

# **Allocation Agent**

## **Self Review Performance Report**

### **September 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.

## Table of Contents

<b>1.</b>	<b>Introduction</b> .....	<b>3</b>
1.1	Purpose.....	3
1.2	Contact Details.....	3
<b>2.</b>	<b>Self Review Report</b> .....	<b>4</b>
2.1	Allocation Agent Operations .....	4
2.2	UFG .....	8
2.3	Rule Compliance.....	10
2.4	Service Provider Agreement Compliance.....	10
2.5	Performance Standards .....	10
2.6	Overall Comment.....	11

## 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**

Ashley Milkop 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 September 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 August 2010, interim allocation for May 2010 and final allocation for August 2009.
- Re-calculation of AUFG factors for 2008/2009 and 2009/2010 was successfully completed and final reports were distributed to appropriate participants on 24 September 2010.

#### August 2010 Initial Allocation incidents

- The GAR130 zip file was successfully uploaded on 7 September 2010. No gas gates fell outside of OATIS tolerance limits in this allocation.
- A retailer re-submitted their GAS040 file at 4:50pm on 6 September 2010.
- A second allocation run was performed, and the total net UFG is 36,347GJ for the August 2010 initial allocation. This is approximately 13,000GJ down from the July 2010 initial allocation figure of 49,409GJ.
- The main increases/decreases were:

Gas Gate	Aug 10 Initial	Jul 10 Initial	Difference	% change
BEL24510	832	-9,561	10,394	109
PLN24201	3,266	-2,551	5,816	228
KKI23701	968	-2,910	3,877	133
TWA35610	2,017	5,627	-3,610	-64
WAG21501	1,037	4,942	-3,905	-79
GTA03610	11,106	33,428	-22,323	-67

- Whakatane WHK32101 has the highest negative UFG, -2,527GJ.

#### May 2010 Interim Allocation incident updates

- There were 83 gas gates with allocation amendments in the interim allocation run. 10 of these gas gates had amended injection quantities. The largest change in injection was at Te Horo THO22701 (18.9GJ).
- Total net UFG decreased from the initial allocation figure of 93,073GJ to 51,937GJ for the interim allocation.

The main decreases in UFG were (GJ):

Gas Gate	May 10 Interim	May 10 Initial	Difference	% change
GTT07701	-395	1,745	-2,140	-123
ROT08101	2,261	4,649	-2,388	-51
GTA03610	15,012	17,501	-2,488	-14
NPL12101	3,726	6,366	-2,641	-41
TWA35610	3,704	6,647	-2,942	-44
GTW06910	1,823	5,218	-3,395	-65
BEL24510	4,065	10,165	-6,100	-60
GTH11301	7,791	16,740	-8,949	-53

- The highest negative UFG was at Whakatane WHK32101 (-2,081GJ).
- The GAR130 zip file was successfully uploaded to OATIS on 16 September 2010. Two gas gates fell outside of OATIS tolerance limits: Greater Auckland GTA03610 (0.218GJ) and Takapau TKP05101 (0.554GJ).

#### August 2009 Final Allocation incident updates

- Total net UFG is 35,629GJ, down from the net interim allocation figure of 74,781GJ.

- The main decreases were (GJ):

Gas Gate	Aug 09 Final	Aug 09 Interim	Difference	% change
TWA35610	-970	1,326	-2,296	-173
BEL24510	-518	2,731	-3,249	-119
GTA03610	17,502	46,917	-29,414	-63

- The highest negative UFG was at Edgecumbe DF EGC30701 (-1,874GJ).
- Gas gate allocation data was loaded successfully into OATIS on 22 September 2010. No gas gates fell outside of OATIS tolerance in this allocation.
- 80 gas gates had amended allocation quantities. 13 of these had amended injection. The largest change in injection was -5,858GJ at Tawa A TWA35610. Tawa A had a meter correction on 20 Jan 2010, which resulted in changes in the injection data for August 2009.

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

Consumption Period	Participant	Notification Type	Date	Details
August 2010	GNVG	As-Billed	13-Sep-2010	Submission at RAG33401 has no trading notification

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

Ref#	Date	Rule	Allocation	Participant	Details
2010-272	5-Sep-10	39.2.3	Aug-10 I	EDNZ	Late T/N at MTG17301

**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
2010-268	6-Sep-10	31.1	Aug-10 I	CTCT	FLD03001, KAP12901, PLN24201
2010-269	6-Sep-10	31.1	Aug-10 I	GNGC	GTA03610, LVN24401, TKS17401
2010-270	6-Sep-10	31.1	Aug-10 I	GNVG	DAN05001, FLD03001, KKI23701
2010-271	6-Sep-10	31.1	Aug-10 I	GEND	WST03610
2010-293	13-Sep-10	32.1	May-10 M	CTCT	MNA23402
2010-294	13-Sep-10	32.1	May-10 M	GEND	KIH19101
2010-295	13-Sep-10	32.1	May-10 M	GNGC	GTA03610
2010-291	20-Sep-10	33.1	Aug-09 F	GEND	HEN74101
2010-292	20-Sep-10	33.1	Aug-09 F	GNGC	GTA03610, HAR11801, WAG21501, WHG07501
2010-296	20-Sep-10	33.1	Aug-09 F	GNVG	DAN05001, NPL12101, PPO6610

### 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 August 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.

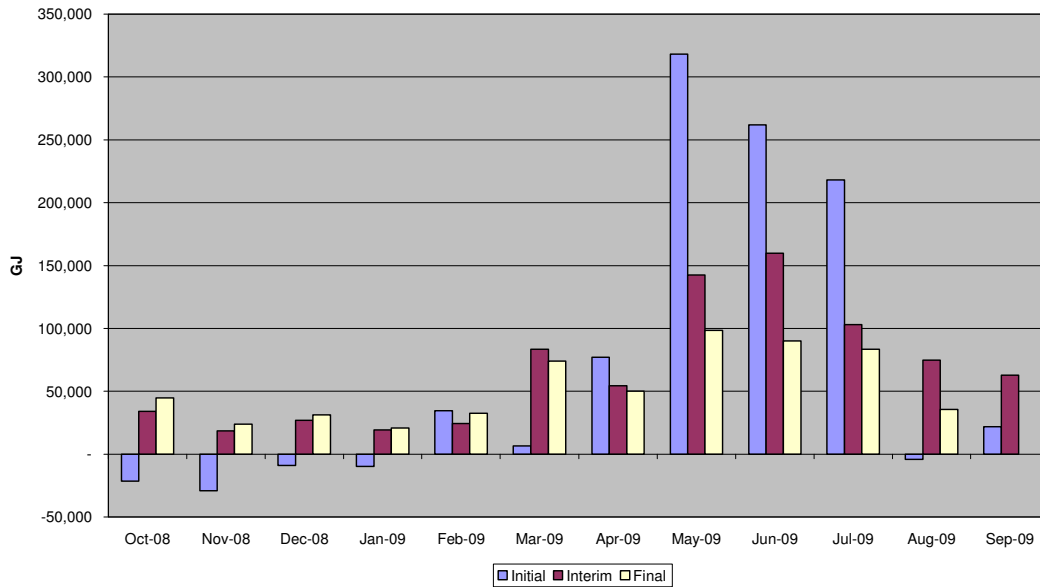
Ref#	Date	Consumption period	Participant	No. of Gas Gates outside $\pm 15\%$
2010-	20-Sep-10	Aug-09	CTCT	43
2010-	20-Sep-10	Aug-09	EDNZ	16
2010-	20-Sep-10	Aug-09	EGLT	15
2010-	20-Sep-10	Aug-09	GENG	27
2010-	20-Sep-10	Aug-09	MEEN	22
2010-	20-Sep-10	Aug-09	AGCL	6
2010-	20-Sep-10	Aug-09	EGAS	1
2010-	20-Sep-10	Aug-09	GNGC	1
2010-	20-Sep-10	Aug-09	GNVG	2
2010-	20-Sep-10	Aug-09	BOPE	7

**UFG**

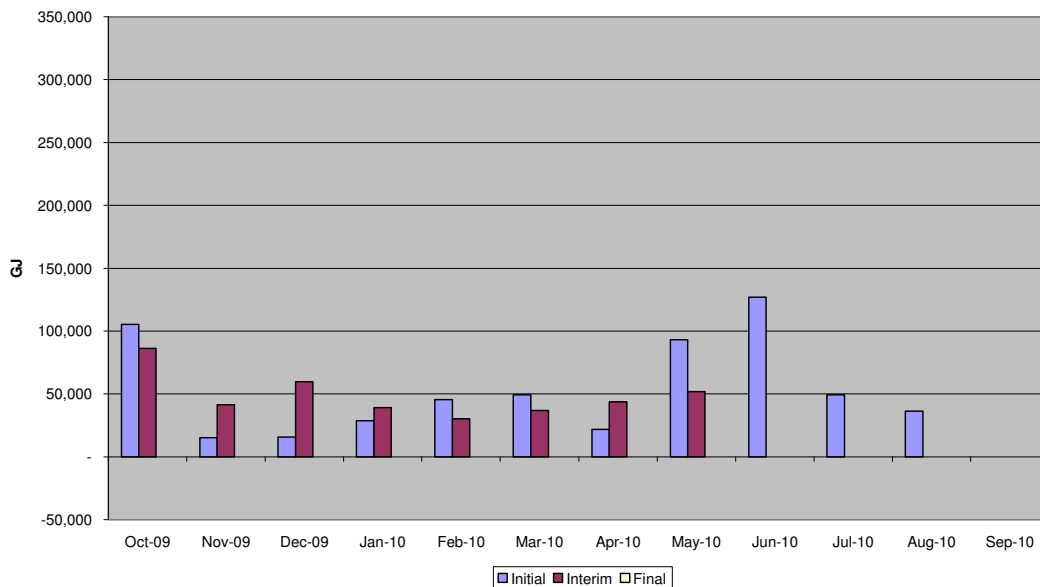
The below graphs illustrate UFG to date, and in the most recent consumption month.

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)**

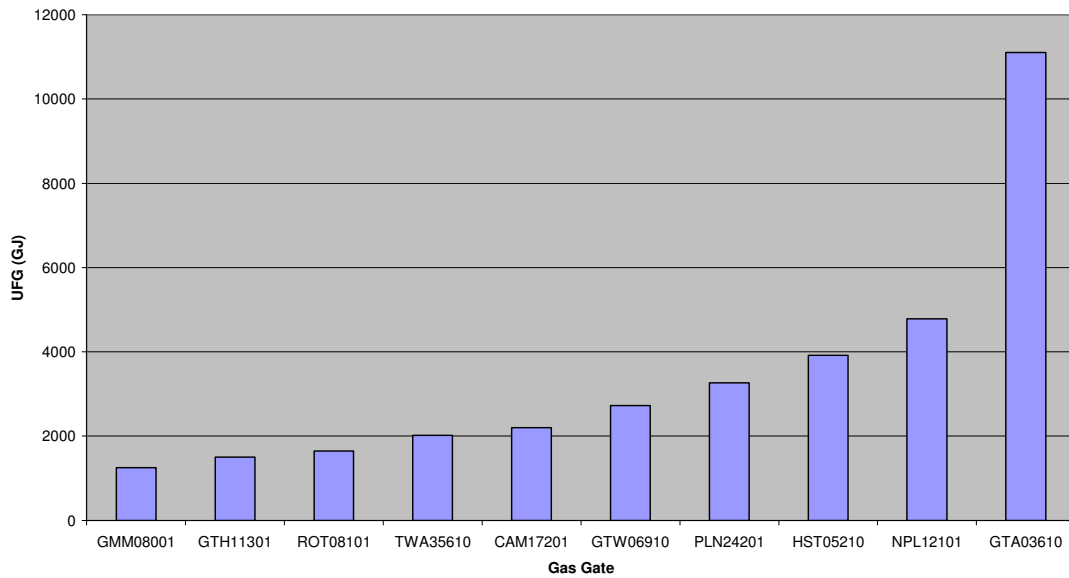


**Total Net UFG by Month (Oct-09 - ongoing)**

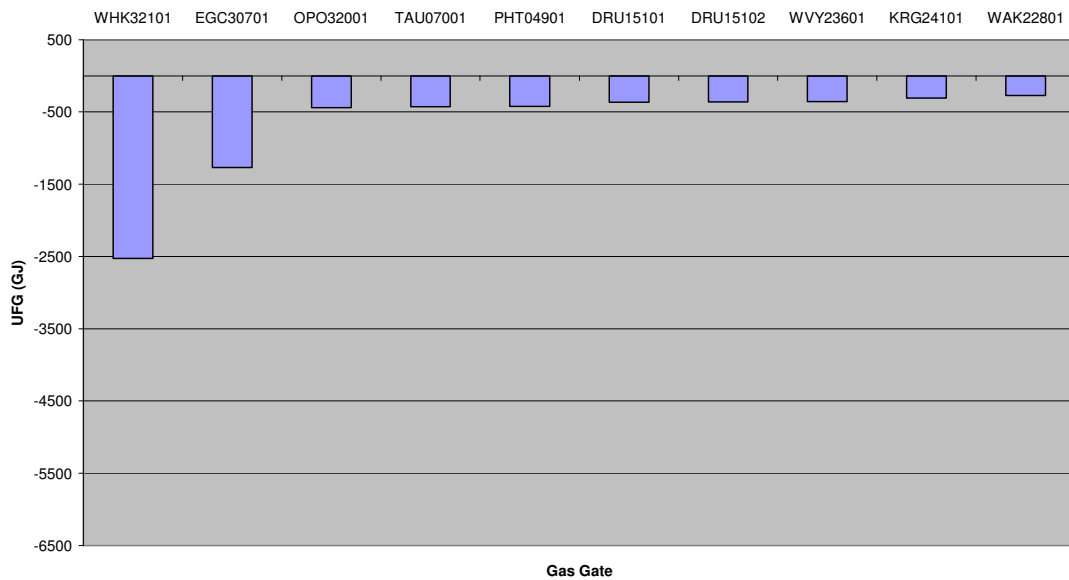


The two graphs below show the top ten positive and negative UFG gas gates for the most recent initial allocation performed.

**August 2010 Initial Allocation - Positive UFG**



**August 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	✓	

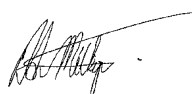
All reports contain the required information and are securely directed to the right participant	✓	
All reports required to be published are published and are publicly available	✓	

### 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

The allocation agent was pleased with the allocations it published this month. UFG levels were reasonable, and there were no incidents during the allocation process. In addition, re-calculation of the AUFG factors for the 2008/2009 and 2009/2010 gas years was successfully completed, and re-running of the May 2009 initial allocation will now be underway at GIC's request.



**Ashley Milkop**