

98 Aketon Road
Castleford
Yorkshire
WF10 5DS
gary.marshall@northernpowergrid.com

Donna Townsend - DCUSA Chair
DCUSA Ltd
Ground Floor, Grafton House
2-3 Golden Square
London
W1F 9HR

Our Ref:PR-No8

Your Ref:

29 July 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 8

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 eighth project update provided to the Panel and I am pleased to say that work continues at pace within the project and that all critical path work streams are on track to deliver against the agreed plan timescales but risks and issues have been identified and where possible mitigation has been provided.

Overall Progress:

The project is currently still on track and running to plan with no impact against the expected go-live date of 6 November 2014. Key activities that have been carried out over the course of July include; completion of development environment set-up and delivery of technical training, which was a joint exercise between St Clements Services (SCS) and CGI who are Northern Powergrid's in-house IT service provider and the 'first cut of data' ready for migration testing was completed successfully.

The contractual agreement between SCS and Northern Powergrid remains at an open status. The contract has been agreed by Northern Powergrid and is being progressed for approval within SCS and their owners. Discussions have taken place as to the time scales but SCS have confirmed this is 'usual practice' for them due to the complexities of the intellectual property rights (IPR) and the number of 'owners' of this who need to agree the contract. We do not envisage any issues and we hope to receive the contract fully signed by SCS in August.

Northern Powergrid's own operational change activities continue which also incorporates our training plan which has also been provided to SCS. Project assurance against deliverable activities are underway, user acceptance testing summaries and script development has also commenced with almost all data cleanse activity complete. Internal and external communication updates of this development have been developed and monthly communication of the project status has commenced to stakeholders.

Area of concern:

There is currently an issue that has recently been raised that relates to the provision of the D0036 data flow (validated half hourly advances for inclusion in aggregated supplier matrix). Northern Powergrid's current half-hourly billing system only accepts the D0275 data flow (Validated half-hourly advances) but under DCP 149 (as mentioned above) the data flow that must be used for half-hourly use of system billing is the D0036. This means that to facilitate Northern Powergrid's user acceptance testing, parallel run activities and ultimately when the new system goes live, the half-hour data collectors (HHDC's) have to provide Northern Powergrid with these flows. In addition Northern Powergrid still wants to continue and receive the D0275 flow as other key business systems use this flow.

As part of Northern Powergrid's business change work stream all HHDC's were contacted and a request was logged asking for them to provide the D0036 flow along with the D0275 flow. Some HHDC's have complied and provide both, some have said they can do it but Northern Powergrid would have to pay to cover additional data transfer network costs and some are yet to respond. Northern Powergrid understands that there was the possibility of an additional overhead and is working with the HHDC's as to the best way forward. However, there are still some HHDC's who are yet to respond and therefore this has a detrimental impact to the project and potentially when we go-live.

Northern Powergrid will continue to work with energy suppliers and their agents to come to an agreement but if this issue continues then Northern Powergrid may formally approach the Panel and ask for their assistance to resolve this matter.

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-Aug-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	In progress	Jun-14	Aug-14	Carryout initial system testing re changes to core product
User Acceptance Testing - Northern Powergrid	Not Started	Aug-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	Not Started	Sep-14	Oct-14	New development system runs alongside current system and mirrors inputs and outputs.
Go-live	Not Started	Dec-14	N/A	New system goes live with new requirements matching the DCUSA changes

Sort term outlook:

In the coming weeks Northern Powergrid aim to finalise the contractual agreement with SCS; observe SCS's Factory Acceptance Testing, complete all data cleansing activities and begin building the migration environment for the 'mock migration' which will take place in August. We will also hold our eleventh project board meeting.

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