



## Allocation Agent

# Monthly Self-Review of Performance

November 2011

This Monthly Self-Review of Performance report has been prepared in accordance with rules 12 and 13 of the Gas (Downstream Reconciliation) Rules 2008.

## Contents

---

<b>Introduction .....</b>	<b>2</b>
<b>Part A: Key Activities under the SPA and the Rules .....</b>	<b>3</b>
Volumes of Unaccounted-For Gas .....	6
<b>Part B: Compliance with obligations under the Rules .....</b>	<b>8</b>
<b>Part C: Compliance with obligations under the SPA.....</b>	<b>13</b>
<b>Part D: Performance against agreed Performance Indicators.....</b>	<b>14</b>
Allocation System Performance .....	14
Ongoing Operations Performance .....	15
Management Reporting Performance .....	15
Gas allocation web portal response times .....	16
<b>Overall Comment .....</b>	<b>17</b>

## Introduction

---

This Allocation Agent Monthly Self-Review of Performance report is a monthly publication produced by NZX Limited. The report features allocation results which provide the most up-to-date and comprehensive picture of the gas allocations that took place this month.

This report includes the allocation agent's compliance with obligations under the Gas (Downstream Reconciliation) Rules 2008 (the 'Rules'), the terms of the Allocation Agent Service Provider Agreement (the 'SPA') and performance standards.

## Part A: Key Activities under the SPA and the Rules

---

In November, the allocation agent performed the initial allocation for October 2011, the interim allocation for July 2011 and the final allocation for October 2010.

### Initial Allocation: October 2011

- Key dates:
  - First published: **7 Nov 2011**
  - Republished: **8 Nov 2011**
  - Allocation results (GAR130 zip file) uploaded to OATIS: **9 Nov 2011**
- Key statistics:
  - Total UFG, as published 8 Nov 2011: -20,581GJ.
  - Total UFG has decreased from the Sep 2011 initial allocation amount of 6,486 GJ.
  - Gas Gates outside of OATIS tolerance limit: Greater Auckland, GTA03610, by 0.139 GJ
- Gas gates where UFG has changed by 2,000 GJ or more, since the previous consumption month:

Gas Gate	Oct 2011 Initial	Sep 2011 Initial	Difference	% change
HST05210	4,880	-2,220	7,100	320
BEL24510	-2,954	-5,769	2,815	49
TWA35610	-3,096	3,722	-6,818	-183
GTA03610	6,647	34,365	-27,719	-81

- Gas Gates where UFG was +/-2,000GJ (rounded amounts):

GTA03610	7,000
HST05210	5,000
RPR30801	2,000
PLN24201	-2,000
BEL24510	-3,000
GTT07701	-3,000
NPL12101	-3,000
TWA35610	-3,000
GTH11301	-4,000

### Initial Allocation: Events

On 3 November 2011, all retailers trading at the Papakura 3 gas gate (PAP06603) had submitted Trader Notifications to cease trading at this gas gate, effective at 30 September 2011 following the decommissioning of this gas gate.

Vector posted an 'open queries' notice on OATIS. In response, the allocation agent estimated daily injection information at the Te Kuiti North gas gate (TKN17001) for the period 1-26 October 2011, applying the methodology in GAU020 process.

During the initial allocation, allocation agent was aware that gas volumes may be low at a number of gas gates for October 2011 due to the critical contingency event over the period 25-30 October 2011.

On 7 November 2011, a retailer advised the allocation agent of a material error with respect to their TOU submissions. This error resulted in significant over submissions at three gas gates. The allocation agent then amended the initial allocation on 8 November 2011, in accordance with rule 44.3.

### Interim Allocation: July 2011

- Key dates:
  - First published: **14 Nov 2011**
  - Allocation results (GAR130 zip file) uploaded to OATIS: **15 Nov 2011**
- Key statistics:
  - Total UFG: 51,524 GJ
  - Total UFG has decreased from the initial allocation amount of 85,982 GJ.
  - No. of gas gates with revised allocation quantities : 83
  - No. of gas gates with revised injection quantities: 15 (included 6 un-metered gas gates)
  - Gas Gates outside of OATIS tolerance limit: None
- Gas gates where UFG has changed by 2,000 GJ or more, since the initial allocation stage:

Gas Gate	Jul 2011 Interim	Jul 2011 Initial	Difference	% change
NPL12101	1,503	3,565	-2,062	-58
GMM08001	1,705	3,780	-2,076	-55
GTA03610	17,258	19,609	-2,351	-12
GTW06910	2,320	5,107	-2,788	-55
BEL24510	2,505	7,450	-4,946	-66
TWA35610	6,630	12,003	-5,373	-45
GTH11301	4,908	11,937	-7,029	-59

- Gas Gates where UFG was +/-2,000GJ (rounded amounts):

GTA03610	17,000
TWA35610	7,000
GTH11301	5,000
PLN24201	4,000
BEL24510	3,000
GTW06910	2,000
ROT08101	2,000
WAG21501	2,000

### Final Allocation: October 2010

- Key dates:
  - First published: **21 Nov 2011**
  - Allocation results (GAR130 zip file) uploaded to OATIS: **22 Nov 2011**
- Key statistics:
  - Total UFG: 30,818 GJ.
  - Total UFG has decreased from the interim allocation amount of 17,269 GJ.
  - No. of gas gates with revised allocation quantities : 74
  - No. of gas gates with revised injection quantities: 10 (all of which are un-metered gas gates)
  - Gas Gates outside of OATIS tolerance limit: None
- Gas gates where UFG has changed by 2,000 GJ or more, since the interim allocation stage:

Gas Gate	Oct 2010 Final	Oct 2010 Interim	Difference	% change
GTA03610	10,369	4,369	5,999	137
BEL24510	2,945	392	2,553	651
PAU20101	3,077	5,520	-2,444	-44
HST05210	-700	2,228	-2,928	-131

- Gas Gates where UFG was +/-2,000GJ (rounded amounts):

Gas Gate	UFG
GTA03610	10,000
TWA35610	7,000
BEL24510	3,000
PAU20101	3,000
PLN24201	3,000
GTH11301	2,000
EGC30701	-2,000
WHK32101	-2,000

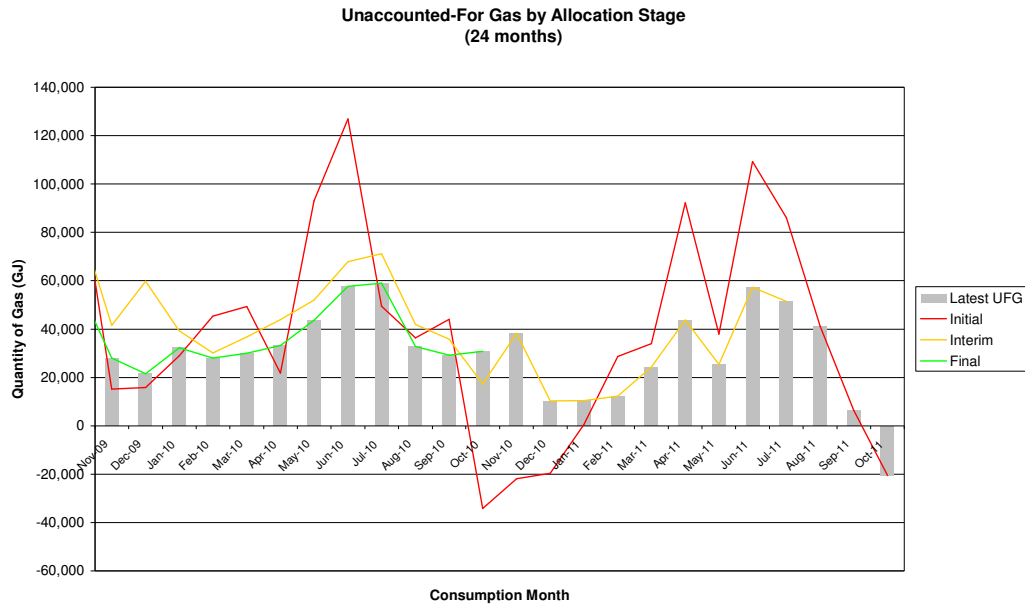
### Volumes of Unaccounted for Gas

The chart below compares the monthly total UFG quantities by allocation stage (initial, interim or final). The grey bars show UFG based on the most up-to-date data available.

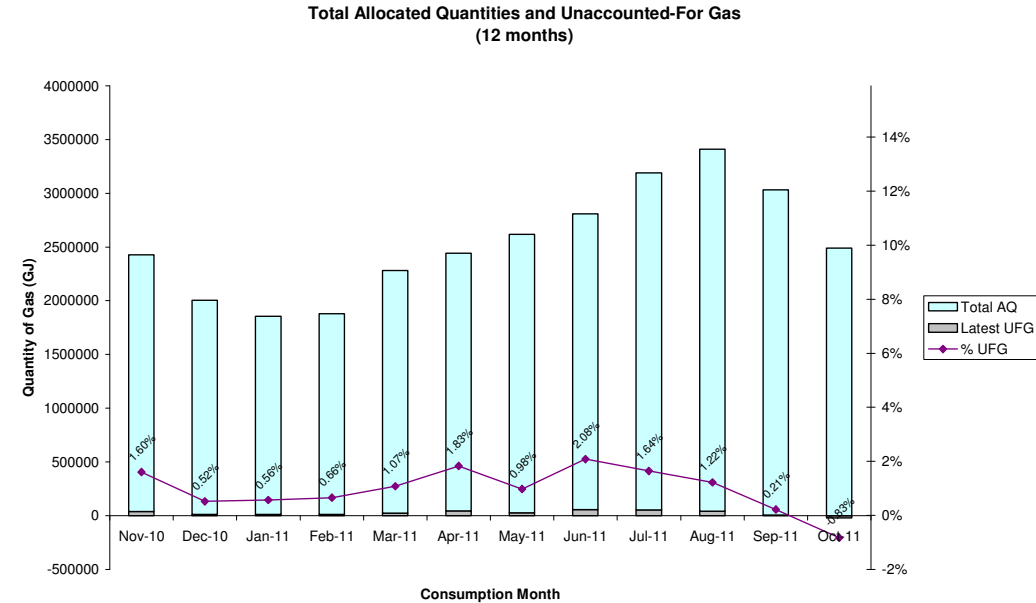
The UFG for October 2011 showed a decrease from September 2011 consistent with previous initial allocations for the same month. UFG recorded in October 2011 was -20,581 GJ, which is comparable to the -34,249 GJ recorded at the initial stage for the same month in 2010. As in the previous year, it is likely that actual UFG for that month will increase once more accurate consumption volumes are used in the interim and final allocation stages.

Also consistent with previous seasonal patterns, UFG has fallen at the interim allocation stage for June 2011.

However, the UFG for October 2010 has increased from the interim allocation stage.



The chart below shows the unaccounted-for gas quantities in comparison to the total allocated quantities of gas consumed each month. The line shows the percentage of UFG in the total allocated quantities of gas.



## Part B: Compliance with obligations under the Rules

### Allocation Agent Rule Compliance

Rule reference	Summary of experience
43.2	Failure to notate allocation results that injection had been estimated at gas gate TKN17001 for the October 2011 initial allocation.  <i>Allocation agent self breach report 2011-334</i>
9.3	Two discrepancies with the GAR030 report for the October 2011 initial allocation period.  <i>Allocation agent self breach report 2011-345</i>
9.3	The second initial allocation for October 2011 did not use latest available data.  <i>Allocation agent self breach report 2011-352</i>

#### *Rule 43.2: Failure to notate allocation results*

Under rule 43.2 of the Gas (Downstream Reconciliation) Rules 2008 ("Rules") the Allocation Agent must notate the allocation results where they include information or quantities that have been estimated by the Allocation Agent.

For the October 2011 initial allocation the Allocation Agent estimated daily injection energy quantities at the Te Kuiti North gas gate (TKN17001) for the period 01/10/2011 to 26/10/2011.

Due to a limitation in the allocation system (the IT system used to support the Allocation Agent) the Allocation Agent was unable to notate the allocation results to indicate that injection quantities had been estimated at gas gate TKN17001, in accordance with rule 43.2. The allocation agent did, though, inform participants via email.

At the time, the allocation system was only able to estimate and notate the allocation results where injection quantities were missing for an entire month. Prior to the breach, work had already commenced on amending the allocation system to address this issue. This work was completed on the 02/12/2011.

#### *Rule 9.2: Discrepancies with the GAR030 Report*

Under rule 9.3 of the Gas (Downstream Reconciliation) Rules 2008 ("Rules") the Allocation Agent must ensure the information on its website is accurate and up to date.

A GAR030 report should provide, for each retailer, a rolling annual total of allocated quantities and UFG, disaggregated by gas gate and allocation group. The requirements for the GAR030 report are specified in the Allocation Agent's Functional Specification.

GAR030 reports form part of the results of each allocation and are provided to retailers and selected distributors on the Allocation Agent's website.

Prior to, and just after, the re-publication of the initial allocation on 8 November 2011 the allocation agent discovered two discrepancies affecting the accuracy of the GAR030 reports.

The two discrepancies identified were:

i) The GAR030 report did not aggregate allocated quantities or UFG for decommissioned gas gates, even for historic consumption periods where the gas gate was still active.

ii) The GAR030 report was aggregating allocated quantities and UFG over 13 months, rather than the 12 months as required by the Functional Specification.

The discrepancies were identified prior to, and just after, the re-publication of the initial allocation on 8 November 2011. The discrepancies are historic, as such, they will have affected the GAR030 reports for the October 2011 initial allocation as well as previously published allocations. The allocation system was amended on the 14 of November to address both discrepancies.

#### *Rule 9.2: Second initial October 2011 allocation did not use latest available data*

Under rule 9.3 of the Gas (Downstream Reconciliation) Rules 2008 ("Rules") the Allocation Agent must ensure the information on its website is accurate and up to date.

On the 8th of November, the allocation agent published the October 2011 second initial allocation without using the latest re-submitted data from a

retailer at the Belmont BEL24510 gas gate due to a processing error by the allocation agent.

If the latest data had been used the allocated quantity for the retailer concerned would have increased by 1,267 GJ at BEL24510.

#### Participant Rule Compliance

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

Breach Notice reference	Rule reference	Allocation	Participant	Summary of experience
2011-346	26.2.1	Oct-11 I	EDNZ	Resubmitted TOU submissions.
2011-350	41.1	Oct-11 I	MAUI	Late provision of injection quantities.
2011-351	26.2.1	Oct-11 I	VCTX	Failure to provide accurate daily energy quantities injected at TKN17001

#### 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.

Rule 41.1 states, that daily injection information must be actual daily energy quantities.

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

Breach Notice reference	Rule reference	Allocation	Participant	Gas Gates Affected
2011-347	31.1	Oct-11 I	GNGC	RAM15201
2011-348	26.2.1, 31.1	Oct-11 I	GNVG	Late and incorrect consumption data. Estimated TOU consumption data provided at ROT08101, HEN74101
2011-349	26.2.1, 41.1	Various	VCTX	DAN05001, TKP05101, PHT04901, MGK05401, HUN15303, TG06902, FOX22101, TWB24802.
2011-353	32.1	Jul-11 M	CTCT	HST05210, MNA23402
2011-354	32.1	Jul-11 M	GNGC	GTH11301, HST05210, TUK06501
2011-355	32.1	Jul-11 M	GNVG	HST05210, WA20801, LAB20201, NPL12101, WST03610
2011-356	33.1	Oct-10 F	GNGC	GTA03610, HUN15301, PLN24201
2011-357	33.1	Oct-10 F	GNVG	BEL24510, DAN05001, KKI23701, PLN24201, NPL12101, WST03610

### Accuracy of Submission Data

Rule 37 requires the accuracy of consumption information provided at the initial allocation stage to be within a specified tolerance level of the information provided at the final allocation stage.

The table below shows the number of retailer submissions that were outside the maximum permissible error threshold of 10%<sup>2</sup> for October 2010.

Breach Notice reference	Consumption period	Participant	No. of gas gates outside $\pm 10\%$
2011-	Oct-10	AGCL	6
2011-	Oct-10	CTCT	48
2011-	Oct-10	EDNZ	11
2011-	Oct-10	EGLT	1
2011-	Oct-10	GEOL	7
2011-	Oct-10	MEEN	21
2011-	Oct-10	GENG	60
2011-	Oct-10	EGAS	4
2011-	Oct-10	GNVG	3
2011-	Oct-10	GNGC	2
2011-	Oct-10	BOPE	19
2011-	Oct-10	GMTH	0

### Part C: Compliance with obligations under the SPA

Agreement reference	Summary of experience
Schedule 3, clause 3.6	Discussed above in Part B.

---

<sup>2</sup> Reconciliation Determination v1.6 dated 28 October 2011.

## Part D: Performance against agreed Performance Indicators

In accordance with rule 11 of the Rules and Schedule 3 of the SPA, the Performance Standards have been met, as below.

### Helpdesk Performance

Performance Standard	Level of performance against Standard over the course of the year	Comments including reasons and/or corrective action taken or proposed
The helpdesk will respond to faults and queries during normal business hours (8.30am to 5.30pm Monday to Friday) according to the performance standards.	Achieved	N/A

### Allocation System Performance

Performance Standard	Level of performance against Standard over the course of the year	Comments including reasons and/or corrective action taken or proposed
Allocation System available to Allocation Participants 99.5% of the time on a 24/7 basis	Achieved	N/A
Unplanned downtime less than 0.2% of time	Achieved	Unplanned outage occurred on 30/11/11, the problem first occurred at 12:08 and was resolved at 13:57 (the standby web portal was still available).
Every accepted transfer of information recorded in the expected manner	Achieved	N/A
The capacity parameters set out in Schedule 2 are achieved	Achieved	N/A

### Ongoing Operations Performance

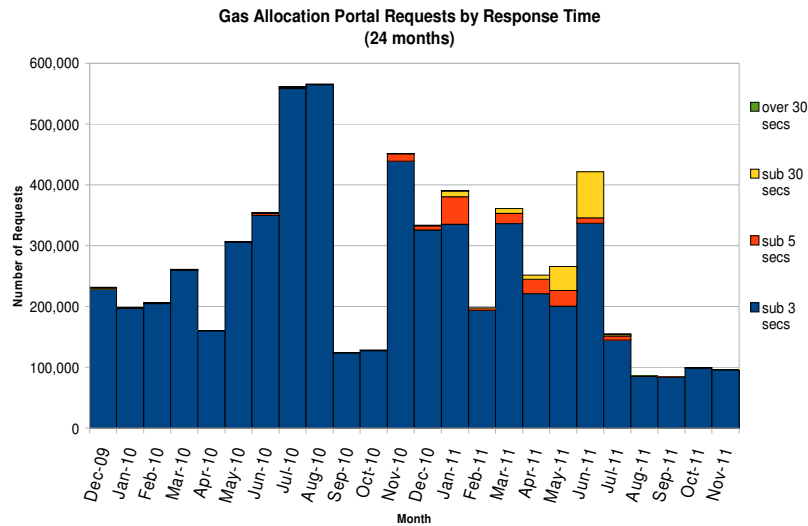
Performance Standard	Level of performance against Standard over the course of the year	Comments including reasons and/or corrective action taken or proposed
100% adherence to rulebook timelines	Achieved	N/A
Information updated on website within one Business Day of becoming available for updating	Achieved	N/A
All allocations made are correctly calculated, i.e. in accordance with the rules, and accurate	Achieved	N/A
All reports contain the required information and are securely directed to the right participant	Not Achieved	See Part B.
All reports required to be published are published and are publicly available	Achieved	N/A

### Management Reporting Performance

Performance Standard	Level of performance against Standard over the course of the year	Comments including reasons and/or corrective action taken or proposed
Incident report provided within the timeframes specified in para 1.13(b) and (c) of Schedule 1	Achieved	In addition to set requirements, an initial incident report was provided.
Monthly reports provided within 5 Business Days of the end of each month	Achieved	N/A
Annual reports provided within 20 Business Days of the end of each Financial Year	Achieved	N/A

## Gas allocation web portal response times

This chart shows, by month, numbers of requests made to the gas allocation web portal by response time. Requests include user initiated actions, such as file uploads or downloads and the number of times a page is refreshed when a user is viewing that page.



Note: Response times have decreased from July 2011 following a web portal upgrade.

## Overall Comment

November was a busy month for the allocation agent with the re-publication of the initial allocation for October 2011 and discovery of historic discrepancies in the allocation system resulting in minor changes to the allocation system.

UFG has decreased over the months heading into summer, consistent with previous years, but UFG for October is very low. This is expected to increase for the interim and initial, as with previous years.

**Erich Livengood**  
Head of Energy

For further information please contact:

Erich Livengood  
Head of Energy  
04 498 0026

Rebecca Young  
Energy Analyst  
04 498 2184

alla@nzx.com