



Allocation Agent

Self Review Performance Report

March 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.



Table of Contents

1. Introduction	3
1.1 Purpose	3
1.2 Contact Details	3
2. Self Review Report	4
2.1 Allocation Agent Operations	4
2.2 Rule Compliance	6
2.3 Service Provider Agreement Compliance	7
2.4 Performance Standards	7
2.5 Overall Comment	8



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

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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 March 2009.

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

- The allocation for February 2009 was performed and published on Friday 6 March.
- There were no requests for a special allocation for the February 2009 month.
- Continued enhancements to the operational procedures, including improved sanity checking of the monthly allocation results prior to publication.
- The interim allocation for November 2008 was completed successfully.
- Change request 5, allocating injection where there are zero consumption submissions from active retailers was implemented successfully in time for the November 2008 interim allocation.
- A new check has been implemented to capture any TOU data submitted as estimates.

November 2008 Interim Allocation incident updates

- Vector corrected injection data at Waikanae WAK22801. In the initial allocation UFG was -1613GJ, in the interim it is now +772GJ.
- Allocation at Kapuni KAP12901 for Contact Energy is now correct for contract ID1232.
- UFG at Edgecumbe EGC30701 remains at -2987GJ.
- Greater Auckland, GTA03610: allocation is -0.172GJ outside of the OATIS upload tolerance limit. All other gas gates are within the tolerance limit of 0.1GJ.
- There is increased consumption and unchanged injection for the interim allocation at DRU15101, TTK30601 and TIR30601. Bell Block has been advised via email. Bell Block had previously advised they would check metering at TTK30601.
- Negative allocations at Tuakau TUK06501: OnGas and NovaGas are both happy with what they have submitted for their TOU submissions. Genesis submitted zeros here, as for the initial allocation.

February 2009 Initial Allocation incidents

- All GAR130 files were successfully loaded into OATIS except for Greater Auckland, GTA03610 which fell outside the tolerance by -0.112GJ.



- Te Teko TTK30601: Vector (Transmission) again submitted a zero injection reading. Total consumption here was 15.463GJ, Bell Block have been advised.
- Kairanga KRG24101: Injection quantity of 128GJ this month. Zero consumption quantities were again submitted from CTCT, with EGLT and EDNZ both supplying consumption.
- Paekakariki PAE23001 had 0 injection and 0 consumption supplied.

In February, the allocation agent notified the following alleged breach incidents to the Market Administrator:

- 2009-16 Rule 39: Auckland Gas Company (AGCL) – Late notice of a trade notification at Waikanae WAK22801, received on 5 March 2009. Trading had commenced as at 5 February 2009. The notification should have been received by 1200 on 4 March 2009.
- 2009-17 Rule 39: E-Gas 2000 (EGAS) – Late notice of a trade notification at Manania MNA23402, received on 5 March 2009. Trading had commenced as at 1 February 2009. The notification should have been received by 12:00 on 4 March 2009.
- 2009-18 Rules 31 and 39: E-Gas Ltd (EGLT) – Late notice of a trade notification at Edgecumbe EGC30702, received on 5 March 2009. Trading had commenced as at 1 January 2009. The notification should have been received by COB on 31 January 2009. Consumption data was provided on time for the February 2009 allocation run. However, the trade notification had not been received prior to the January 2009 allocation being run, (published on 10 February 2009), therefore under rule 31, E-Gas Ltd should also have provided consumption data for January 2009 at Edgecumbe EGC30702.
- 2009-19 Rules 31 and 39: NovaGas Ltd (GNVG) – NovaGas supplied a trade notification on 6 March 2009 advising Foxton FOX22101 should be end-dated 31 January 2009. This should have been received by 31 January 2009 and is an alleged breach of rule 39. Because the trade notification had not been received prior to the February 2009 allocation being run, which was published on 6 March 2009, under rule 31 NovaGas should have provided consumption data for February 2009 at Foxton.
- 2009-20 Rules 31 and 39: Mercury Energy Ltd (MEEN) – Mercury Energy submitted its consumption data (GAS040 files) for ten gas gates after 1200 hours on business day 4, 5 March 2009. The gas gates are: HST05210, WTR12001, WVY23601, HWA20801, ELM12301, STR10201, IGW11901, OPK13001, OKU16701, NPL12101. The submissions were all received and included in the initial allocation run.

Under rule 39, Mercury Energy had advised it would be supplying gas to a customer at gas gate Mangaroa, MNG34001 from 1 February 2009. This was advised by Mercury Energy in error. Mercury Energy advised the allocation agent of this error on Thursday 5 March. The notification for Mangaroa was removed prior to the February 2009 allocation being run and published on Friday 6 March.

- 2009- Rule 31.1: OnGas Ltd (GNGC) – OnGas Ltd submitted estimated TOU data at Dannevirke, DAN05001. Under rule 31.1 consumption



supplied for allocation groups 1 and 2 should be actual daily energy quantities. They estimated data due to an issue with the TOU metering device. The data will be corrected for the interim allocation for February 2009.

- 2009- Rule 31.1: Genesis Energy (GEND) – OnGas Ltd submitted incorrect TOU data at Te Kuiti South, TKS17401. Under rule 31.1 consumption supplied for allocation groups 1 and 2 should be actual daily energy quantities. The corrected data has been submitted already and will flow through in the interim allocation for February 2009. Genesis Energy is the only retailer affected by this.

The allocation agent was aware of one participant intending to submit self breach reports to Gas Industry Company:

- 2009-15: Genesis Energy (GEND) has submitted a late trader notification to the allocation agent on 23 February 2009 for Pukekohe PUK04201. The notice should have been received by 31 January 2009 because trading commenced on 1 January 2009.

2.2 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

March 2009 saw another successful month of allocation operations. The next step for the allocation agent is to consolidate the smoothness of the operational side into analytical capacity to anticipate issues that might arise.

Shane Dinnan
General Manager Market Operations