

Allocation Agent

Self Review Performance Report

April 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

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 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 April 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 March 2010, interim allocation for December 2009 and final allocation for March 2009.
- Vector advised of the decommissioning of Rainbow Mountain RBM03101, effective from 31 May 2010.

March 2010 Initial Allocation incidents

- The GAR130 zip file was successfully uploaded on 9 April 2010. No gas gates were allocated outside of OATIS tolerance limits.
- Total net UFG is 51,525GJ for the March 2010 initial allocation. This is up from the February 2010 initial allocation figure of 45,363GJ.
- The main increases were:

Greater Auckland GTA03610 (an increase of 3,531GJ)
Tawa A TWA35610 (an increase of 2,978GJ)
Manaia MNA23402 (an increase of 1,977GJ)

The increase in UFG at Manaia occurred as a result of a late ICP switch between Nova Gas and Contact Energy. There was no TOU data submitted for March 2010 as Nova Gas ceased to supply gas on 28 February 2010, and Contact Energy was not able to submit the data in time because of the switch. This also caused the seasonal adjustment daily shape values for Manaia to rise considerably for March 2010.

- The main decreases were:

Greater Hamilton GTH11301 (a decrease of 4,783GJ)
Belmont BEL24510 (a decrease of 2,015GJ)

- Gas gates with highest negative UFG in this allocation are Edgecumbe EGC30701 and Belmont BEL24510, -1,942GJ and -1,256GJ respectively. Negative UFG at Edgecumbe is slowly improving, while UFG at Belmont has been fluctuating continually, between positive and negative values, over the past few months.

December 2009 Interim Allocation incident updates

- There are a total of 83 gas gates with allocation amendments in the interim allocation run. 14 of these gas gates have amended injection quantities. The largest change in injection was at Greater Kihikihi GTK19101 (108GJ).
- Total net UFG increased from the initial allocation figure of 15,772GJ to 59,759GJ for the interim allocation.

The largest changes in UFG were at the following gas gates (GJ):

Gas Gate	Interim UFG	Initial UFG	Difference
GTA03610	30,158	13,461	16,697
TWA35610	3,920	-6,408	10,328
BEL24510	3,222	-1,756	4,979
HST05210	3,425	-1,212	4,637
PLN24201	4,174	2,219	1,954

The interim allocation results show large increases in UFG for Greater Auckland GTA003610, Hastings HST05210, and Palmerston North PLN24201. UFG at Tawa A rose substantially from a high negative figure to a positive figure of 3,920GJ.

- Harrisville HAR11801 has a 249% increase in MUFG (from 26 in the initial allocation to 86) due to reduced consumption for allocation group 6.
- No gas gates fell outside of OATIS tolerance limits in this allocation.
- Two gas gates had zero injection files for December 2009: Paekakariki PAE23001 and Oroua Downs ORD24701. Paekakariki had zero consumption files submitted by retailers, and Oroua Downs had 0.997GJ.

March 2009 Final Allocation incident updates

- The March 2009 final allocation was published on Monday 26 April 2010 without incident.
- Total net UFG of the allocation is 74,022GJ, down from the net interim allocation figure of 83,394GJ. The increases in UFG since the interim allocation are relatively small. The largest increases are as follows:

Rotorua ROT08101 - an increase of 619GJ or 135%
 Belmont BEL24510 - an increase of 724GJ or 13%
 Tawa A TWA35610 - an increase of 423GJ or 9%

Greater Auckland GTA03610 has the largest drop in UFG (i.e. 9,815GJ or 18%).

- Harrisville HAR11801 has a large increase in MUFG, from 0.01 in the interim to 185 in the final allocation. This is because, in late July 2009, Genesis Energy backdated a trade notification at Harrisville to commence on 1 October 2008 (refer to alleged breach notice 2009-118). Since this occurred after the interim allocation was published, the interim results were calculated without any consumption information for Genesis Energy at Harrisville.
- Gas gate allocation data was loaded successfully into OATIS on 26 April 2010. The Greater Auckland gas gate, GTA03610, fell outside of OATIS tolerance limits by -0.148GJ.
- 83 gas gates had amended allocation quantities. Twelve of these had amended injection. The largest change in injection was -120GJ at Pauatahanui 2 PAH23101.
- Two gas gates had zero injection files for March 2009: Flockhouse FLH21901 and Paekakariki PAE23001. Both Flockhouse and Paekakariki had zero consumption files submitted by retailers.

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

Consumption Period	Participant	Notification Type	Time Incident Occurred	Gas Gates Affected/Details
March 2010	GNGC	As-Billed	08-Apr-2010	Submission at MRV16302 has no trading notification
March 2010	GNGC	As-Billed	08-Apr-2010	Submission at OKU16701 has no trading notification

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

Reference	Date	Rule	Allocation	Participant	Gas Gates Affected/Details
2010-124	19-Apr-10	52.2.1	Mar-10 I	GNVG	GNVG submitted late as-billed data for March 2010. No data was submitted for the by-pass gas gates: FLB15601, HST05203, HUN15302, HWA20802, TWB24810
2010-118	8-Apr-10	39.2.3	Mar-10 I	GNGC	GNGC submitted late notifications to end trade at HRU16101, RAG33401 and WAG21501
2010-117	8-Apr-10	39.2.3	Mar-10 I	GNVG	GNVG submitted late notification to end trade at MNA23402

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
2010-114	8-Apr-10	31.1	Mar-10 I	CTCT	NPL12101, EGC30701, HST05210, PAP06610
2010-115	8-Apr-10	31.1	Mar-10 I	GEND	TPK33301
2010-116	8-Apr-10	31.1	Mar-10 I	GNGC	GTH11301, GTA03610
2010-119	15-Apr-10	32.1	Dec-09 M	CTCT	NPL12101, KAP12901, PAP06610
2010-120	15-Apr-10	32.1	Dec-09 M	EDNZ	HST05210
2010-121	15-Apr-10	32.1	Dec-09 M	GMTH	GMM08001
2010-122	15-Apr-10	32.1	Dec-09 M	GNGC	HST05210, GTA03610
2010-123	15-Apr-10	32.1	Dec-09 M	GNVG	MMU08001
2010-125	22-Apr-10	33.1	Mar-09 F	GEND	HEN74101, MMU08001, WST03610
2010-126	22-Apr-10	33.1	Mar-09 F	GNGC	FLD03001, DAN05001, GTA03610, NPL12101

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 March 2009 consumption period.

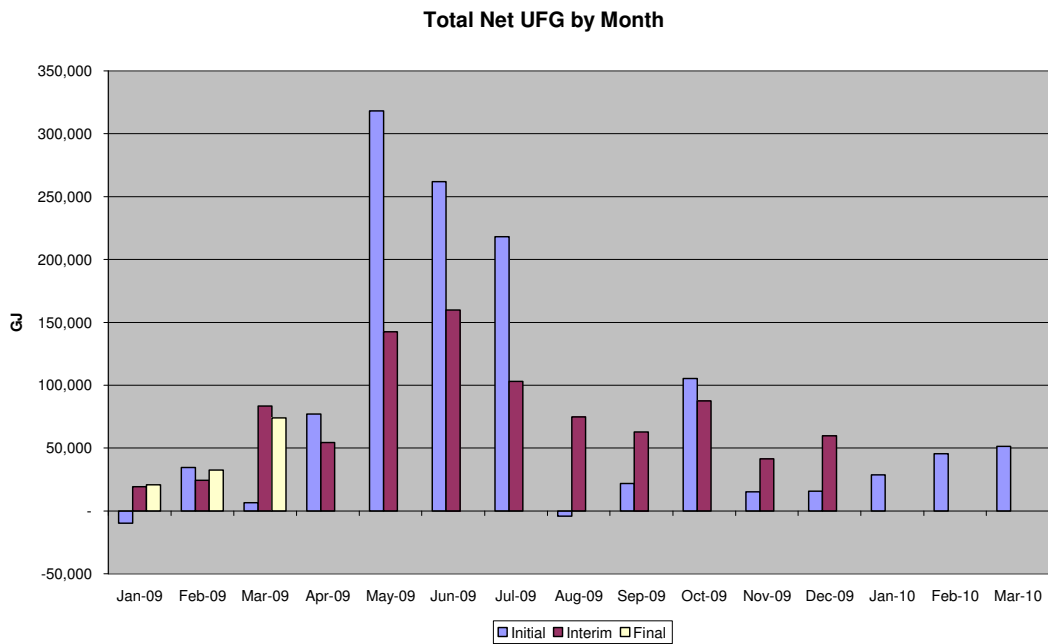
Refer to the notice of determinations by the industry body (Gas Industry Co) under the Gas (Downstream Reconciliation) Rules 2008, version 1.2 dated 30 September 2009.

Reference	Date	Consumption period	Participant	No Gas Gates outside of +/- 15%
2010-	22-Apr-10	Mar-09	CTCT	33
2010-	22-Apr-10	Mar-09	EDNZ	18
2010-	22-Apr-10	Mar-09	EGLT	4
2010-	22-Apr-10	Mar-09	GENG	37
2010-	22-Apr-10	Mar-09	MEEN	15
2010-	22-Apr-10	Mar-09	AGCL	15
2010-	22-Apr-10	Mar-09	EGAS	2
2010-	22-Apr-10	Mar-09	GNGC	2
2010-	22-Apr-10	Mar-09	GNVG	6
2010-	22-Apr-10	Mar-09	BOPE	6

2.2 UFG

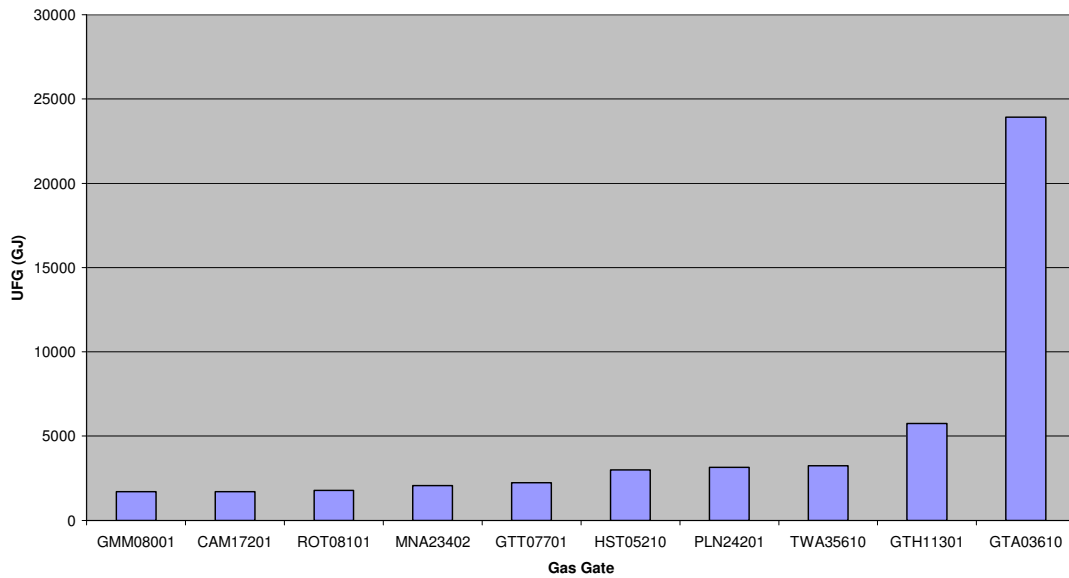
The below graphs illustrate UFG to date, and in the most recent consumption month.

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.

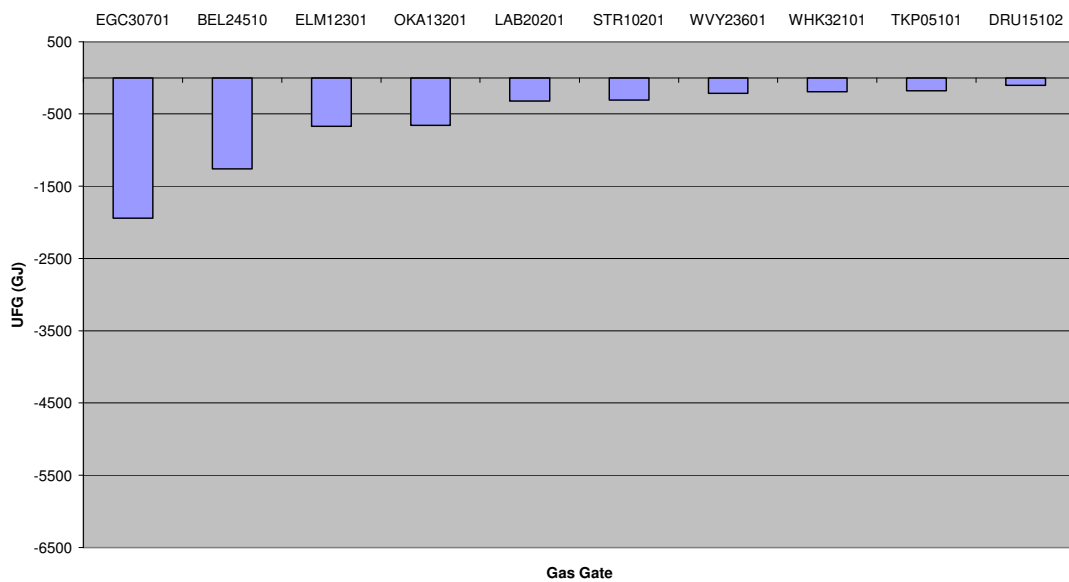


The two graphs below show the top ten positive and negative UFG gas gates for the most recent initial allocation performed.

March 2010 Initial Allocation - Positive UFG



March 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.

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 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

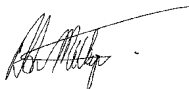
Performance Standard	Achieved	Corrective Action
100% adherence to rulebook timelines	✓	
Information updated on website within one Business Day of becoming available for updating	✓	
All allocations made are correctly calculated, i.e. in accordance with the rules, and accurate	✓	
All reports contain the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

2.5 Overall Comment

All allocations were completed without incident this month. Allocation results show UFG levels increased for March 2010 initial and December 2009 interim, and decreased for March 2009 final allocation. The allocation agent will continue to review its checking process for the allocation results, and update the internal procedures manual to minimise the number of processing errors.



Ashley Milkop
Energy Services Manager