

Allocation Agent

Self Review Performance Report



September 2011

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 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

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2. Self Review Report

2.1 Allocation Agent Operations

The review period for this report is September 2011, and the allocations performed during this month.

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

- The initial allocation for August 2011, interim allocation for May 2011 and final allocation for August 2010.

August 2011 Initial Allocation incident updates

- The initial allocation for August 2011 was published on 7 September 2011 without incident.
- The GAR130 zip file was uploaded on 7 September 2011 for the initial allocation. No gas gates fell outside of tolerance.
- Total net UFG is 41,221GJ in the August 2011 initial allocation. This is a decrease of 44,761GJ from the July 2011 initial allocation figure of 85,982GJ.
- The main increases/decreases were:

Gas Gate	Aug 11 Initial	Jul 11 Initial	Difference	% change
GTA03610	39,539	19,609	19,930	102
TWA35610	15,309	12,003	3,306	28
GMM08001	290	3,780	-3,491	-92
GTW06910	1,510	5,107	-3,597	-70
ROT08101	-726	3,451	-4,176	-121
NPL12101	-1,092	3,565	-4,657	-131
PAU20101	-7,453	2,710	-10,163	-375
BEL24510	-5,821	7,450	-13,271	-178
GTH11301	-9,442	11,937	-21,379	-179

- Greater Hamilton GTH11301 has the highest negative UFG at -9,442GJ. All retailers have confirmed submissions and Vector has confirmed injection data for this gas gate.

May 2011 Interim Allocation incident updates

- There were 83 gas gates with allocation amendments in the interim allocation run. Of these gas gates, 11 had amended injection quantities, with nine of these being un-metered gas gates.

- Total net UFG decreased from the initial allocation figure of 37,883GJ to 25,295GJ for the interim allocation.

The main decreases in UFG (in GJ):

Gas Gate	May 11 Interim	May 11 Initial	Difference	% change
WHK32101	-71	-25,905	25,834	100
GTA03610	11,416	4,149	7,267	175
WAG21501	1,793	-349	2,142	613
FLD03001	144	2,731	-2,586	-95
PAU20101	-2,427	603	-3,030	-502
GTW06910	1,458	4,641	-3,184	-69
ORD24701	-218	3,040	-3,258	-107
NPL12101	1,688	6,036	-4,348	-72
BEL24510	292	8,094	-7,802	-96
GTH11301	4,423	13,183	-8,760	-66

- The highest negative UFG was at Paraparaumu PAU20101 at -2,427GJ. Due to a metering fault a correction has been calculated and applied to the Paraparaumu (PAU20101) metering data. The correction has been applied from 28/05/2011 to 31/05/11 and has resulted in 553GJ being added to the May 2011 monthly total.
- The GAR130 zip file was successfully uploaded to OATIS on 15 September 2011. The Edgecumbe DF EGC30701 and Greater Auckland GTA03610 gas gates fell outside of OATIS tolerance limits at 0.914GJ and -0.16GJ respectively.

August 2010 Final Allocation incident updates

- Total net UFG is 32,675GJ, down from the net interim allocation figure of 41,911GJ.
- The main decreases in UFG (in GJ):

Gas Gate	Aug 10 Final	Aug 10 Interim	Difference	% change
TWA35610	3,489	5,869	-2,380	-41
HST05210	671	4,411	-3,740	-85

- The highest negative UFG was at Whakatane WHK32101 (-2,347GJ).
- Gas gate allocation data was loaded successfully into OATIS on 22 September 2011. The Greater Auckland GTA03610 gas gate fell outside of OATIS tolerance at 0.28GJ.
- 72 gas gates had amended allocation quantities. Nine of these had amended injection quantities, and all are un-metered gas gates.

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

Reference	Date	Rule	Allocation	Participant	Details
2011-278	6-Sep-11	31	Aug-11 I	MEEN	Late consumption data provided at WAG21501
2011-283	14-Sep-11	40.2	May 11 M	BOPE	Late provision of GAS080 report
2011-284	14-Sep-11	40.2	May 11 M	EDNZ	Late provision of GAS080 report
2011-285	14-Sep-11	40.2	May 11 M	GNVG	Late provision of GAS080 report
2011-286	14-Sep-11	45.2.7	May 11 M	ALLA	Incorrect calculation of allocated quantities
2011-287	4-Aug-11	26.2.1 41.1	Jul 11 I Aug 11 I	VCTX	Failure to provide accurate injection information at GIS07810.

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
2011-274	6-Sep-11	31.1	Aug-11 I	CTCT	KKI23701
2011-275	6-Sep-11	31.1	Aug-11 I	GEND	HEN74101
2011-276	6-Sep-11	31.1	Aug-11 I	GNGC	GTA03610, GTK19101, HAR11801, HST05210
2011-277	6-Sep-11	31.1	Aug-11 I	GNVG	HST05210, PAP06610, WST03610, WA20801, FLD03001, NPL12101
2011-279	13-Sep-11	32.1	May-11 M	GEND	MMU08001, LNB24301, PAP06610, TWA35610
2011-280	13-Sep-11	32.1	May-11 M	GMTH	TKS17401
2011-281	13-Sep-11	32.1	May-11 M	GNGC	GTA03610, GTT07701, HST05210, WRK18901
2011-282	13-Sep-11	32.1	May-11 M	GNVG	TWA35610
2011-288	20-Sep-11	33.1	Aug-11 F	CTCT	FLD03001, KAP12901, PLN24201
2011-289	20-Sep-11	33.1	Aug-11 F	GNVG	DAN05001, FLD03001, KKI23701
2011-290	20-Sep-11	33.1	Aug-11 F	GNGC	GTA03610, LVN24401, TKS17401

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 table below for the August 2010 consumption period.

Refer to the notice of determinations by the industry body (Gas Industry Co) under the Gas (Downstream Reconciliation) Rules 2008, version 1.4 dated 30 September 2010.

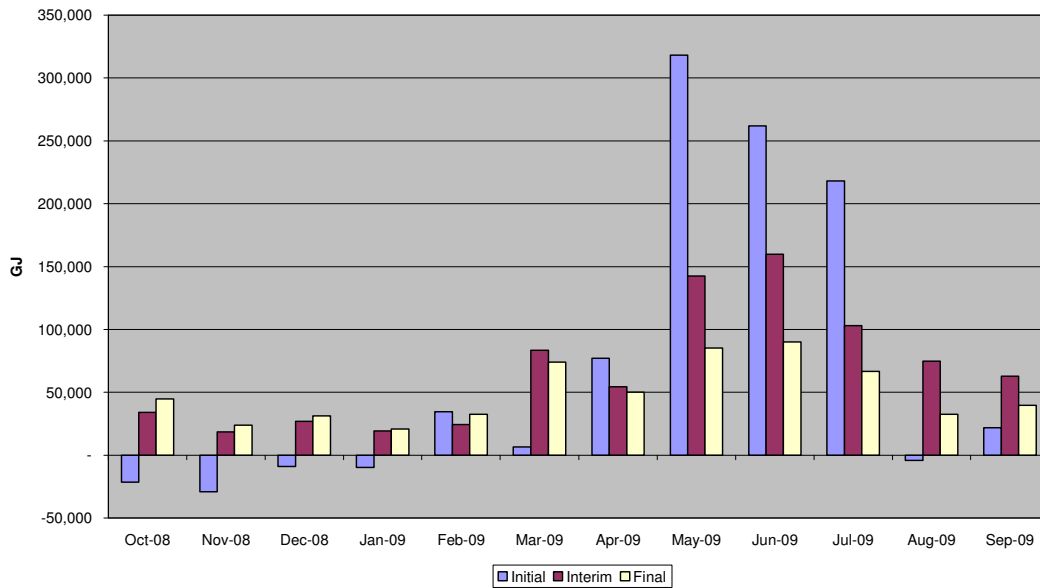
Ref#	Date	Consumption period	Participant	No. of Gas Gates outside $\pm 12.5\%$
2011-	Sep-11	Aug-10	AGCL	4
2011-	Sep-11	Aug-10	CTCT	19
2011-	Sep-11	Aug-10	EDNZ	6
2011-	Sep-11	Aug-10	EGLT	2
2011-	Sep-11	Aug-10	GENG	26
2011-	Sep-11	Aug-10	GEOL	2
2011-	Sep-11	Aug-10	MEEN	9
2011-	Sep-11	Aug-10	EGAS	0
2011-	Sep-11	Aug-10	GNGC	1
2011-	Sep-11	Aug-10	GNVG	3
2011-	Sep-11	Aug-10	BOPE	9
2011-	Sep-11	Aug-10	GMTH	0

UFG

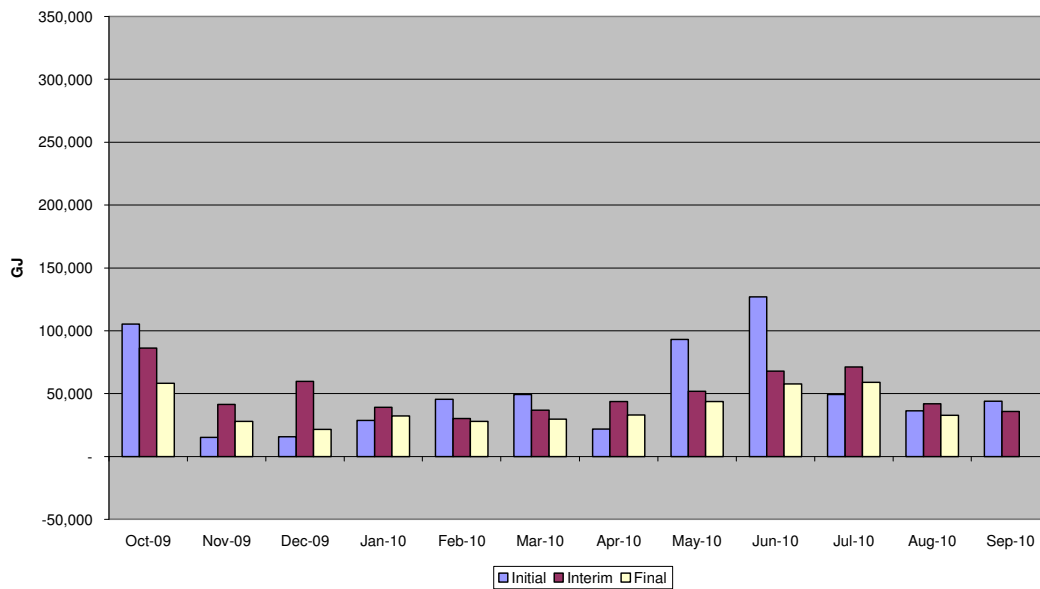
The graphs on the next page illustrate UFG to date, and in the most recent consumption month.

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, interim or final and is shown below. For example, the total UFG shown for the April 2009 initial allocation is actually the total UFG from the April 2009 special allocation.

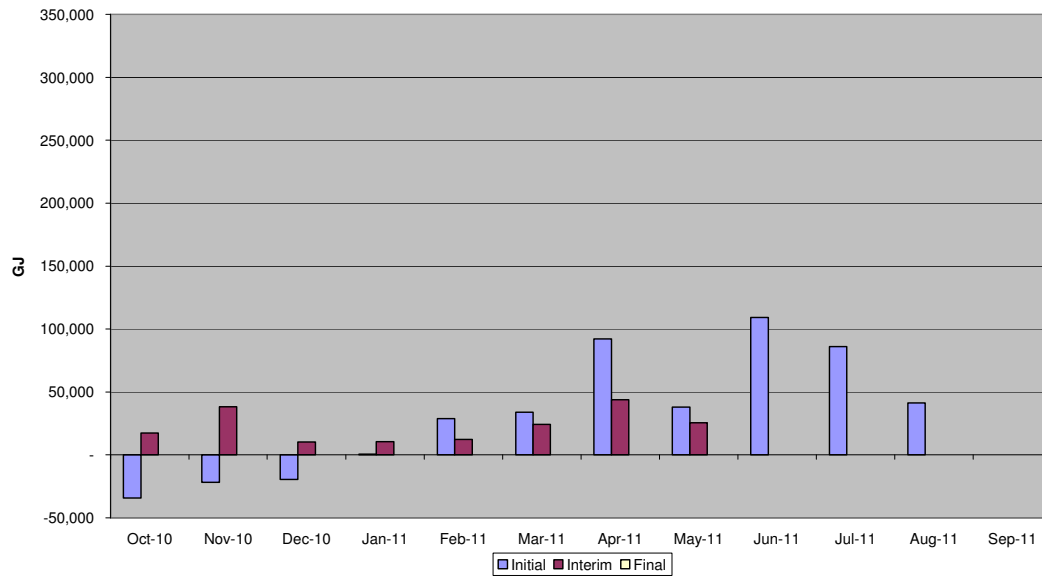
Total Net UFG by Month (Oct-08 to Sep-09)



Total Net UFG by Month (Oct-09 - Sep 10)

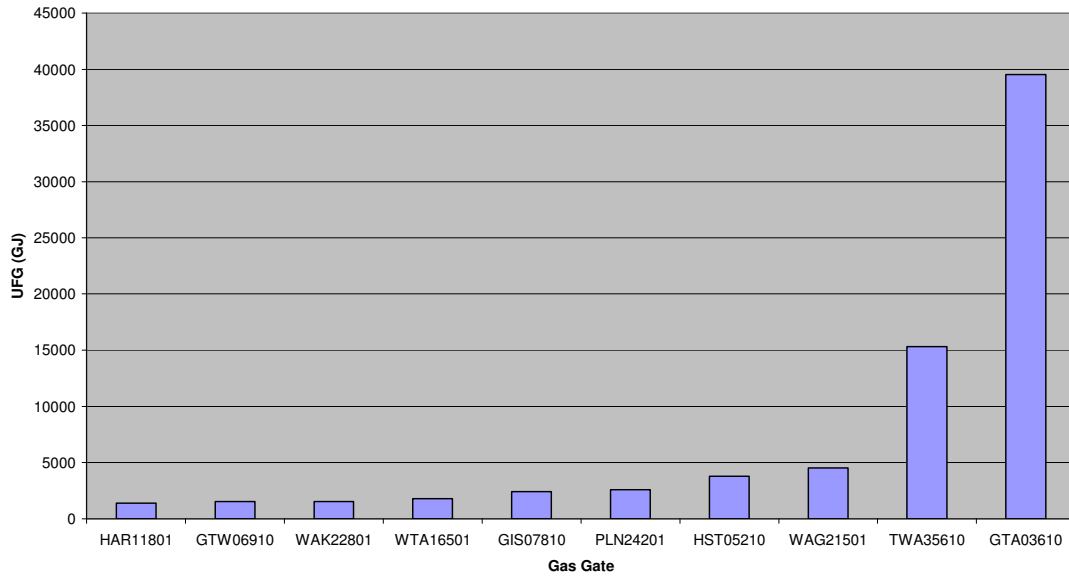


Total Net UFG by Month (Oct-10 - ongoing)

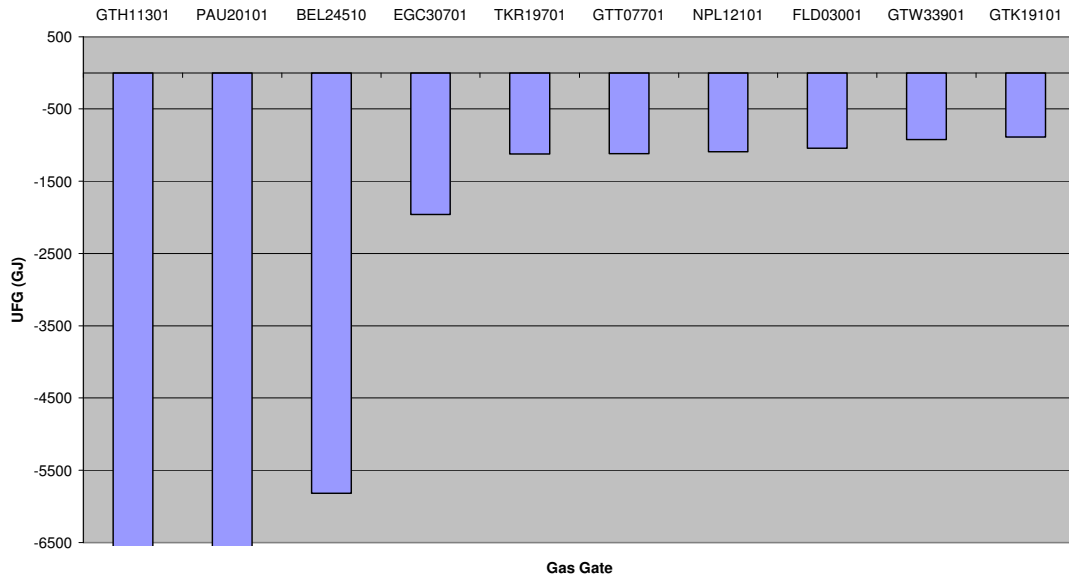


The two graphs below show the top ten positive and negative UFG gas gates for the most recent initial allocation performed.

August 2011 Initial Allocation - Positive UFG



August 2011 Initial Allocation - Negative UFG



Rule Compliance

Rule 45.2.7 (c) states that allocated quantities should be calculated according to Schedule 2 of the Rules when (to summarise) daily allocated quantities are zero and daily injection is greater than zero.

The allocation agent self declared a breach of rule 45.2.7 (c) in relation to the May 2011 interim allocation for gas gate Edgecumbe DF EGC30701. This breach is the same type of error as described in August Monthly Self Review.

The allocation agent found that the total amount of gas incorrectly allocated was 0.914 GJ. Therefore, as with the previous self declared breach, there has been minimal effect on the market.

A change request has been approved and work is now well underway to amend the allocation system to ensure that future allocations are performed in accordance with rule 45.2.7(c). This work should be completed by mid-October in time for that month's interim allocation.

Service Provider Agreement Compliance

Agreement Reference	Description
Schedule 3, clause 3.6	Incorrect application of rule 45.2.7 (c). Discussed above.

2.2 Performance Standards

The following tables and charts detail allocation agent performance against agreed performance indicators.

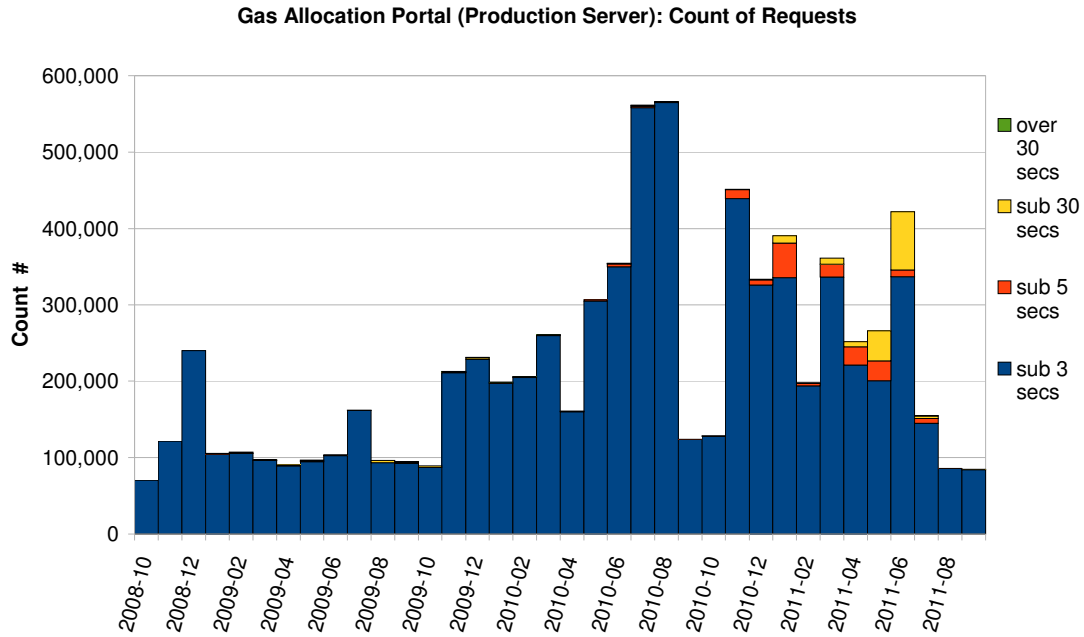
Allocation System Performance

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	✓	

* The gas allocation portal was available for 100% of the time.

Gas allocation web portal response times

The chart below shows the number of requests made to the gas allocation web portal, per month, categorised by response time. Requests include user initiated actions, such as file uploads or downloads and the number of times a page is refreshed when a user is viewing that page.



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	×	See above
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	

2.3 Overall Comment

September 2011 was business as usual for the allocation agent. Over the past month, the net total UFG decreased for the August 2011 initial allocation from the July 2011 initial allocation. As expected, the net total UFG for the May 2011 interim allocation decreased substantially from the May 2011 initial allocation. Lastly, the net total UFG for the August 2010 final allocation decreased from the August 2010 interim allocation.



Erich Livengood
Head of Energy