



Allocation Agent

Self Review Performance Report

March 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 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 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 February 2010, interim allocation for November 2009 and final allocation for February 2009.
- Vector advised that a meter has been installed at Waverley WVY23601, and they can commence the supply of injection data earlier than the expiry date, 31 May 2010 (refer Exemption Notice DR09-11-S (No2)). Details for Waverley were amended in the allocation system to accommodate this change, and it is now recorded as a metered gas gate.
- Another minor change was also made to the allocation system to accept the meter reading frequency information from retailers who submitted zero for the rolling 12 month non-TOU consumer installation count.

February 2010 Initial Allocation incidents

- The GAR130 zip file was successfully uploaded except for two files. One was the Greater Auckland gas gate GTA03610, which fell outside of OATIS tolerance limits by -0.108GJ. The other was Waverley WVY23601, which failed to upload because it was still being recorded as an un-metered gas gate in the allocation system, but a meter had already been installed at the site before the exemption expired (refer Exemption Notice DR09-11-S (No2)). The allocation agent amended the details for Waverley in the allocation system accordingly, and the February 2010 initial allocation was re-published under rule 44.3 on 8 March 2010 to include Waverley's correct meter reading.
- Two gas gates had zero injection files: Oroua Downs ORD24701 and Paekakariki PAE23001. Paekakariki had zero consumption data submitted by retailers. Oroua Downs had a total of 1.804GJ consumption submitted.
- Total net UFG is 45,363GJ for the February 2010 initial allocation.
- The main increases in UFG since the January 2010 initial allocation were at the following gas gates:

Greater Auckland GTA03610 (an increase of 3,828GJ)
Greater Hamilton GTH11301 (an increase of 5,418GJ)
Rotorua ROT08101 (an increase of 1,080GJ)

- Improvements in UFG were also noted at some of the gas gates:

Whakatane WHK32101 (a decrease of 1,320GJ)
 Tawa A TWA35610 (a decrease of 3,100GJ)
 Te Puke TPK33301 (a decrease of 1,532GJ)

November 2009 Interim Allocation incident updates

- There are a total of 83 gas gates with allocation amendments in the interim allocation run. 15 of these gas gates have amended injection quantities. The largest change in injection was at Hastings HST05210 (157GJ).
- Total net UFG rose from 15,158GJ in the initial allocation, to 41,488GJ in the interim allocation.

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

Gas Gate	Interim UFG	Initial UFG	Difference
GTH11301	3041	-2247	5289
GTA03610	25078	21206	3872
TWA35610	2159	-1576	3736
BEL24510	0	-2473	2473
NPL12101	-65	-2215	2150

There were significant improvements in UFG at Belmont BEL24510 and New Plymouth NPL12101, but Greater Auckland GTA03610 and Greater Hamilton GTH11301 both experienced large increases in UFG. These increases seem to have resulted from lower consumption quantities from various retailers.

- No gas gates fell outside of OATIS tolerance limits in this allocation.

February 2009 Final Allocation incident updates

- The February 2009 final allocation was re-published under rule 44.3, on 23 Tuesday February 2010, due to a minor processing error with the injection files.
- Total net UFG of the allocation is 32,563GJ, up from the net interim allocation figure of 24,349GJ. The most significant increases in UFG since the interim allocation published in June 2009 were

Tawa A TWA35610 – an increase of 1001GJ or 87%
 Belmont BEL24510 - an increase of 1,203GJ or 52%
 Greater Auckland GTA03610 - an increase of 4,407GJ or 32%

- Gas gate allocation data was loaded successfully into OATIS on 23 February 2010. No gas gates fell outside of OATIS tolerance limits.
- 82 gas gates had amended allocation quantities. 9 of these had amended injection. The largest change of injection was 102GJ at Flockhouse FLH21901.
- Two gas gates had zero injection files for February 2009: Te Teko TTK30601 and Paekakariki PAE23001. Both Te Teko and Paekakariki had zero consumption files submitted by retailers.



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

Consumption Period	Participant	Time Incident Occurred	Gas Gates Affected/Details
February 2010	GNGC	08-Mar-2010 15:46	Submission at IGW11901 has no trading notification
February 2010	GNGC	08-Mar-2010 15:46	Submission at OKU16701 has no trading notification
February 2010	GNGC	08-Mar-2010 15:46	Submission at WTA16501 has no trading notification
February 2010	GNGC	08-Mar-2010 15:46	Submission at MRV16302 has no trading notification
February 2010	GNGC	08-Mar-2010 15:46	Submission at CAM17201 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
2010-89	15-Mar-10	52.2.1	Feb-10 I	GNVG	No as-billed data was submitted for GNVG's by-pass gas gates: FLB15601, HST05203, HUN15302, HWA20802, TWB24810
2010-88	15-Mar-10	52.2.1	Jan-10 I	EGAS	EGAS re-submitted as-billed data for MNA23402 for Jan-10
2010-87	11-Mar-10	32	Nov-09 M	BOPE	BOPE re-submitted correct consumption data for Nov-09 interim allocation after 0800 11-Mar-10
2010-80	1-Mar-10	39.2.3	Feb-10 I	EDNZ	EDNZ submitted late notification to end trade at WEL18301

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
2010-81	4-Mar-10	31.1	Feb-10 I	GMTH	GTA03610
2010-82	4-Mar-10	31.1	Feb-10 I	GNGC	GTA03610, NPL12101
2010-83	4-Mar-10	31.1	Feb-10 I	GNVG	MMU08001, PAP06610
2010-84	11-Mar-10	32.1	Nov-09 M	CTCT	NPL12101, KAP12901
2010-85	11-Mar-10	32.1	Nov-09 M	GNGC	GIS07801, GTA03610
2010-86	11-Mar-10	32.1	Nov-09 M	GNVG	MMU08001
2010-90	18-Mar-10	33.1	Feb-09 F	GEND	HEN74101, GIS07810, MMU08001, TKS17401, WST03610
2010-91	18-Mar-10	33.1	Feb-09 F	GNVG	HWA20801, TWA35610
2010-92	18-Mar-10	33.1	Feb-09 F	GNGC	FLD03001, DAN05001, GIS07810, HST05210, NPL12101, WHG07501
2010-93	18-Mar-10	33.1	Feb-09 F	EDNZ	HEN74101

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 February 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.](#)

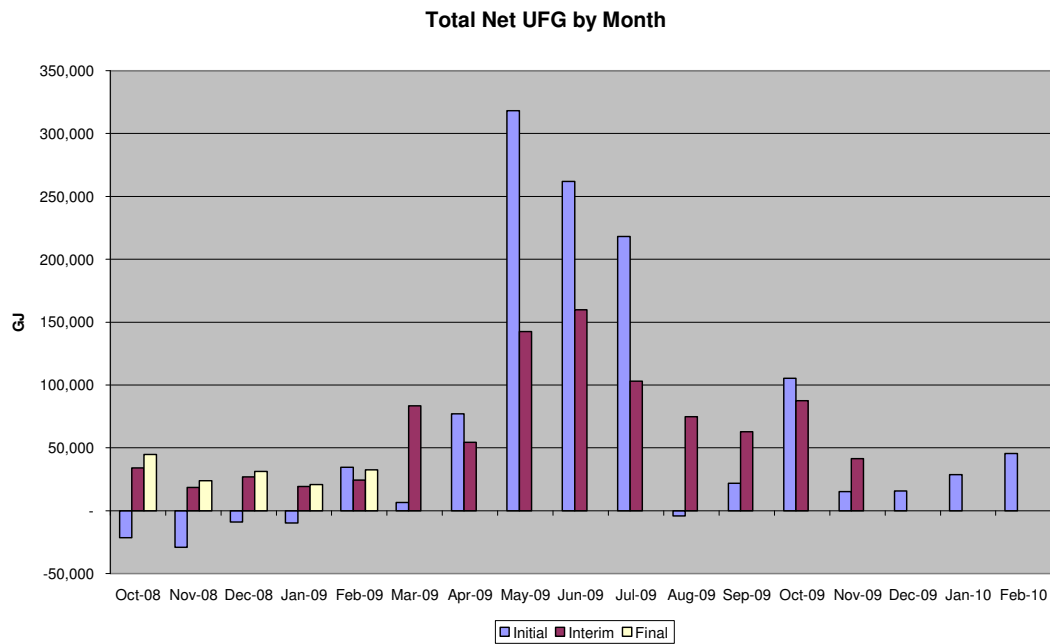
Reference	Date	Consumption period	Participant	No Gas Gates outside of +/- 15%
2010-	18-Mar-10	Feb-09	GNVG	5
2010-	18-Mar-10	Feb-09	GENG	53
2010-	18-Mar-10	Feb-09	AGCL	11
2010-	18-Mar-10	Feb-09	BOPE	6
2010-	18-Mar-10	Feb-09	CTCT	24
2010-	18-Mar-10	Feb-09	EGLT	7
2010-	18-Mar-10	Feb-09	EDNZ	18
2010-	18-Mar-10	Feb-09	MEEN	16



2.2 UFG

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

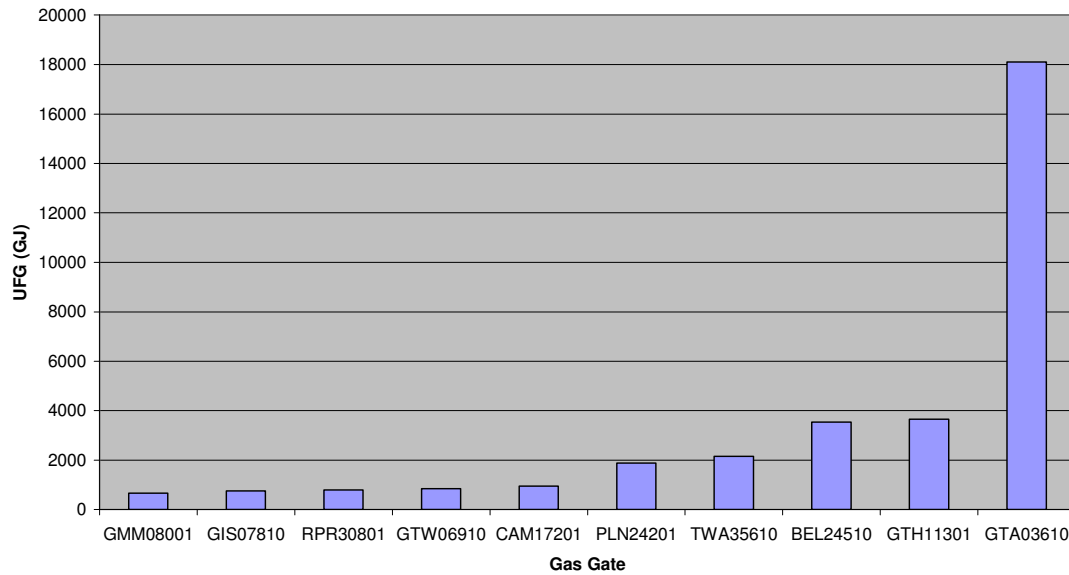
The 'Total Net UFG by month' shows total net UFG per allocation to date. Where there has been a special allocation, the UFG for the special supersedes the initial or interim and is shown below. For example, the total UFG below shown for the April initial allocation is actually the total UFG from the April special allocation.



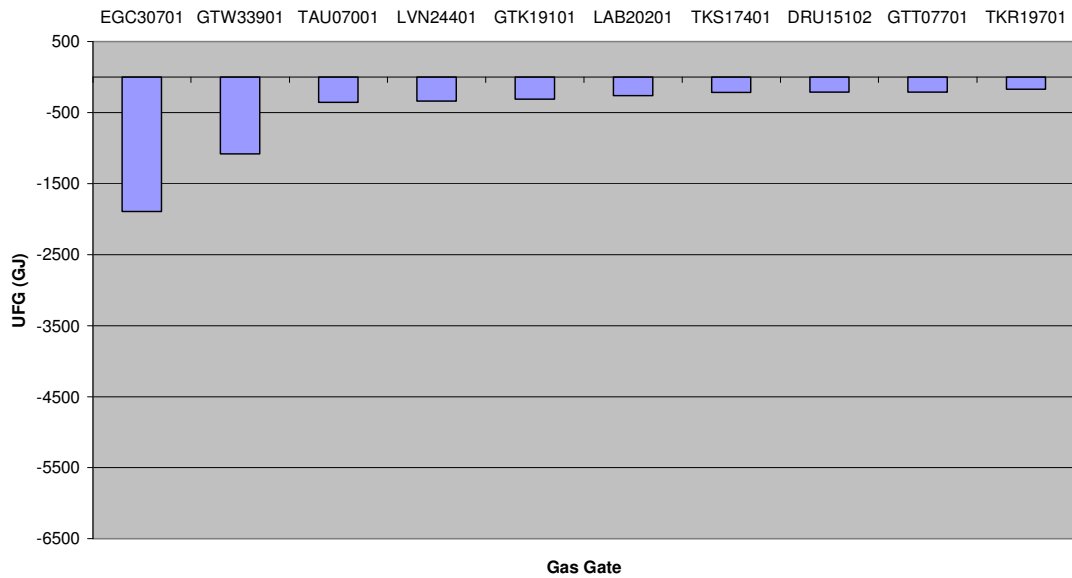


The two graphs below show the top ten positive and negative UFG gas gates for the most recent initial allocation performed.

February 2010 Initial Allocation - Positive UFG



February 2010 Initial Allocation – Negative UFG



Rule Compliance

On 30 March 2010, the allocation agent submitted a self-breach report of rule 45.2.1 to the market administrator (refer alleged breach 2010-95).

Under rule 45.2.1, the allocation agent must receive the actual daily energy quantities injected at each gas gate for each day for that consumption period provided by transmission system owners in accordance with rule 41.

On 17 March 2010, at 1612 the incorrect injection file was downloaded from OATIS for the final February 2009 allocation. Without the latest injection data for February 2009, the allocation system processed the final allocation using the interim injection data. The allocation agent was not aware of this error until after the final allocation for February 2009 was published at 0730 on 22 March, and the analyst attempted to upload the GAR130 zip file into OATIS at 0940.

Upon realising the error, the analyst uploaded the correct injection file from OATIS into the system, and re-published the final February 2009 allocation at 1430 the next business day under rule 44.3.

On 23 March 2010, in accordance with rule 12.2.1 (b), the allocation agent informed the GIC that because of the processing error in the first publication of the final allocation, it had re-published this allocation with the correct injection file, within the allowed timeframe.

The allocation agent is fully aware of the extent of the error, and is in the process of reviewing its internal procedures to prevent recurrence of the breach. The internal procedures manual will be updated, and appropriate measures will be taken to ensure accuracy of the results

Other than this matter, to the best of its knowledge, the allocation agent complied with all other rules during the review period.

2.3 Service Provider Agreement Compliance

For the review month, there was one instance of non-compliance with the service provider agreement. Other than this matter, to the best of its knowledge the allocation agent complied with all other service provider agreement requirements during the review period.

Agreement Reference	Description
Schedule 1: 3.6	The latest injection information from Vector was not used in the first publication of the February 2009 final allocation. The allocation was re-published under rule 44.3 to include the latest injection data.

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	✗	Changes made as per above section
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

Although the February 2010 initial allocation and the February 2009 final allocation had to be re-published due to minor issues, all allocations were completed without incident. Allocation results published this month showed reasonable UFG figures. The allocation agent will update the internal procedures manual where appropriate, to avoid making the same processing error in future allocations.



Ashley Milkop
Energy Services Manager