



Allocation Agent

Self Review Performance Report

October 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.

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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

Ashley Milkop, Energy Services Manager 498 2184

Allocation Operations

Jo Hardy, Market Operations Analyst 498 0053

2. Self Review Report

2.1 Allocation Agent Operations

The review period for this report is October 2009 for the September initial and June interim allocations

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

- The initial allocation for September 2009 was performed and published on Wednesday 7 October 2009.
- The interim allocation for June 2009 was completed successfully and published on Wednesday 14 October 2009.
- The GAR050 report has been aggregated to NDP level, and is awaiting sign off from Gas Industry Co.
- GAR080 report – CTCT raised a query regarding high consumption volumes in the April 2009 GAR080 report.
While the report is calculating correctly, i.e. reporting on the previous 12 consumption periods as per the functional specification, it is picking up historical data held in the system dated prior to 1 October 2008.
The cause of the spike in the April volumes happened in May when historical data was uploaded into the system to calculate the AUFG factors.
To correct this, a date parameter can be put on the report to only pick up data from 1 October 2008 onwards, and the reports re-run and published for each consumption period to date.

September 2009 Initial Allocation incidents

- Eltham, ELM12301 has unusually high negative UFG of -2959. Bell Block is aware of the issue and will advise if they post a correction. OnGas has also advised it has been under allocated approximately 1,700 GJ at this gas gate.
- The GAR130 zip file was successfully uploaded. No files are outside of OATIS tolerances.
- UFG levels seem reasonable for the September 2009 allocation, total net UFG is 21,962GJ.

June 2009 Interim Allocation incident updates

- There are a total of 87 gas gates with allocation amendments in the interim allocation run. 13 of these gas gates have amended injection quantities.

- Total UFG reduced from a net total of 261,954GJ in the initial allocation, to 159,812GJ in the interim allocation. The larger UFG reductions for June 2009 were (GJ):

Gas Gate	Initial	Interim	Difference
GTA03610	92,951	48,151	-44,800
TWA35610	40,971	23,992	-16,978
BEL24510	22,102	16,843	-5,259
PLN24201	14,013	10,381	-3,632
NPL12101	11,423	6,625	-4,797
GTW06910	9,357	3,533	-5,823
LVN24401	6,901	2,244	-4,656
HST05210	5,743	5,184	-559
GMM08001	4,956	3,248	-1,708
GTT07701	4,064	1,259	-2,805
TWB24810	4,007	0	-4,007
GIS07810	3,336	2,994	-342
FLD03001	3,106	1,901	-1,205
TAU07001	3,073	2,584	-489
ROT08101	2,620	1,354	-1,265
PAU20101	2,415	487	-1,928
HWA20801	2,377	1,404	-973

- Greater Hamilton, GTH11301 had an increase of 1904GJ UFG (13,849 in the initial to 15,752 in the interim). Genesis has been contacted to check its consumption submission as it had a large drop in non TOU data here.
- The GAR130 file was uploaded into OATIS successfully on 15 October. Greater Auckland GTA03610 and WTT20301 outside of tolerance limits at -0.198GJ and 0.162GJ respectively

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

- 2009-177, rule 31.1: Energy Direct NZ (EDNZ) submitted some estimated TOU data at Lake Alice LAB20201 for the initial September 2009 consumption month. Under rule 31.1 consumption supplied for allocation groups 1 and 2 should be actual daily energy quantities.
- 2009-178, rule 31.1: OnGas (GNGC) submitted estimated TOU data at two gas gates for the initial September 2009 consumption month: Greater Auckland GTA03610 and Whangarei WHG07501. Under rule 31.1 consumption supplied for allocation groups 1 and 2 should be actual daily energy quantities.
- 2009-179, rule 31.1: Genesis (GEND) submitted estimated TOU data at New Plymouth NPL12101 for the initial September 2009 consumption month. Under rule 31.1 consumption supplied for allocation groups 1 and 2 should be actual daily energy quantities.
- 2009-181, rule 32.1: Energy Direct NZ (EDNZ) submitted estimated TOU data at one gas gate for the June 2009 interim month: Papakura PAP06610.

Under rule 32.1 consumption supplied for allocation groups 1 and 2 should be actual daily energy quantities.

- 2009-182, rule 31.1: Genesis Energy (GENE) submitted estimated TOU data at one gas gate for the June 2009 interim month: Henderson HEN74101
Under rule 32.1 consumption supplied for allocation groups 1 and 2 should be actual daily energy quantities.
- 2009-183, rule 32.1: OnGas (ONGC) submitted estimated TOU data at five gas gates for the June 2009 interim month: Dannevirke DAN05001, Greater Auckland GTA03610, Hastings HST05210, Tuakau TUK06501 and Wanganui WAG21501.
Under rule 32.1 consumption supplied for allocation groups 1 and 2 should be actual daily energy quantities.
- 2009-184, rule 32.1: Nova Gas (GNVG) submitted estimated TOU data at three gas gates for the June 2009 interim month: Belmont BEL24510, Papakura PAP06610 and Westfield WST03610.
Under rule 32.1 consumption supplied for allocation groups 1 and 2 should be actual daily energy quantities.
- 2009-185, rule 39: Genesis Energy (GENE) submitted a trade notification on 13 October 2009 advising they commenced trading at Westfield WST03610 on 28 September 2009. Under rule 39.2.3, a trade notification should be provided by 1200 on business day 3 of the month following the consumption period in which the retailer commences or ceases to supply gas to a customer.
- 2009-186, rule 52.2.1: Auckland Gas (AGCL) did not submit GAS070 as-billed data for September for the three by-pass gas gates where allocation occurred in the August 09 consumption month. The gas gates are Flatbush FLB15601, Hastings HST05203, and Tawa B TWB24810.
- 2009-187, rule 52.2.1: Nova Gas (GNVG) did not submit GAS070 as-billed data for September for the five by-pass gas gates where allocation occurred in the August 09 consumption month. The gas gates are Flatbush FLB15601, Hastings HST05203, Hunua HUN15302, Hawera HWA20802 and Tawa B TWB24810.

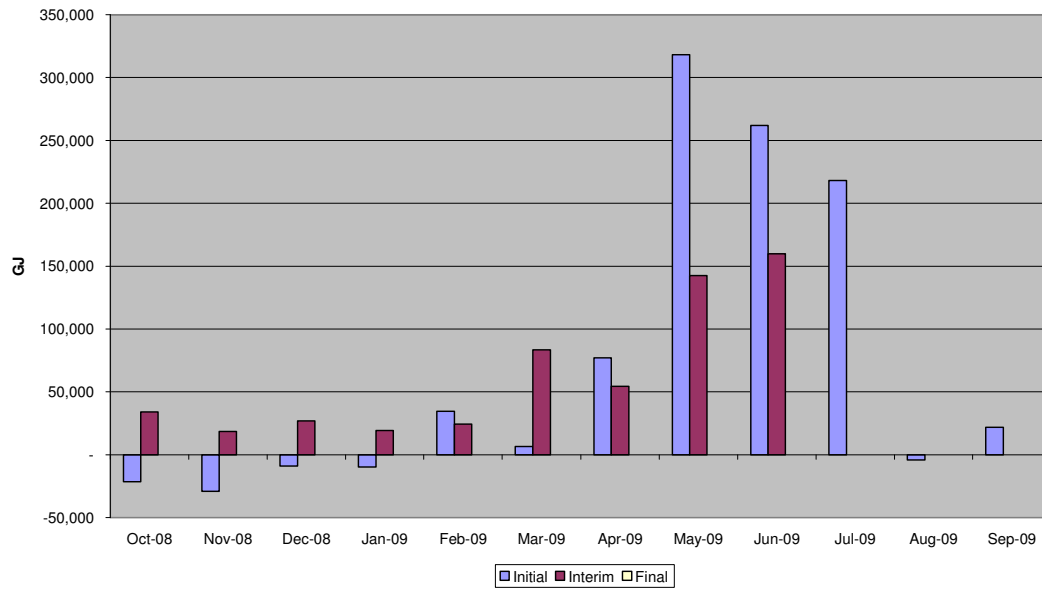
2.2 UFG

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.



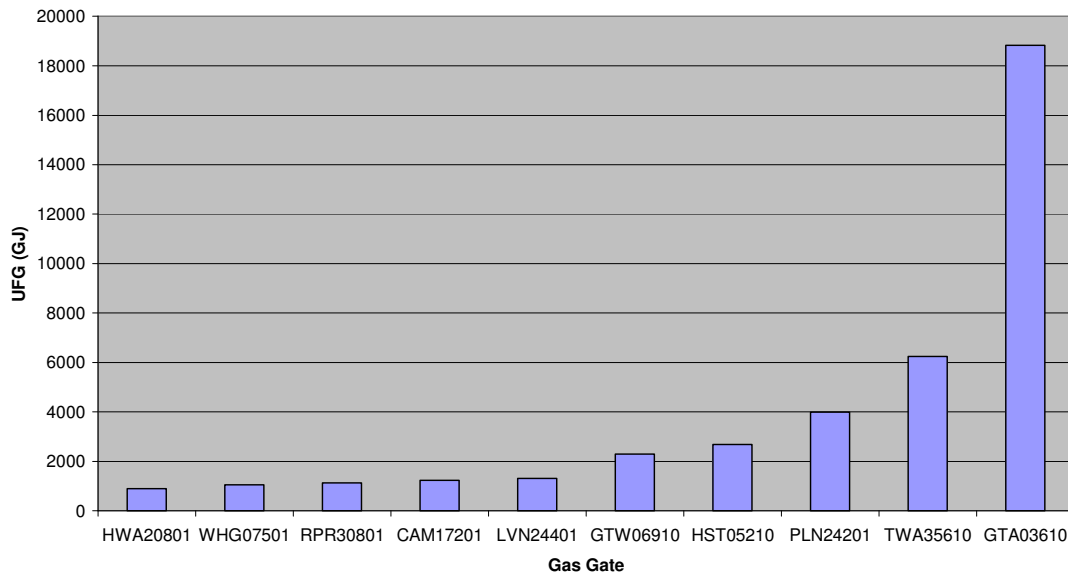
Total Net UFG by Month



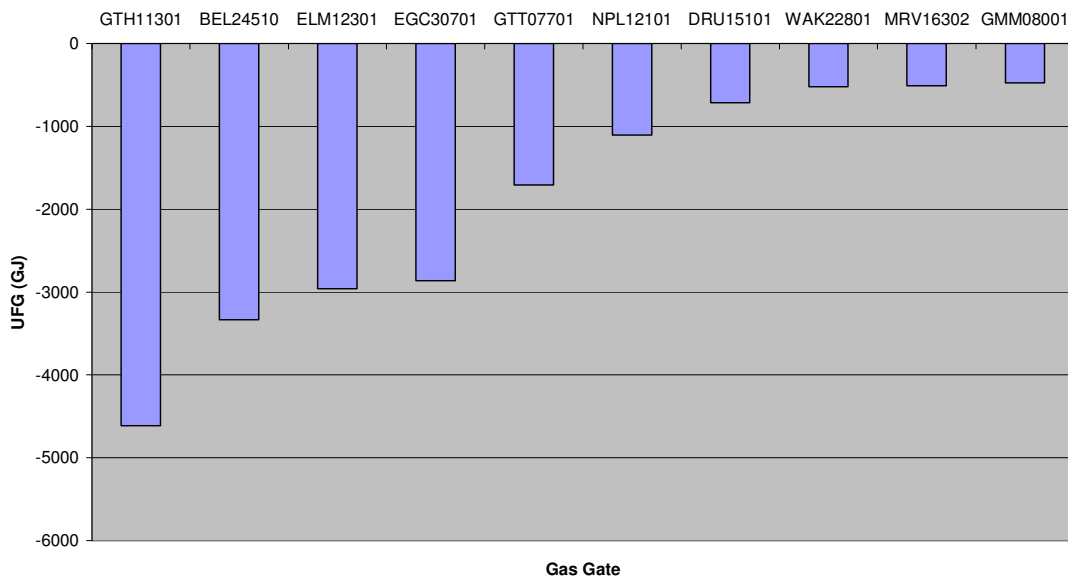


The two graphs below show the top ten positive and negative UFG gas gates for the most recent initial allocation performed.

September 2009 Initial Allocation - Positive UFG



September 2009 Initial Allocation - Negative UFG



2.3 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

2.4 Service Provider Agreement Compliance

For the review month, there were no instances of non-compliance with the service provider agreement.

Agreement Reference	Description

2.5 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	

2.6 Overall Comment

UFG levels are reasonable for the September 2009 consumption period, and reduced for the June 2009 interim consumption period. M-co will be re-publishing the GAR080 reports by the end of November, and continues to work on testing a D+1 allocation algorithm, which was presented to industry participants for comment mid-October 2009.



Ashley Milkop
Energy Services Manager