

Allocation Agent

Self Review Performance Report



May 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

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

2.1 Allocation Agent Operations

The review period for this report is May 2011, 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 April 2011, interim allocation for January 2010 and final allocation for April 2010.

April 2011 Initial Allocation incident updates

- The initial allocation for April 2011 was published on 6 May 2011 without incidents.
- The GAR130 zip file was uploaded on 6 May 2011 for the initial allocation. The Greater Auckland gas gate GTA03610 fell outside of OATIS tolerance limit by 0.012GJ.
- Total net UFG is 92,213GJ in the April 2011 initial allocation. This is an increase of over 58,305GJ from the March 2011 initial allocation figure of 33,908GJ.
- The main increases were:

Gas Gate	Apr 11 initial	Mar 11 initial	Difference	% change
TWA35610	20,369	3,336	17,033	511
BEL24510	14,041	4,784	9,258	194
GTA03610	17,805	13,533	4,272	32
WAG21501	4,088	670	3,417	510
GTW06910	3,830	863	2,967	344
PLN24201	5,169	2,443	2,726	112
NPL12101	3,518	821	2,697	329
HST05210	4,192	1,522	2,670	175

- Whakatane WHK32101 has the highest negative UFG, -1,932GJ.

January 2011 Interim Allocation incident updates

- There were 84 gas gates with allocation amendments in the interim allocation run. Ten gas gates had amended injection quantities, with nine of these being metered gas gates. The largest injection change was -642GJ at Reporoa RPR30801 as a result of a meter correction.

- Total net UFG increased from the initial allocation figure of 394GJ to 10,392GJ for the interim allocation.

The main increases UFG were (GJ):

Gas Gate	Jan 11 Interim	Jan 11 Initial	Difference	% change
GTA03610	7,585	1,688	5,897	349
BEL24510	2,113	-655	2,768	423

- The highest negative UFG was at Whakatane WHK32101 (-2,000GJ).
- The GAR130 zip file was successfully uploaded to OATIS on 16 May 2011. No gas gates fell outside of OATIS tolerance limits in this allocation.

April 2010 Final Allocation incident updates

- Total net UFG is 33,112GJ, down from the net interim allocation figure of 43,869GJ.
- The main decreases were (GJ):

Gas Gate	Apr 10 Final	Apr 10 Interim	Difference	% change
GTH11301	1,240	3,765	-2,525	-67
GTT07701	-1,386	1,563	-2,949	-189

- The highest negative UFG was at Greater Tauranga GTT07701 (-1,386GJ).
- Gas gate allocation data was loaded successfully into OATIS on 19 May 2011. The Greater Auckland gas gate GTA03610 fell outside of OATIS tolerance by -0.01GJ.
- 76 gas gates had amended allocation quantities. Nine of these had amended injection quantities, and are unmetered gas gates.

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

Ref#	Date	Rule	Allocation	Participant	Details
2011-121	5 May 2011	41.1	Apr-11 I	MAUI	Late Injection Data
2011-134	12-May-11	32	Jan-11 M	GNGC	Late Interim Submissions

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
2011-118	5-May-11	31.1	Apr-11 I	CTCT	MNA23402
2011-119	5-May-11	31.1	Apr-11 I	GNVG	BEL24510, NPL12101, ROT08101, TWA35610, HWA20801
2011-120	5-May-11	31.1	Apr-11 I	EDNZ	WAG21501
2011-130	5-May-11	31.1	Apr-11 I	GNGC	GTT07701, WRK18901
2011-131	5-May-11	31.1	Apr-11 I	GMTH	GTA03610
2011-132	12-May-11	32.1	Jan-11 M	GNVG	BEL24510, WST03610
2011-133	12-May-11	32.1	Jan-11 M	GNGC	GTA03610, WHG07501
2011-135	19-May-11	33.1	Apr-10 F	GNVG	PAP06610
2011-136	19-May-11	33.1	Apr-10 F	CTCT	MNA23402
2011-137	19-May-11	33.1	Apr-10 F	EDNZ	TWA35610

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 April 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.

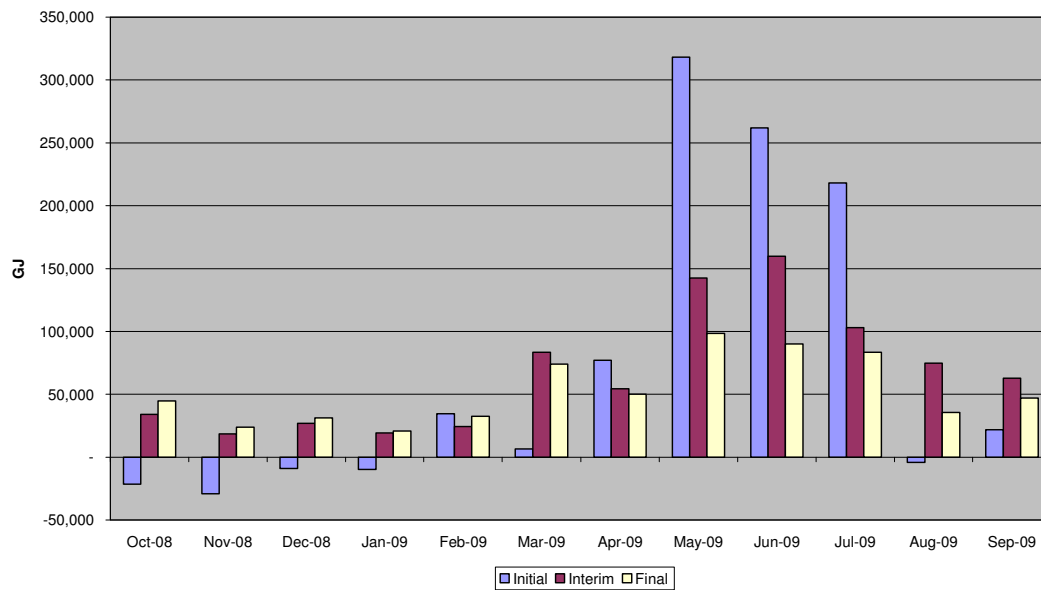
Ref#	Date	Consumption period	Participant	No. of Gas Gates outside $\pm 12.5\%$
2011-	19-May-11	Apr-10	CTCT	32
2011-	19-May-11	Apr-10	GENG	39
2011-	19-May-11	Apr-10	EGLT	8
2011-	19-May-11	Apr-10	MEEN	24
2011-	19-May-11	Apr-10	AGCL	3
2011-	19-May-11	Apr-10	EDNZ	8
2011-	19-May-11	Apr-10	EGAS	2
2011-	19-May-11	Apr-10	GNVG	6
2011-	19-May-11	Apr-10	GNGC	1
2011-	19-May-11	Apr-10	BOPE	14
2011-	19-May-11	Apr-10	GEOL	6

UFG

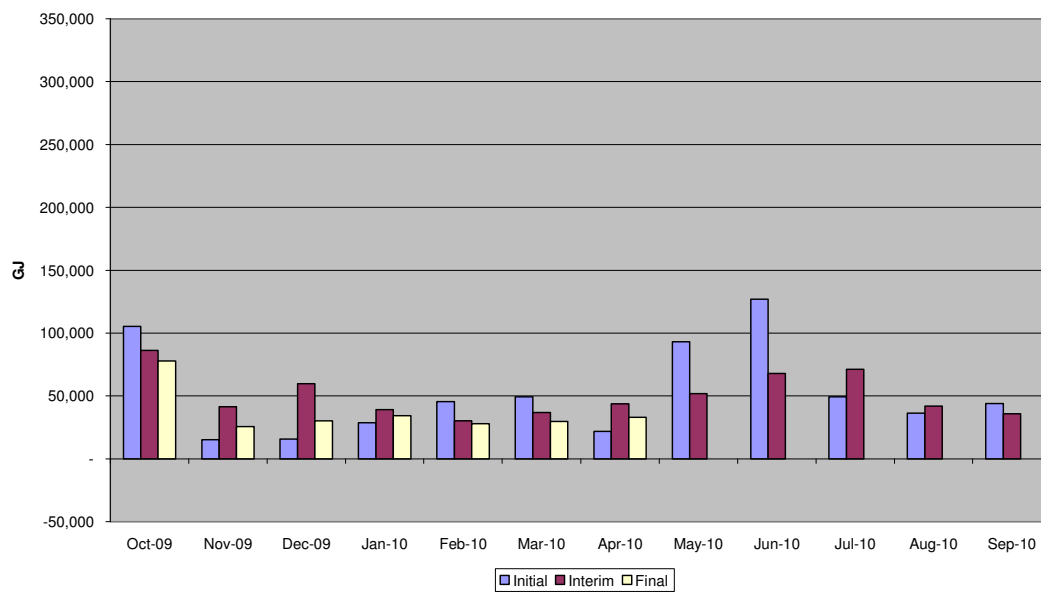
The graphs on the next page illustrate UFG to date, and in the most recent consumption month.

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 May initial allocation is actually the total UFG from the May special allocation.

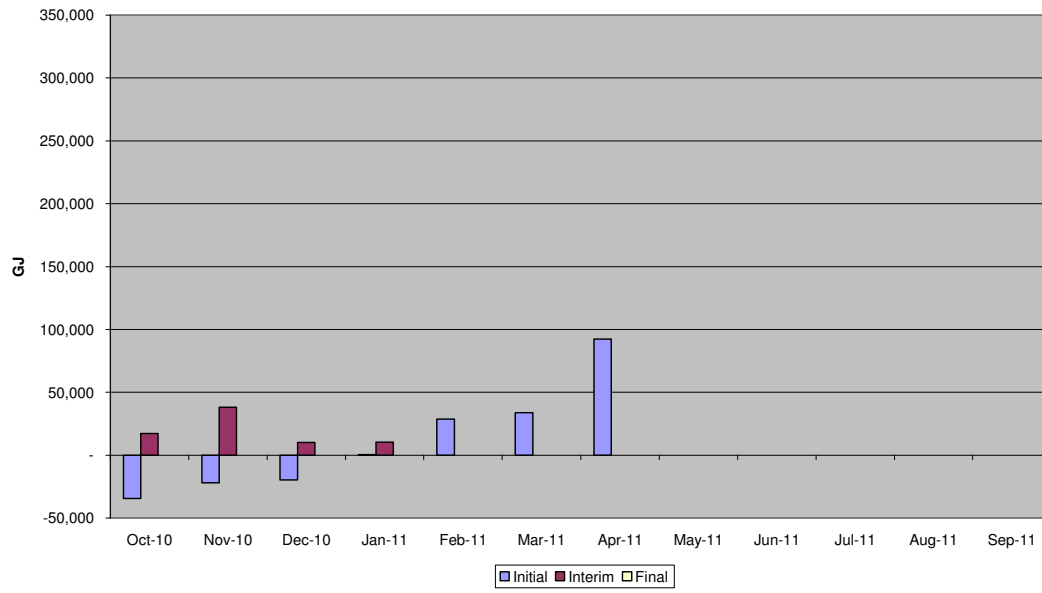
Total Net UFG by Month (Oct-08 to Sep-09)



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

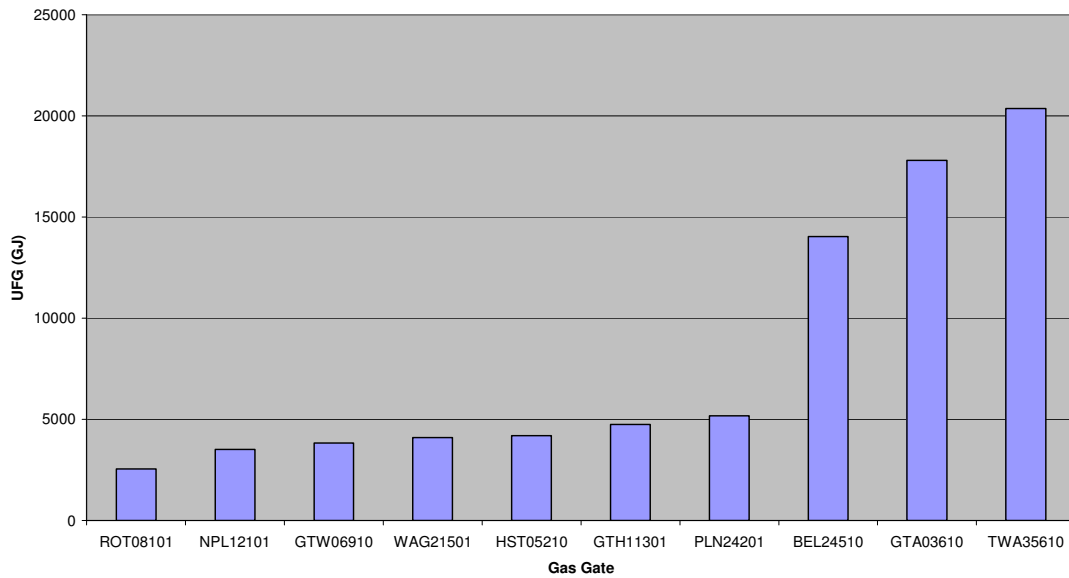


Total Net UFG by Month (Oct-10 - ongoing)

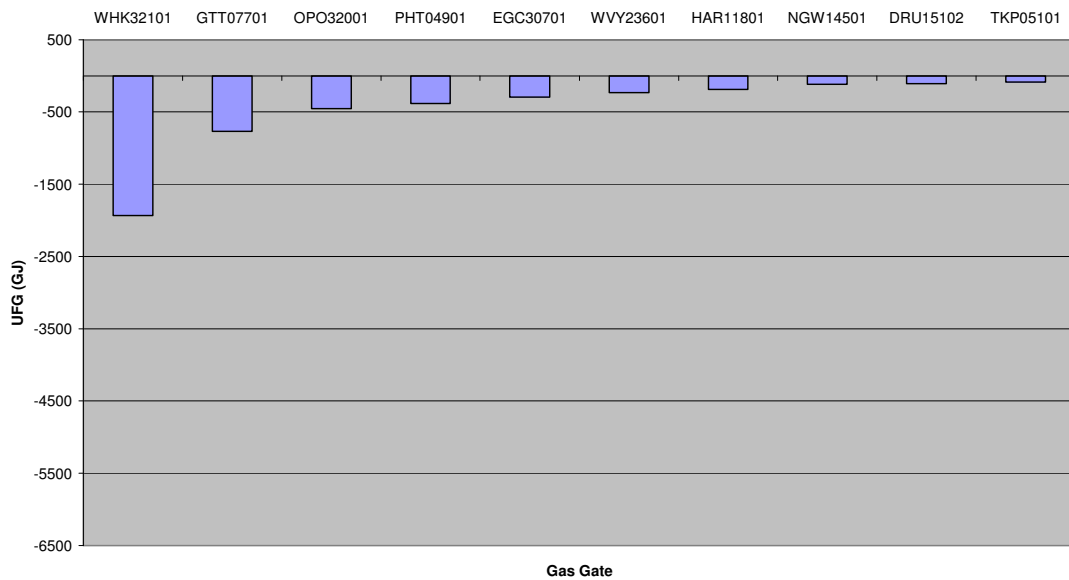


The two graphs below show the top ten positive and negative UFG gas gates for the most recent initial allocation performed.

April 2011 Initial Allocation - Positive UFG



April 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

In May 2011, there were no major incidents. Due to seasonality, net total UFG substantially increased in the April 2011 initial allocation from the March 2011 initial allocation. Also, it is worth noting that the net total UFG has significantly risen in April 2011 from the low net total UFG recorded for April 2010. The net total UFG for the December 2010 interim allocation was relatively low, and remained reasonably stable for January 2011 interim.



Erich Livengood
Head of Energy