



Allocation Agent

Self Review Performance Report

November 2009

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

Jo Hardy, Market Operations Analyst 498 0053

2. Self Review Report

2.1 Allocation Agent Operations

The review period for this report is November 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 October 2009, interim allocation for July 2009 and final allocation for October 2008.
- The GAR050 report has been released, and will be published for the first time on 7 December 2009.
- GAR080 report – CTCT raised a query regarding high consumption volumes in the April 2009 GAR080 report.
A date parameter has been introduced into the allocation system, and the GAR080 report has been re-published to retailers for each consumption period to date.

October 2009 Initial Allocation incidents

- Okato, OKA13201, has UFG of 567GJ, or 68%. Bell Block has confirmed the injection data is correct.
- Eltham, ELM12301, has a spike in the seasonal adjustment daily shape value from 2/10-7/10 and 9/10-11/10. The injection data is being reviewed by Bell Block.
- Harrisville, HAR11801, has a spike in the seasonal adjustment daily shape value on 22 October, but has since had an injection correction applied for this day.
- Total net UFG is 105,317GJ for the October 2009 initial allocation

July 2009 Interim Allocation incident updates

- There are a total of 85 gas gates with allocation amendments in the interim allocation run. 18 of these gas gates have amended injection quantities.
- Total UFG reduced from a net total of 218,129GJ in the initial allocation, to 103,088GJ in the interim allocation. The larger UFG reductions for July 2009 were (GJ):

Gas Gate	Initial	Interim	Change
GTT07701	5,173	-297	-5,471
ROT08101	7,746	1,713	-6,032
BEL24510	15,115	8,867	-6,248
NPL12101	10,604	1,945	-8,658
TWA35610	34,125	19,067	-15,058
GTH11301	27,451	8,234	-19,217
GTA03610	53,076	32,319	-20,757

- Wanganui, WAG21501 had an increase of 1,025GJ UFG (1,077 in the initial to 2,102 in the interim). Energy Direct NZ has been contacted to check its consumption submission as it had a drop in non TOU data here.

October 2008 Final Allocation incident updates

- The first October 2008 final allocation was published on Friday 20 November 2009. Due to material error at Hastings HST05210 notified by Contact Energy, it was re-published under rule 43 on Monday 23 November 2009.
- Total net UFG of the re-published allocation is 44,874GJ, up from the net interim allocation figure of 33,990GJ. The main change in UFG since the interim allocation was published in February is at Greater Auckland GTA03610 with an increase of 8,117GJ UFG.
- All gas gate allocation data was loaded successfully into OATIS, no gas gates were outside of tolerances.
- 86 gas gates had amended allocation quantities. 12 of these had amended injection. The largest change of injection was 232GJ at Te Teko TTK30601.

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

Reference	Date	Rule	Allocation	Participant	Gas Gates Affected/Details
2009-206	16-Nov-09	52.2.1	Oct-09 I	GNVG	No as-billed data was submitted for GNVG's by-pass gas gates: FLB15601, HST05203, HUN15302, HWA20802, TWB24810
2009-209	19-Nov-09	33	Oct-08 F	AGCL	Consumption data for the October 2008 final allocation was submitted after 0800 on business day 14 (19 November).
2009-210	19-Nov-09	33	Oct-08 F	BOPE	Consumption data for the October 2008 final allocation was submitted after 0800 on business day 14 (19 November).
2009-211	19-Nov-09	33	Oct-08 F	GNVG	Consumption data for the October 2008 final allocation was submitted after 0800 on business day 14 (19 November).
2009-212	19-Nov-09	26.2.1	Oct-08 F	CTCT	A material error in CTCT consumption data at HST05210 was notified, and resulted in the October 2008 final allocation being re-published under rule 44.3 on Monday 23 October 2009.

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
2009-199	5-Nov-09	31.1	Oct-09 I	CTCT	PAP06610
2009-200	5-Nov-09	31.1	Oct-09 I	GNGC	GTA03610, LNB24301
2009-201	5-Nov-09	31.1	Oct-09 I	GNVG	PAP06610
2009-202	12-Nov-09	32.1	Jul-09 M	GNVG	BEL24510, HEN74101, NPL12101, PAP06610, WST03610
2009-203	12-Nov-09	32.1	Jul-09 M	GNGC	GTA03610, HAR11801, TUK06501, WAG21501, WHG07501
2009-204	12-Nov-09	32.1	Jul-09 M	GEND	HEN74101
2009-205	12-Nov-09	32.1	Jul-09 M	EDNZ	PAP06610
2009-207	19-Nov-09	33.1	Oct-08 F	GNGC	ELM12301, TKR19701
2009-208	19-Nov-09	33.1	Oct-08 F	GEND	WHG07501

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%
2009-	19-Nov-09	Oct-08	AGCL	8
2009-	19-Nov-09	Oct-08	BOPE	6
2009-	19-Nov-09	Oct-08	CTCT	54
2009-	19-Nov-09	Oct-08	EDNZ	12
2009-	19-Nov-09	Oct-08	GENG	33
2009-	19-Nov-09	Oct-08	GNGC	1
2009-	19-Nov-09	Oct-08	GNVG	1
2009-	19-Nov-09	Oct-08	MEEN	14

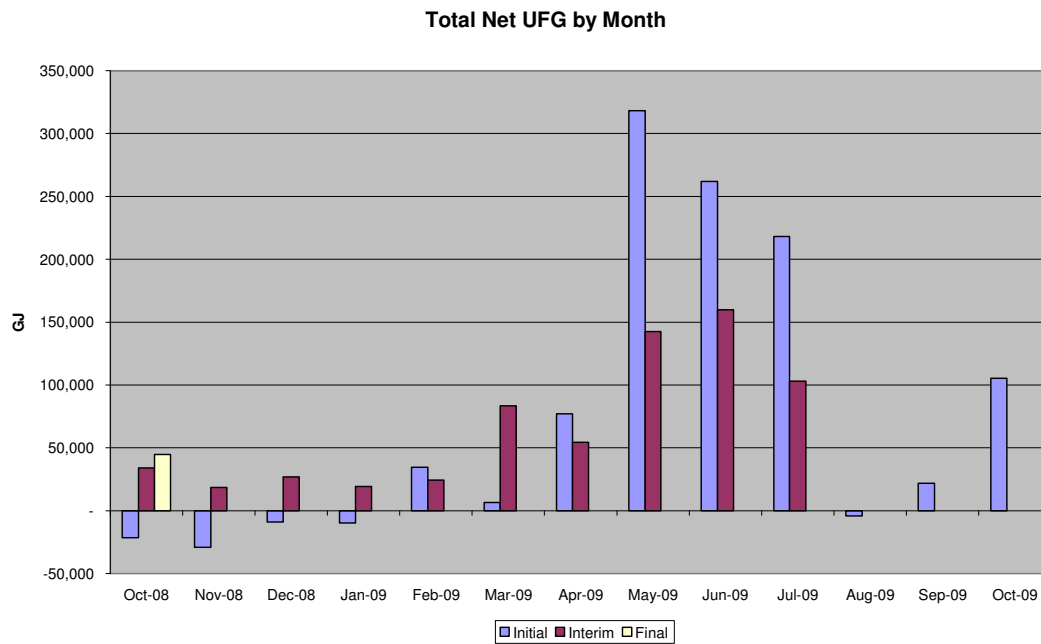
The allocation agent is aware of two participants submitting self-breach reports:

- Rule 39: Genesis Energy (GEND) submitted a late trade notification to the allocation agent for three gas gates: Hawera HWA20801, Longburn LNB24301 and Paihiatua PHT04901 on 5 November 2009. The notice should have been received by 1200 on 4 November under rule 39. The allocation agent believes there is no material impact from this late notification as it was received in time to be included in the initial October 2009 allocation.
- Rule 31 and 39: Nova Gas (GNVG) submitted a late trade notification to the allocation agent for three gas gates: IGW11901, OKU16701 and WTR12001 on 30 November 2009. The notice should have been received by 1200 on 4 November under rule 39 as the start date was for 29 October 2009. Under rule 31, consumption data should have been received for the October 09 initial allocation on 5 November 2009.

2.2 UFG

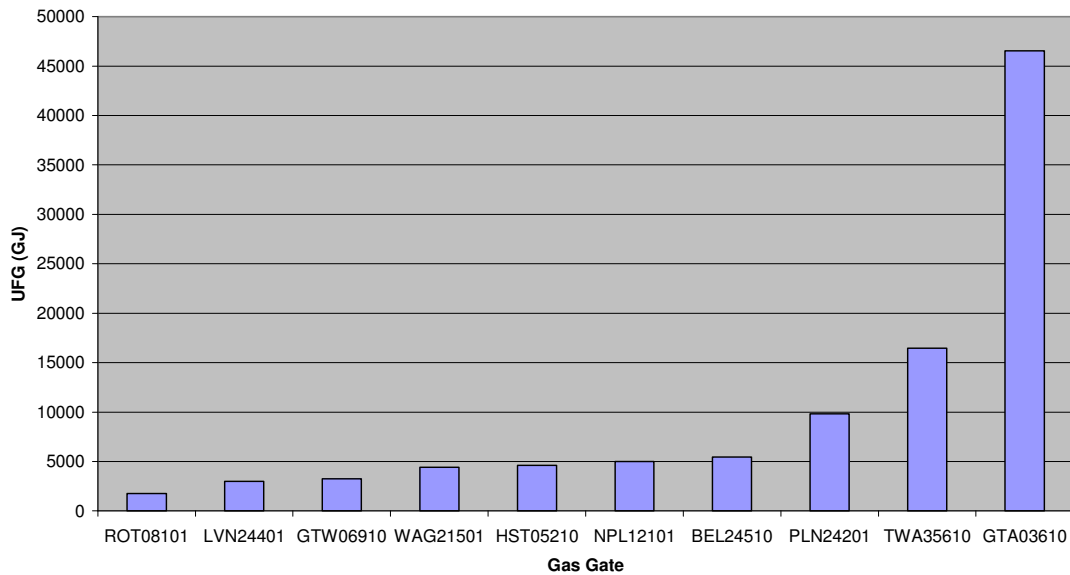
The below graphs illustrate UFG to date, and in the most recent consumption month.

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.

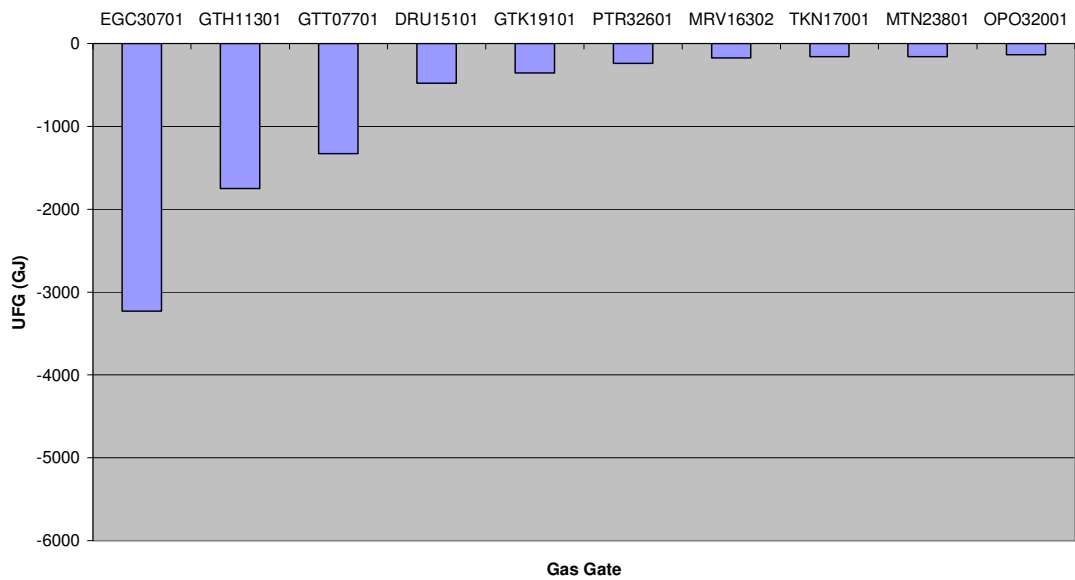


The two graphs below show the top ten positive and negative UFG gas gates for the most recent initial allocation performed.

October 2009 Initial Allocation - Positive UFG



October 2009 Initial Allocation - Negative UFG



2.3 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

2.4 Service Provider Agreement Compliance

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

Agreement Reference	Description

2.5 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	

2.6 Overall Comment

November introduced the first final allocation to the reconciliation month, for October 2008. This was completed without major incident, and followed with the first GAR050 (initial v final comparison) report for October 2008 being published on 7 December.

Energy Online (GEOL) has become an active participant with new trade notifications commencing in the November 2009 consumption month.



Ashley Milkop
Energy Services Manager