



Allocation Agent

Self Review Performance Report

January 2010

This report contains a monthly self review of performance of the Allocation Agent operations. This is conducted in accordance with rule 12 of the Gas (Downstream Reconciliation) Rules 2008.

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1. Introduction

1.1 Purpose

This report is a monthly self review of the allocation agent function performed by M-co under contract to the Gas Industry Co. The review is conducted in accordance with rule 12 of the Gas (Downstream Reconciliation) Rules 2008.

1.2 Contact Details

The following is a list of contact details for further information or questions pertaining to this report:

Management Matters

Ashley Milkop, Energy Services Manager 498 2184

Allocation Operations

Tessa Nguyen, Market Operations Analyst 498 0056

2. Self Review Report

2.1 Allocation Agent Operations

The review period for this report is January 2009, and the allocations performed during this month.

The principle activities undertaken by the allocation agent during the month were:

- The allocations performed were: initial allocation for December 2009, interim allocation for September 2009 and final allocation for December 2008.

December 2009 Initial Allocation incidents

- Hastings, HST05210 was initially allocated 195.879GJ outside of OATIS tolerance limits. Upon investigation it was found the scaling process implemented in RCR09-4 was only differentiating between retailers, and not to a contract ID level. A minor change was implemented into the allocation system to correct this, and the issue was resolved prior to publication of the initial allocation result.
- Oroua Downs ORD24701 has 0 injection data and a total of 2.385GJ consumption supplied.
- Total net UFG is 15,771GJ for the December 2009 initial allocation

September 2009 Interim Allocation incident updates

- There are a total of 82 gas gates with allocation amendments in the interim allocation run. 16 of these gas gates have amended injection quantities. The largest changes in injection were at the following four gates: Eltham ELM12301 4,835GJ; Flat Bush FLB15601 1,563GJ; Hastings HST05210 988GJ; and Warkworth WRK18901 507GJ. Eltham was found to have a faulty meter, and had correction applied to September and October. The meters at Flat Bush, Warkworth and Hastings were all found to be outside of tolerance, and had various corrections applied.

- UFG increased from a net total of 21,962GJ in the initial allocation, to 62,881GJ in the interim allocation.

The main increases were (GJ):

Gas Gate	Interim UFG	Initial UFG	Difference
GTH11301	3,080	-4,613	7,693
BEL24510	3,346	-3,332	6,678
ELM12301	2,676	-2,960	5,636
TWA35610	11,768	6,246	5,523
NPL12101	2,940	-1,102	4,042
PLN24201	6,469	3,985	2,484
FLB15601	1,562	0	1,562

- The Greater Auckland gas gate, GTA03610 fell outside of OATIS tolerance limits by -0.176GJ.

December 2008 Final Allocation incident updates

- The December 2008 final allocation was published on Tuesday 26 January 2010 without major incident.
- Total net UFG of the allocation is 31,266GJ, up from the net interim allocation figure of 26,932GJ. The main changes in UFG since the interim allocation was published in March are at Tawa A TWA35610 (an increase of 2,072GJ UFG).
- Gas gate allocation data was loaded successfully into OATIS on 27 January 2010. No gas gates were outside of tolerance limits.
- 85 gas gates had amended allocation quantities. 12 of these had amended injection. The largest change of injection was -142GJ at Pauatahanui 2 PAH23101.
- Two gas gates had zero injection files for December 2008: Paekakariki PAE23001 and Oroua Downs ORD24701. Paekakariki had zero consumption files submitted by retailers, and Oroua Downs had 1.676GJ.

The allocation agent notified the following alleged breach incidents to the Market Administrator:

Reference	Date	Rule	Allocation	Participant	Gas Gates Affected/Details
2010-27	19-Jan-2010	52.2.1	Dec-09 I	GNVG	No as-billed data was submitted for GNVG's by-pass gas gates: FLB15601, HST05203, HUN15302, HWA20802, TWB24810
2010-28	Various	52.2.1	Dec-09 I	GNVG	GNVG submitted late GAS070 data at EGC30701 for 4 months in Jan 2010

Estimated Time of Use data:

Under rules 31.1, 32.1 and 33.1, consumption data supplied for allocation groups 1 and 2 should be actual daily energy quantities. The following are alleged breaches of this rule:

Reference	Date	Rule	Allocation	Participant	Gas Gates Affected
2010-11	8-Jan-10	31.1	Dec-09 I	CTCT	PAP06610, KAP12901, NPL12101
2010-12	8-Jan-10	31.1	Dec-09 I	EDNZ	HST05210
2010-13	8-Jan-10	31.1	Dec-09 I	GEND	WST03610
2010-14	8-Jan-10	31.1	Dec-09 I	GNGC	GTA03610, HST05210, HUN15301
2010-15	8-Jan-10	31.1	Dec-09 I	GMTH	GMM08001
2010-16	8-Jan-10	31.1	Dec-09 I	GNVG	HTV11301, MMU08001
2010-20	15-Jan-10	32.1	Sep-09 M	GNGC	WHG07501, GTA03610
2010-21	15-Jan-10	32.1	Sep-09 M	GEND	NPL12101
2010-22	15-Jan-10	32.1	Sep-09 M	EDNZ	LAB20201
2010-24	22-Jan 10	33.1	Dec-08 F	GNVG	HWA20801
2010-25	22-Jan 10	33.1	Dec-08 F	GNGC	GTW06910
2010-26	22-Jan 10	33.1	Dec-08 F	EDNZ	HEN74101, NPL12101

Accuracy of Consumption information:

Alleged breaches of rule 37, accuracy of consumption information for initial allocation, have been reported to the market administrator as follows in the below table for the October 2008 consumption period.

Refer to the [notice of determinations by the industry body \(Gas Industry Co\) under the Gas \(Downstream Reconciliation\) Rules 2008, version 1.2 dated 30 September 2009.](#)

Reference	Date	Consumption period	Participant	No Gas Gates outside of +/- 15%
2010-	22-Jan-2010	Dec-08	AGCL	15
2010-	22-Jan-2010	Dec-08	BOPE	6
2010-	22-Jan-2010	Dec-08	CTCT	42
2010-	22-Jan-2010	Dec-08	EDNZ	20
2010-	22-Jan-2010	Dec-08	EGAS	5
2010-	22-Jan-2010	Dec-08	EGLT	20
2010-	22-Jan-2010	Dec-08	GENG	47
2010-	22-Jan-2010	Dec-08	GNVG	5
2010-	22-Jan-2010	Dec-08	MEEN	16



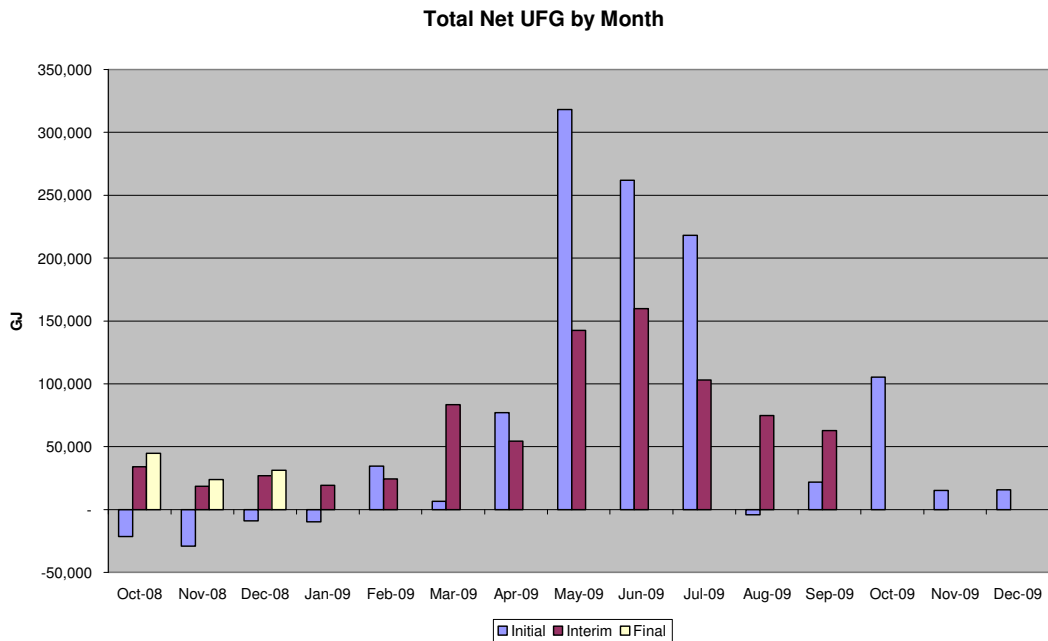
The allocation agent is aware of one participant submitting a self-breach report:

- 2010-23 Rule 33.1: Genesis Energy (GEND) submitted some estimated TOU data at Whangarei WHG07501 for the December 2008 final allocation. Under rule 33.1, consumption information provided to the allocation agent on business day 14 should be the actual daily energy quantities for each consumer installation in allocation groups 1 and 2. Under rule 30.3.1, if a retailer is unable to provide actual daily consumption, they must estimate the data, and advise the allocation agent. Under rule 30.3.2, compliance with rule 30.3.1 does not mean the retailer has complied with the requirement to provide actual daily energy quantities.

2.2 UFG

The below graphs illustrate UFG to date, and in the most recent consumption month.

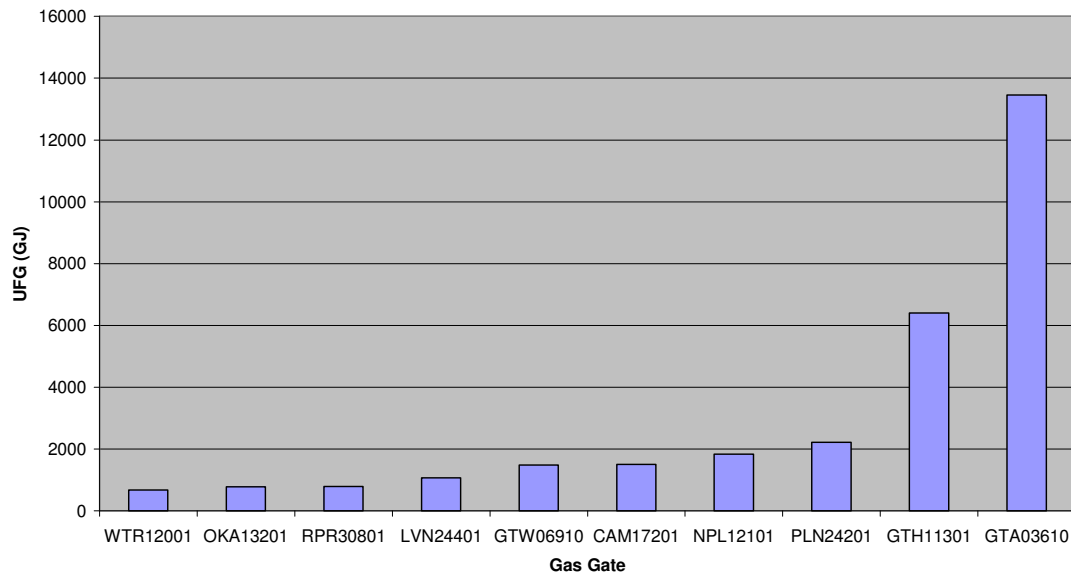
The 'Total Net UFG by month' shows total net UFG per allocation to date. Where there has been a special allocation, the UFG for the special supersedes the initial or interim and is shown below. For example, the total UFG below shown for the April initial allocation is actually the total UFG from the April special allocation.



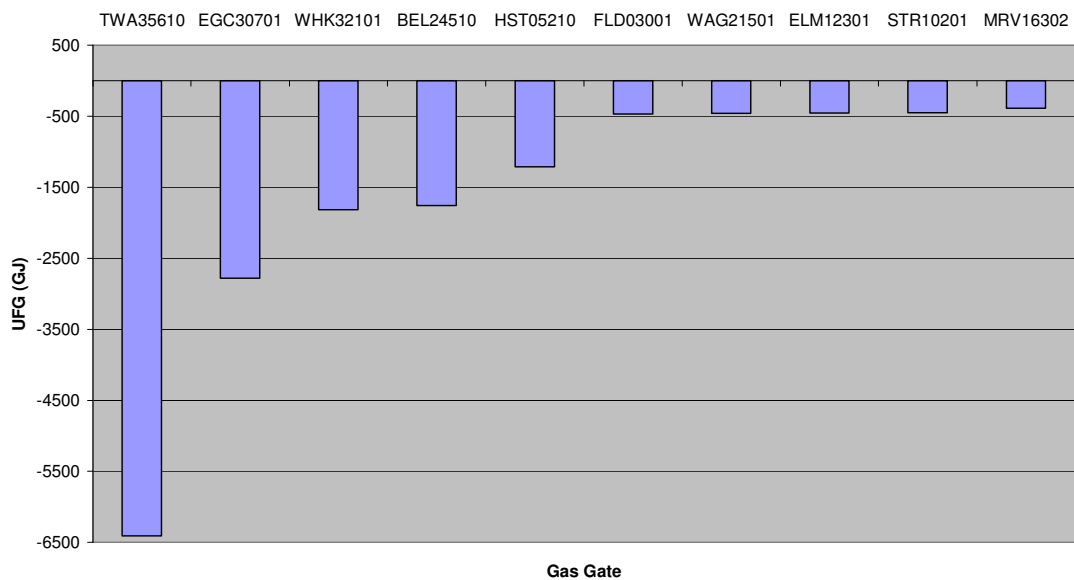


The two graphs below show the top ten positive and negative UFG gas gates for the most recent initial allocation performed.

December 2009 Initial Allocation - Positive UFG



December 2009 Initial Allocation – Negative UFG



Rule Compliance

To the best of its knowledge, the allocation agent complied with all rules during the review period. Non-compliance or problems in respect of allocation agent obligations under the Rules are detailed in the table below.

Rule Reference	Description

2.3 Service Provider Agreement Compliance

For the review month, there were no instances of non-compliance with the service provider agreement.

Agreement Reference	Description

2.4 Performance Standards

The following table details allocation agent performance against agreed performance indicators.

Allocation System Performance

Performance Standard	Achieved	Corrective Action
Allocation System available to Allocation Participants 99.5% of the time on a 24/7 basis	✓	
Unplanned downtime less than 0.2% of time	✓	
Every accepted transfer of information recorded in the expected manner	✓	
The capacity parameters set out in Schedule 2 are achieved	✓	

Ongoing Operations Performance

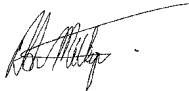
Performance Standard	Achieved	Corrective Action
100% adherence to rulebook timelines	✓	
Information updated on website within one Business Day of becoming available for updating	✓	
All allocations made are correctly calculated, i.e. in accordance with the rules, and accurate	✓	
All reports contain the required information and are securely directed to the right participant	✓	
All reports required to be published are published and are publicly available	✓	

Management Reporting Performance

Performance Standard	Achieved	Corrective Action
Incident report provided within the timeframes specified in paragraph 1.13(b) and (c) of Schedule 1	✓	
Monthly reports provided within 5 Business Days of the end of each month	✓	
Annual reports provided within 20 Business Days of the end of each Financial Year	n/a	

2.5 Overall Comment

January 2010 was a relatively busy month for the allocation agent, with a lot of training and procedure updating for the upcoming role transfer. All allocations were completed without major incident.



Ashley Milkop
Energy Services Manager