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Our Ref:PR-No10

Your Ref:

29 September 2014

Dear Donna,

**Northern Powergrid derogation request from the implementation date to incorporate changes to the half-hourly use of system billing system - Project update report 10**

Further to Northern Powergrid's derogation request in relation to the implementation date for incorporating changes to their half-hourly use of system billing system to facilitate DCP144 - 'rounding of consumption in the HH DUoS system, DCP 148 - 'HH revision billing to be carried out via credit and re-bill' DCP 149 - 'Prohibiting HH invoices containing data from two different clock time calendar months' and the DCUSA panel's subsequent request for regular updates, please see below this month's project status report.

This is the tenth project update provided to The Panel and I am pleased to say that we remain on plan to go-live early November after completing another major milestone this month. However, October also has a number of key critical deliverables and the team will continue to work to deliver these against the agreed plan timescales but as you would expect with major IT projects, risks and issues remain and where possible mitigation has been provided.

**September progress:**

The project remains on track and is running to plan against the expected go-live date of the 6th November 2014. Key activities over September include; end user training which was four days and covered all billing types and credit management modules. User Acceptance Testing (UAT) was carried out over a three week period and successfully completed with formal sign off of functional product acceptance.

Also included in UAT were parallel run billing activities, these were billing runs carried out on the development system that mirrored actual operational billing over a given month. After completing these only low variances were noted, which was very encouraging as all variances were explainable and the migrated data will be corrected prior to parallel run two which is scheduled for later in October.

Other areas of progression were in the preparation of our production environment in readiness for our expected go-live date. The contractual agreement between St Clements Services continues as the Contract remains unsigned but this remains a low risk as the contract is in the final stages and is being progressed for approval within SCS to their owners and we do not envisage any issues and we expect to receive the contract to progress for internal approval very soon.

Northern Powergrid's own operational change activities continue which includes stakeholder engagement. In this area we have already issued a formal letter to all affected energy suppliers emphasising what changes they will get from the new system. However, we are also planning a conference call in October to talk through the billing service changes and take any questions that they may have.

#### **Areas of major risk/concern:**

There are currently no major areas of risk or concern. Only minor areas which have had mitigation placed against them. The table below sets out the key development milestones which are based on the agreed project plan.

Project Phase	RAG Status	Start Date	Finish Date	Commentary
Procurement/IT supplier appointment	Final stages	Nov-13	15-Oct-14	Formal procurement phase, e.g. invitation to tender, contract award.
Budget spend authorisation	Completed	Dec-13	Jan-14	Director authorisation of investment appraisal signed-off
Project Initiation	Completed	Apr-15	May-15	Scope, Sign-off, Quality Plan and Project Initiation Document
System development - user requirements	Completed	Nov-13	Apr-14	Detailed requirements drawn up by the IT developer following clarification work shops
Functional Specification Change Document	Completed	Apr-14	May-14	Document Functional changes to Core Product
System development - detailed design development	Completed	Jun-14	Jul-14	Carryout actual changes to core product in line with requirements
System Testing - Contractor	Completed	Jun-14	Aug-14	Carryout initial system testing re changes to core product
User Acceptance Testing - Northern Powergrid	Completed	Sep-14	Sep-14	Northern Powergrid carryout User Acceptance testing witnessed by Contractor

Development of Data Migration	In progress	Jan-14	Oct-14	This includes all data from Apr-08 being moved into new system including carrying out parallel running as a comparison between current system and new system
Parallel Run activities	In progress	Sep-14	Oct-14	New development system runs alongside current system and mirrors inputs and outputs.
Go-live	Not Started	Nov-14	N/A	New system goes live with new requirements matching the DCUSA changes

#### Sort term outlook:

In the coming weeks we hope to finalise the contractual agreement with St Clements, undertake a lessons learned review of UAT and Parallel Run one, prepare for Parallel Run two, continue to create the production environment and prepare for the stakeholder engagement conference call regarding the changes to the billing service . The next scheduled project board meeting is Thursday, 2nd October.

Again for completeness I have attached the project Gantt chart.

I hope this update continues to meet with the panel's requirements and if at any time you would prefer that I give my summary in person then I could easily dial into your meeting at a given point within the agenda (or even attend in person) and provide this.

Yours sincerely,

*Gary Marshall*

Northern Powergrid, Income Manager