked alongside formal UNC governance since being established last year.

The CMC and ChMC have the primary authority to make decisions about CDSP Services and changes to them. As such, the particular industry governance arrangements being established in respect of the Project Nexus post go live period are subservient to DSC governance and the decisions of the CMC and ChMC. However, as has been the case with the period pre go-live, there may be project-level decisions on Nexus which do not engage the formal responsibilities of the CMC and ChMC.

Xoserve is actively engaging with the CMC and ChMC to ensure full awareness of, and gain support for, the post go-live governance arrangements, in parallel with working with the various Project Nexus programme governance groups to ensure a smooth transition and appropriate representation on groups given their expected roles and terms of reference.

1. ***How will the key issues be managed and escalated over the cut-over and post go-live periods – to the point that ‘stability’ is reached?***

During the **cut-over** and **post go-live** periods, defects and incidents pertinent to the Xoserve systems will be logged and managed via their service desk, which will be operating a 24/7 schedule. We expect participants to log issues pertinent to their own cutover activity via their own service desks, but to also record these through the Xoserve service desk if they meet certain criteria (see below for IRG description).

The Project Nexus PMO will monitor these at a global level through close interaction with both Xoserve and participants throughout. A Class 1 incident will result in invocation of, and escalation to the **Issues Resolution Group** (IRG) (see below). For example, the Transition workstream will be in regular contact with participants to understand their position and progress during the critical 23-day process.

IRG is constituted from Ofgem, Xoserve, Baringa, Wipro and PwC, together with any participant input specific to the issue being encountered. The purpose of this group is to meet, at short notice where required, to identify, determine the response to and communicate the optimum solution to the issue for the industry.

**Link: IRG process**



1. ***What are Ofgem’s expectations of participants in supporting the Nexus implementation? Are there some key areas that we should be focused on to best land this within our organisation?***

Ofgem’s expectation is that market participants have undertaken sufficient activity and preparation, prior to cutover, to ensure that their organisation is ready to cutover with the rest of industry. Information and supporting information on organisations’ readiness has been gathered through the GONG assessments (and subjected to sample based assurance from PwC).

Ofgem has and continues to encourage organisations to promptly raise and escalate matters that may impact their organisations ability to go-live. Our expectation is that market participants work collaboratively with Ofgem, PwC and Xoserve to identify mitigations to any issues that arise, rather than simply raising issues. Full, frank and proactive disclosure, coupled with constructive discussion, will always be viewed positively over reactive, issue raising without full consideration of the facts and the history of prior discussion and decisions. As has been demonstrated since Ofgem took on an end-to-end sponsorship role, working with PwC and Xoserve we have been able to facilitate the management and close down of a number of risks and issues.

Ofgem expects market participants to be undertaking all the necessary internal actions to manage risk and issues they may experience in transitioning to the new systems. The responsibility for individual organisations’ readiness for go-live continues to rest with individual market participants.

The Project Nexus risk landscape is a dynamic environment as the industry approaches go-live. As such, Market Participants should be actively reviewing the PNSG slide pack and the Xoserve website to know where they need to be focussing their effort.

As we come closer to go-live, Ofgem’s increasing focus will be on industry’s transition plans and GONG preparations. As such, Ofgem encourages market participants to work collaboratively with the PwC GONG and Transition teams to ensure that any issues are addressed up front and any mitigation actions are arrived at, where practicable, by consensus.

1. ***What is Ofgem’s view on enforcement of licence obligations directly impacted by major systems issues at go-live? How will Ofgem support supplier’s messaging to customers if there are serious impacts on the customer experience as a result of implementation?***

With respect to Gas Suppliers’ compliance with their licence conditions, we consider that SLC 14A paragraph 3(e) may be applicable in these circumstances. In particular, Ofgem are satisfied that **the unavailability of the central systems during the NED period, through which customer transfers are processed, is a circumstance outside the control of the relevant licensees.**

Notwithstanding the above, Ofgem considers that the impact of the Non Effective period should be largely indiscernible to the majority, if not all consumers undertaking a switch. However, it would be prudent for suppliers and organisations such as comparison websites to brief those staff dealing with consumers to be briefed on the implications of the system cutover. For instance, where the consumer may request a specific effective date that would not be achievable, proactive briefing and communication may help manage expectations accordingly.

We will continue to monitor suppliers’ performance over this period and reserve the right to pursue further investigations against any supplier who fails to meet their targets to the extent that cannot be reasonably attributed to the NED period alone, or for not taking all reasonable steps to resolve issues, in line with the requirements for suppliers to do so as set out in SLC 14A (e).

1. The SAP Utilities (IS-U) component is a sales and information system that supports key business processes and utility services of a utility company. [↑](#footnote-ref-1)
2. See UNC602a/IGT092a: ‘[Implementation of non-effective days and variant non-business days for Project Nexus implementation](http://www.gasgovernance.co.uk/sites/default/files/UNC602aIGT092aD%20(2).pdf)’ [↑](#footnote-ref-2)