

## **Allocation Agent**

## **Self Review Performance Report**

**June 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

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### 1.1 Purpose

This report is a monthly self review of the allocation agent function performed by NZX Energy 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 Inquiries**

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#### **Allocation Operations**

Tessa Nguyen, Market Operations Analyst 498 0056

## 2. Self Review Report

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### 2.1 Allocation Agent Operations

The review period for this report is June 2010, 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 May 2010, special allocation for March 2010, interim allocation for February 2010 and final allocation for May 2009.
- On 28 and 29 June 2010, E-Gas re-submitted consumption data for the months from May 2009 through to February 2010. The AUFG factors for the 2010/2011 gas year were published with the revised consumption data from E-Gas on 30 June 2010.
- On 30 June 2010, the allocation agent notified GIC and affected participants of the material error in the May 2009 final allocation, as it considers the over-submission by E-Gas will have a material impact at various gas gates.

#### May 2010 Initial Allocation incidents

- Due to confusion regarding ICPs assignment between the two gas gates Pauatahanui 1 & 2, Genesis Energy was not able to submit any consumption data for Pauatahanui 2 PAH23101, for the initial allocation. The allocation agent had to estimate the consumption data at this gas gate using the estimation process as set out in rule 43.1.1 of the Gas (Downstream Reconciliation) Rules 2008. The May 2010 initial allocation was published on 8 June 2010 with estimated consumption data for Genesis at Pauatahanui 2.
- The GAR130 zip file was successfully uploaded on 8 June 2010. Two gas gates were allocated outside of OATIS tolerance limits: Greater Auckland GTA03610 (0.154GJ) and Takapau TKP05101 (0.554GJ). Takapau fell outside of OATIS tolerance as there was small inconsistency between the injection and consumption data for 22-23 May 2010. Vector agreed to upload data for these two gas gate manually.
- Total net UFG is 93,073GJ for the May 2010 initial allocation. This has increased from the April 2010 initial allocation figure of 21,852GJ.

- The main increases were:

Gas Gate	May 10 Initial	Apr 10 Initial	Difference	% change
GTH11301	16,740	4,309	12,431	288
GTA03610	17,501	9,356	8,145	87
TWA35610	6,647	-702	7,349	1,046
BEL24510	10,165	3,279	6,886	210
WAG21501	1,433	-3,920	5,353	137
GTW06910	5,218	960	4,258	444
NPL12101	6,366	2,857	3,510	123

- The Whakatane gas gate WHK32101 had the highest negative UFG in this allocation (-2,022GJ).

### March 2010 Special Allocation summary

- The special allocation for March 2010 was published on 09 June 2010.
- There were 5 gas gates with amended allocation. None of these had amended injection quantities.
- Total net UFG decreased from 51,525GJ in the March 2010 initial allocation to 49,386GJ.
- The main changes in UFG were:

Gas Gate	Mar 10 Special	Mar 10 Initial	Difference	% change
MNA23402	42	2,063	-2,021	-98
HST05210	2,582	3,004	-422	-14
EGC30701	-1,558	-1,942	384	20
NPL12101	-63	-31	-31	-99

### February 2010 Interim Allocation incident updates

- There were 81 gas gates with allocation amendments in the interim allocation run. 11 of these gas gates had amended injection quantities. The largest change in injection was at Ramarama RAM15201 (-234GJ).
- Total net UFG increased from the initial allocation figure of 45,363GJ to 30,075GJ for the interim allocation.

The main decreases in UFG were (GJ):

Gas Gate	Interim UFG	Initial UFG	Difference	% change
GTA03610	15,569	20,400	-4,831	-24
GTH11301	4,712	10,527	-5,815	-55

- Waverley WVY23601 had a 294% increase in MUFG (from -36 to -143GJ) because a retailer zeroed-out consumption in allocation group 6.
- The GAR130 zip file was successfully uploaded into OATIS on 16 June 2010. No gas gates fell outside of OATIS tolerance limits in this allocation.
- Two gas gates had zero injection files for February 2010: Paekakariki PAE23001 and Oroua Downs ORD24701. Paekakariki had zero consumption submitted by a single retailer, and Oroua Downs had a total of 10.84GJ. Vector and the retailer have confirmed their data at Oroua Downs is correct.

### May 2009 Final Allocation incident updates

- Total net UFG is 64,478GJ, down from the net interim allocation figure of 142,493GJ. UFG decreased at all the major gas gates:

Gas Gate	Final UFG	Interim UFG	Difference	% change
TWA35610	8,464	21,790	-13,326	-61
BEL24510	2,392	13,700	-11,308	-83
GTA03610	40,509	48,613	-8,105	-17
NPL12101	-884	5,576	-6,460	-116
HST05210	377	4,303	-3,926	-91
ROT08101	-1,679	2,060	-3,739	-181
GTH11301	7,776	11,385	-3,609	-32

- Rotorua ROT08101 had the highest negative UFG: -1,679GJ.
- Gas gate allocation data was loaded successfully into OATIS on 23 June 2010. The Greater Auckland gas gate, GTA03610, fell outside of OATIS tolerance limit by 0.195GJ.
- 80 gas gates had amended allocation quantities. 11 of these had amended injection. The changes in injection quantities were relatively small. The largest change was 25GJ at Kuku KUK22401.
- Flockhouse FLH21901 had zero injection for May 2009. Zero consumption files were submitted for this gas gate by retailers.

**As-billed information Incident Report (Business requirement No. 6):**

Consumption Period	Participant	Notification Type	Date	Details
May 2010	GNGC	As-Billed	04-Jun-2010	Submission at OKU16701 has no trading notification
May 2010	GNGC	As-Billed	04-Jun-2010	Submission at HRU16101 has no trading notification
May 2010	GNGC	As-Billed	04-Jun-2010	Submission at WAG21501 has no trading notification
May 2010	GNGC	As-Billed	04-Jun-2010	Submission at TPK33301 has no trading notification
May 2010	GNGC	As-Billed	04-Jun-2010	Submission at MRV16302 has no trading notification

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

Ref#	Date	Rule	Allocation	Participant	Details
2010-182	4-Jun-10	39.2.3, 31-33, 26.2.1, 26.2.2	Various	GENG	Late & incorrect TN submissions; No consumption data was submitted for PAH23101, for various allocations
2010-183	4-Jun-10	31	Mar-10 I	CTCT	No submissions for MNA23402
2010-184	May 09 – May 10	39.2.3, 31-33	Various	EGAS	EGAS backdated TN for PAH23201, TKR19701, and PAU20101
2010-189	15-Jun-10	40.2	May-10 I	EGLT	Late submission of GAS080
2010-195	23-Jun-10	39.2.3, 31, 32	Various	EGAS	Late TN submissions & corrections for LNB24301 & HWA20801

### 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:

Ref#	Date	Rule	Allocation	Participant	Gas Gates Affected
2010-180	4-Jun-10	31.1	May-10 I	CTCT	MNA23402
2010-181	4-Jun-10	31.1	May-10 I	GNGC	GTA03610
2010-186	14-Jun-10	32.1	Feb-10 M	GNGC	GTA03610, NPL12101
2010-187	14-Jun-10	32.1	Feb-10 M	GNVG	MMU08001, PAP06610
2010-188	14-Jun-10	32.1	Feb-10 M	GMTH	GTA03610
2010-190	21-Jun-10	33.1	May-09 F	CTCT	WST03610, MMU08001, BMC17901
2010-191	21-Jun-10	33.1	May-09 F	GEND	PAP06610
2010-192	21-Jun-10	33.1	May-09 F	GNGC	DAN05001, GTA03610, HAR11801, WAG21501
2010-193	21-Jun-10	33.1	May-09 F	GNVG	LNV24401, PAP06610, WST03610
2010-194	21-Jun-10	33.1	May-09 F	EDNZ	PAP06610

### 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 May 2009 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.

Ref#	Date	Consumption period	Participant	No. of Gas Gates outside $\pm 15\%$
2010-	21-Jun-10	May-09	CTCT	49
2010-	21-Jun-10	May-09	EDNZ	21
2010-	21-Jun-10	May-09	EGLT	53
2010-	21-Jun-10	May-09	GENG	41
2010-	21-Jun-10	May-09	MEEN	25
2010-	21-Jun-10	May-09	AGCL	12
2010-	21-Jun-10	May-09	EGAS	12
2010-	21-Jun-10	May-09	GNVG	5

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

Alleged breach report #2010-185 (Rule 40.2)

The GAS080 report submitted by Energy Online Limited on 12 May 2010 contains information for ICP's supplied during any month within the 4 month period, rather than only those supplied continuously for the 4 months.

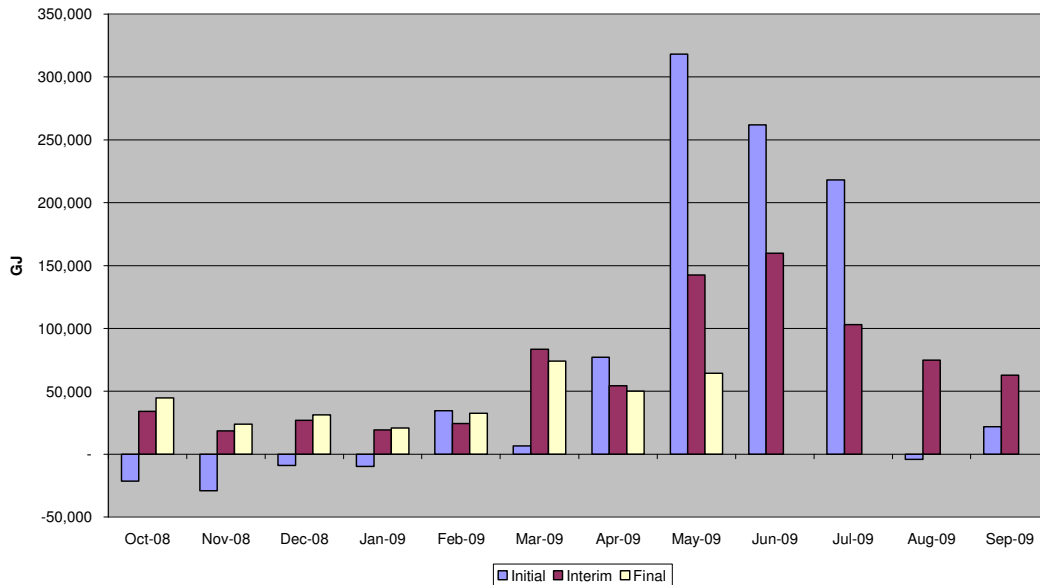
Energy Online interpreted the requirements for the submission of the GAS080 report to include reading numbers and percentages for all sites supplied in the 4 month reporting period. Energy Online feels this may be a rule breach as rule 40.2 of the Gas (Downstream Reconciliation) Rules 2008 requires retailers to submit the information in accordance with rules 29.4.3 and 29.5, which specify that only those installations to which the retailer has supplied gas continuously for the previous 4 months count.

**UFG**

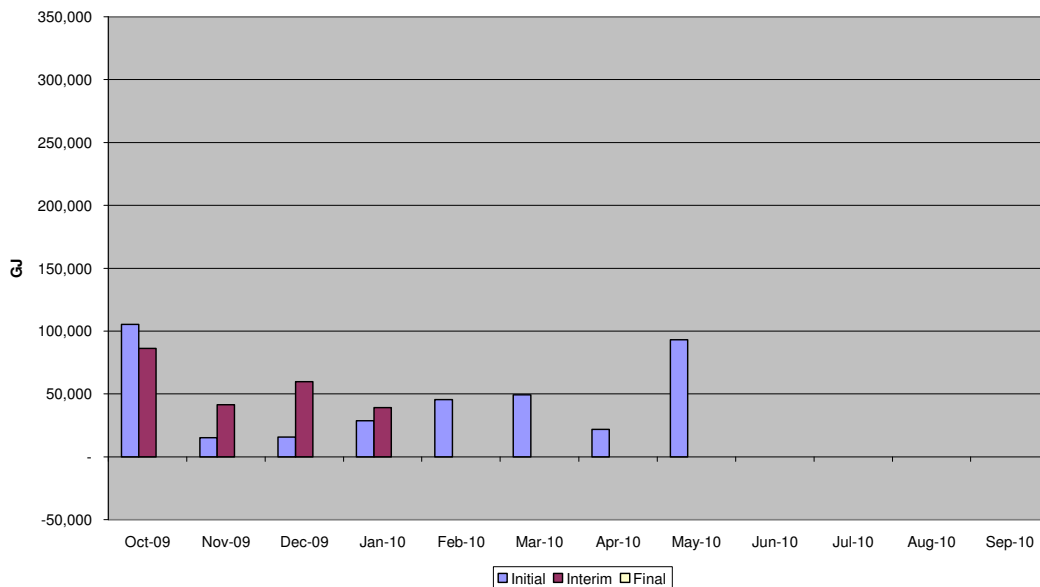
The below graphs illustrate UFG to date, and in the most recent consumption month.

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.

**Total Net UFG by Month (Oct-08 to Sep-09)**

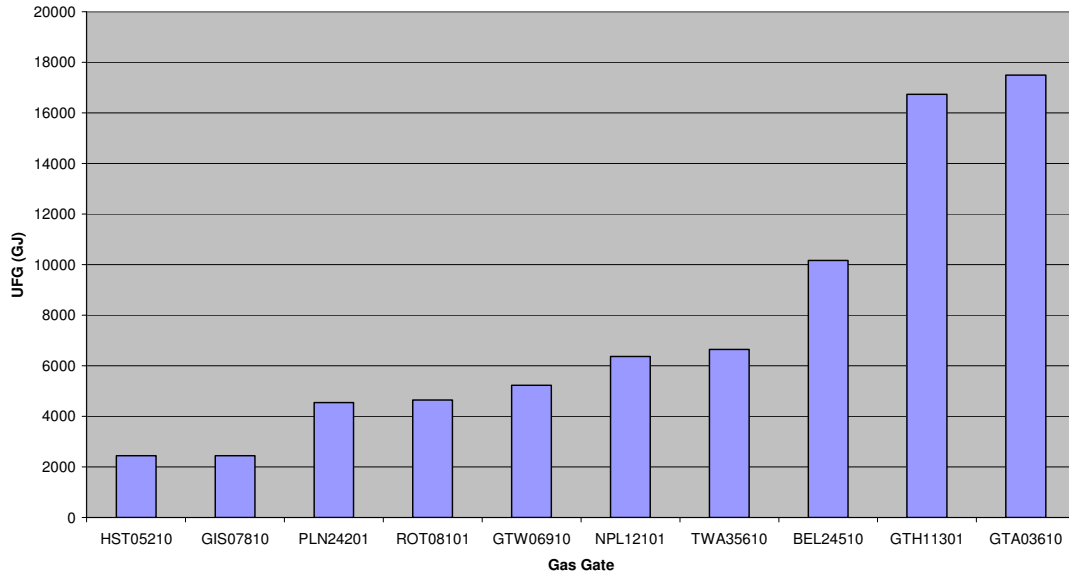


**Total Net UFG by Month (Oct-09 - on going)**

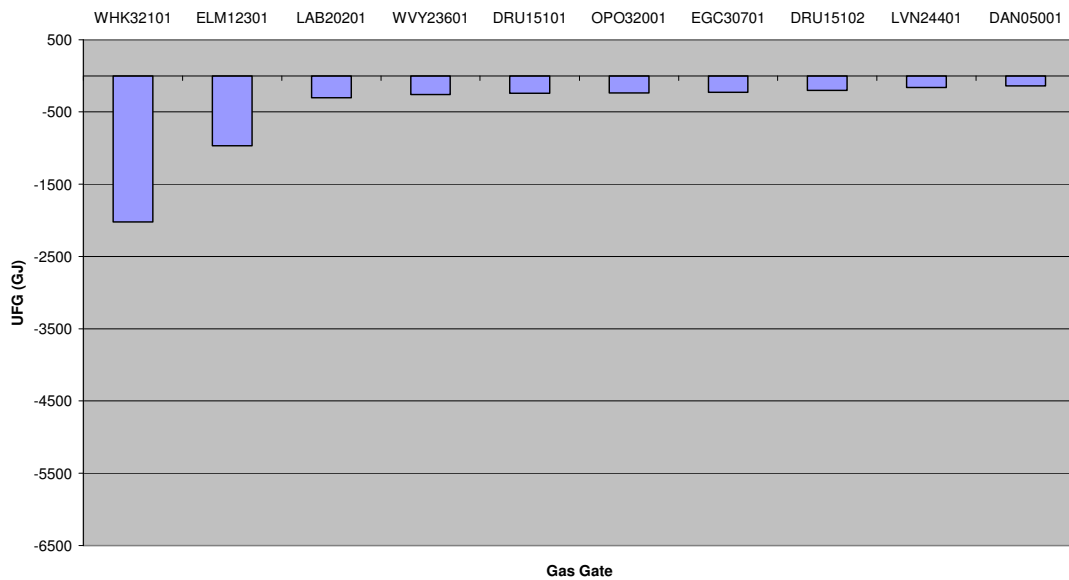


The two graphs below show the top ten positive and negative UFG gas gates for the most recent initial allocation performed.

May 2010 Initial Allocation - Positive UFG



May 2010 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.

### 2.2 Service Provider Agreement Compliance

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

Agreement Reference	Description

### 2.3 Performance Standards

The following tables detail 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

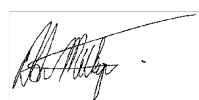
Performance Standard	Achieved	Corrective Action
100% adherence to rulebook timelines	✓	
Information updated on website within one Business Day of becoming available for updating	✓	
All allocations made are correctly calculated, i.e. in accordance with the rules, and accurate	✓	
All reports contain the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

### 2.4 Overall Comment

One of the main activities to note this month was the publication of the AUFG report for the 2010/2011 gas year. The report was published differently this year (i.e. without of caps and floors) as the transitional period in which the previous report was based on has ended. The revised consumption data provided by E-Gas, for the calculation of the AUFG factors, allowed the allocation agent to further assess the material error in the May 2009 final allocation.



**Ashley Milkop**  
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