

## **Allocation Agent**

## **Self Review Performance Report**



**June 2011**

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**

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### **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**

Erich Livengood, Head of Energy 498 0026

#### **Allocation Operations**

Rebecca Young, Energy Analyst 498 2184

## **2. Self Review Report**

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### **2.1 Allocation Agent Operations**

The review period for this report is June 2011, and the allocations performed during this month.

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

- The initial allocation for May 2011, interim allocation for February 2010 and final allocation for May 2010.
- A second special allocation was performed for May 2009. This supersedes the special allocation published in July 2010.
- The Gas Industry Company arranged for a performance audit of the allocation agent. The auditor observed the performance of the allocation agent in terms of compliance with the rules and the systems and processes that have been put in place to enable compliance with these rules.
- Provision of information relating to the GAR080 report to an auditor for an allocation participant's performance audit.

Note, in May the allocation agent completed Disaster Recovery testing without incident.

#### **May 2011 Initial Allocation incident updates**

- The initial allocation for May 2011 was published on 8 June 2011 without incidents.
- The GAR130 zip file was uploaded on 8 June 2011 for the initial allocation. The Greater Auckland gas gate GTA03610 fell outside of OATIS tolerance limit by -0.136GJ. The Edgumbe DF gas gate EGC30701 fell outside of OATIS tolerance limit by 0.914GJ.
- Total net UFG is 37,883GJ in the May 2011 initial allocation. This is a decrease of 54,329GJ from the April 2011 initial allocation figure of 92,213GJ.

- The main increases were:

Gas Gate	May 11 Initial	April 11 Initial	Difference	% change
GTH11301	13,183	4,752	8,431	177
ORD24701	3,040	300	2,740	912
NPL12101	6,036	3,518	2,518	72
GIS07810	2,401	34	2,366	6,867
LVN24401	-866	1,477	-2,343	-159
PLN24201	2,601	5,169	-2,568	-50
HST05210	625	4,192	-3,567	-85
WAG21501	-349	4,088	-4,437	-109
BEL24510	8,094	14,041	-5,947	-42
GTA03610	4,149	17,805	-13,656	-77
TWA35610	3,052	20,369	-17,318	-85
WHK32101	-25,905	-1,932	-23,973	-1,241

- Whakatane WHK32101 has the highest negative UFG, -25,905GJ. This figure was confirmed by Vector and NZX has received a metering correction addressing this issue.

### February 2011 Interim Allocation incident updates

- There were 82 gas gates with allocation amendments in the interim allocation run. Nine gas gates had amended injection quantities, with eight of these being unmetred gas gates.
- Total net UFG decreased from the initial allocation figure of 28,680GJ to 12,245GJ for the interim allocation.

The main increases UFG were (GJ):

Gas Gate	Feb 11 Interim	Feb 11 Interim	Difference	% change
WAG21501	-726	1,519	-2,245	-148
GTH11301	2,137	4,972	-2,835	-57
BEL24510	623	3,650	-3,027	-83
TWA35610	-21	3,049	-3,069	-101

- The highest negative UFG was at Whakatane WHK32101 (-1,719GJ).
- The GAR130 zip file was successfully uploaded to OATIS on 16 June 2011. Greater Auckland GTA03610 fell outside of OATIS tolerance limits -0.108GJ.

### May 2010 Final Allocation incident updates

- Total net UFG is 43,667GJ, down from the net interim allocation figure of 51,937GJ.

- The main decreases were (GJ):

Gas Gate	May 2010 Final	May 2010 Interim	Difference	% change
GTH11301	2,300	7,791	-5,491	-70

- The highest negative UFG was at Whakatane WHK32101 (-2,084GJ).
- Gas gate allocation data was loaded successfully into OATIS on 23 June 2011. The Greater Auckland GTA03610 and Takapau TKP05101 gas gates fell outside of OATIS tolerance by -0.197GJ and 0.554GJ respectively.
- 75 gas gates had amended allocation quantities. 11 of these had amended injection quantities, and 10 are unmetred gas gates.

### Second May 2009 Special Allocation incident updates

- As instructed by GIC, the allocation agent published the first of eight special allocations on the 22<sup>nd</sup> June 2011.
- The May 2009 special allocation was successfully completed with Contact Energy resubmitting consumption volumes under allocation groups 4 and 6.
- GAR040 and GAR060 reports were omitted from the special allocation to ensure there is no impact on the SADSVs.
- Total net UFG is 85,172GJ in the second May 2009 special allocation. This is a decrease of 13,239GJ from the first May 2009 special allocation figure of 98,411GJ.
- The main decreases were (GJ):

Gas Gate	May 2009 S2	May 2009 S1	Difference	% change
TWA35610	12,691	15,678	-2,986	-19
GTA03610	33,598	39,930	-6,331	-16

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

Ref#	Date	Rule	Allocation	Participant	Details
2011-168	21 June 11	33	May-10 F	AGCL	Late Final Submissions
2011-169	21 June 11	33	May-10 F	BOPE	Late Final Submissions
2011-170	21 June 11	33	May-10 F	GNVG	Late Final Submissions
2011-174	21 June 11	41	May-10 F	VCTX	Incomplete Injection Data at WHK32101

### 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
2011-162	7-June-11	31.1	May-11 I	GNGC	GTA03610, GTT07701, HST05210, WRK18901
2011-163	7-June-11	31.1	May-11 I	GMTH	TKS17401
2011-164	7-June-11	31.1	May-11 I	GEND	LNB24301, MMU08001, PAP06610, WST03610
2011-165	7-June-11	31.1	May-11 I	GNVG	TWA35610
2011-166	14-June-11	32.1	Feb-11 M	GNVG	NPL12101, WST03610
2011-167	14-June-11	32.1	Feb-11 M	GNGC	GTA03610, HTL16601
2011-171	21-June-11	33.1	May-10 F	CTCT	MNA23402
2011-172	21-June-11	33.1	May-10 F	GEND	KIH19101
2011-173	21-June-11	33.1	May-10 F	GNGC	GTA03610

### 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 table below for the May 2010 consumption period.

Refer to the notice of determinations by the industry body (Gas Industry Co) under the Gas (Downstream Reconciliation) Rules 2008, version 1.4 dated 30 September 2010.

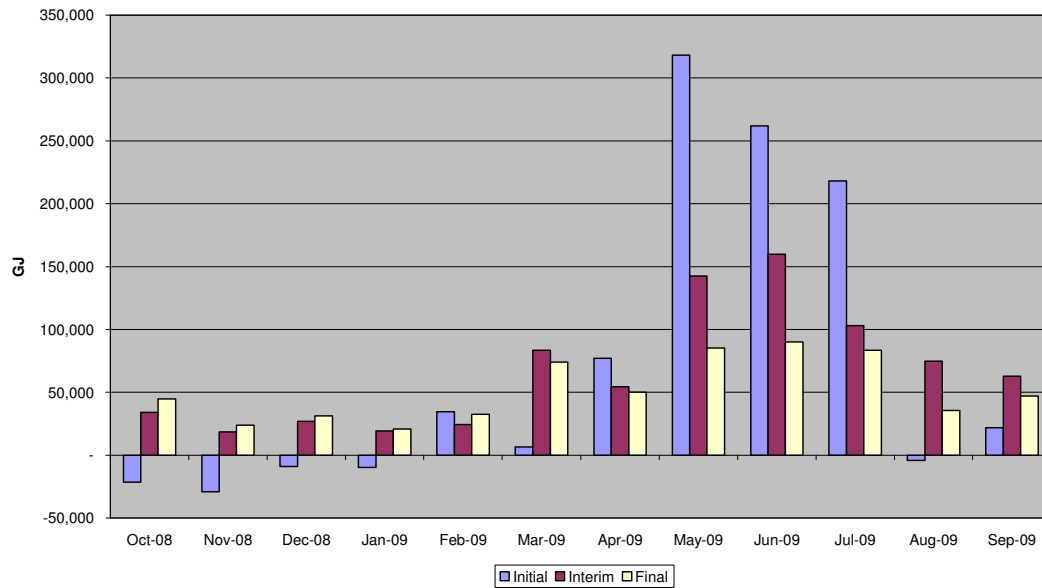
Ref#	Date	Consumption period	Participant	No. of Gas Gates outside $\pm 12.5\%$
2011-	19-June-11	May-10	CTCT	31
2011-	19-June-11	May-10	EDNZ	11
2011-	19-June-11	May-10	EGLT	7
2011-	19-June-11	May-10	GENG	53
2011-	19-June-11	May-10	GEOL	7
2011-	19-June-11	May-10	MEEN	20
2011-	19-June-11	May-10	AGCL	4
2011-	19-June-11	May-10	EGAS	3
2011-	19-June-11	May-10	GNGC	1
2011-	19-June-11	May-10	GNVG	6
2011-	19-June-11	May-10	BOPE	20

### UFG

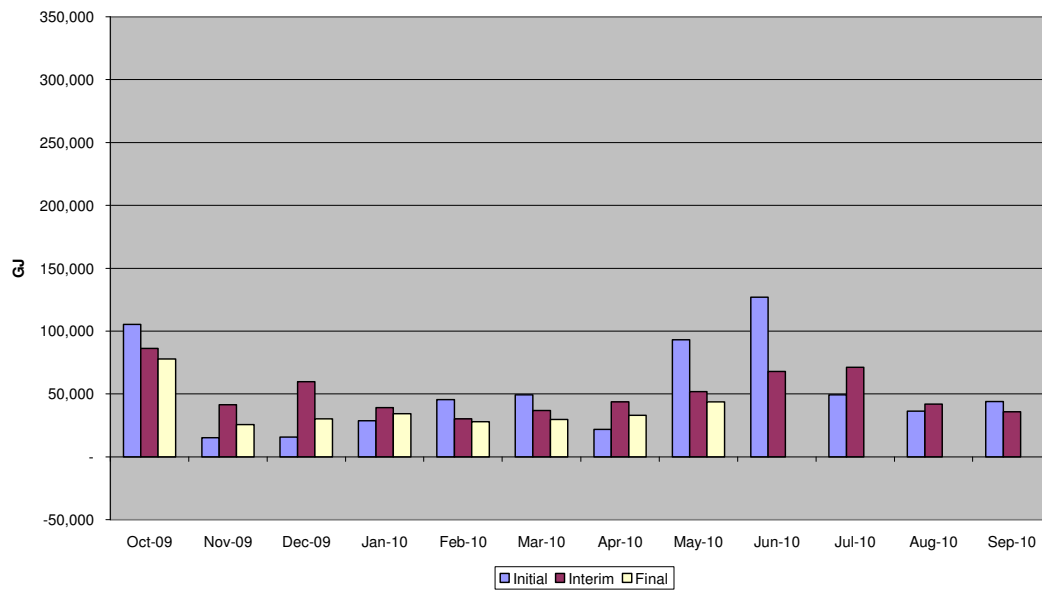
The graphs on the next page illustrate UFG to date, and in the most recent consumption month.

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 2009 initial allocation is actually the total UFG from the April 2009 special allocation.

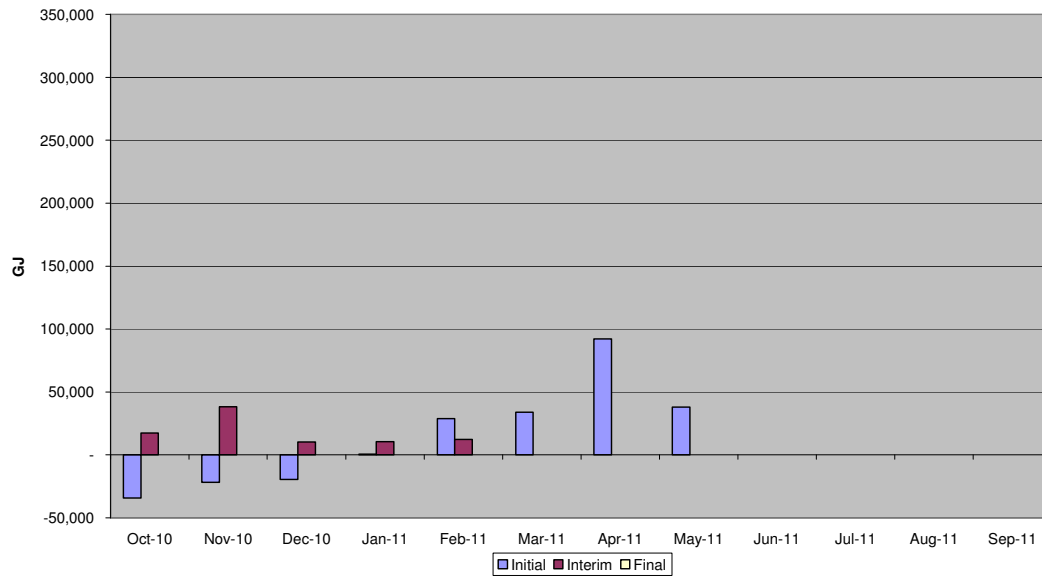
Total Net UFG by Month (Oct-08 to Sep-09)



Total Net UFG by Month (Oct-09 - Sep 10)

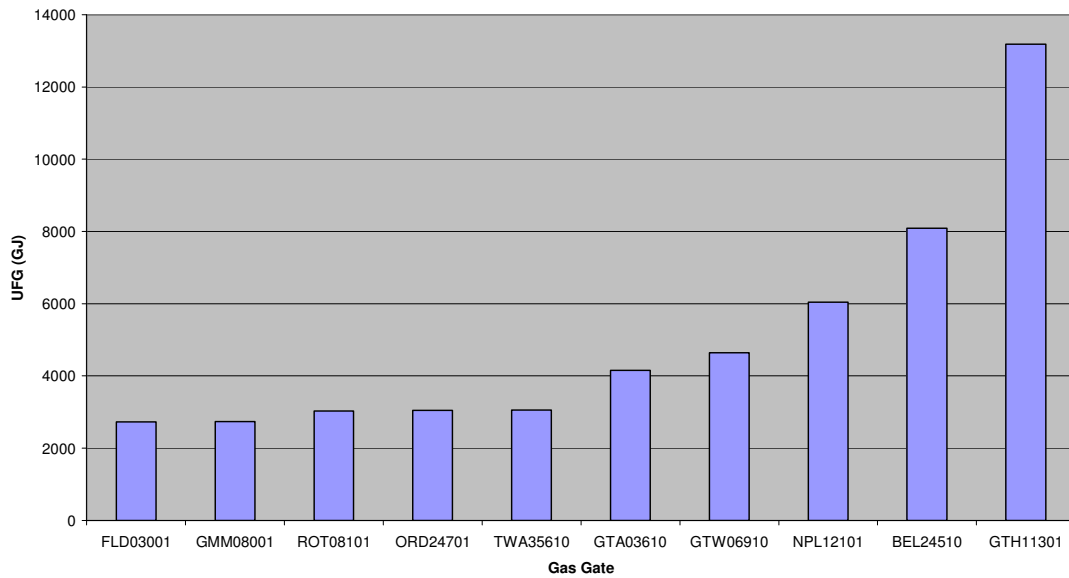


Total Net UFG by Month (Oct-10 - ongoing)



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

May 2011 Initial Allocation - Positive UFG



May 2011 Initial Allocation - Negative UFG



## Rule Compliance

To the best of its knowledge, the allocation agent complied with all other rules during the review period.

### 2.2 Service Provider Agreement Compliance

To the best of its knowledge the allocation agent complied with all other service provider agreement requirements during the review period.

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

June 2011 was an active month for the allocation agent. The net total UFG substantially decreased in the May 2011 initial allocation from the April 2011 initial allocation. The net total UFG in May 2011 is consistent with that recorded in May 2010. In addition, the January 2010 interim allocation was relatively low and remained stable for February 2011 interim.



**Erich Livengood**  
Head of Energy