

Allocation Agent

Self Review Performance Report

October 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 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

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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 September 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 September 2010, interim allocation for June 2010 and final allocation for September 2009.
- The May 2009 initial allocation was successfully re-run with re-calculated AUFG factors for 2009/2010 and E-Gas amended consumption. New allocation results have been emailed to participants.

September 2010 Initial Allocation incidents

- The GAR130 zip file was successfully uploaded on 7 October 2010. The Greater Auckland gas gate fell outside of OATIS tolerance limit (-0.137GJ).
- The daily injection data at Waitoki WTK33901 was received from Vector at 1500 on 6 October 2010, approximately 3 hours after the deadline.
- The total net UFG is 44,027GJ for the September 2010 initial allocation. This is up from the August 2010 initial allocation figure of 36,347GJ.
- The main increases/decreases were:

Gas Gate	Sep 10 Initial	Aug 10 Initial	Difference	% change
GTH11301	8,747	1,501	7,246	483
GTA03610	18,053	11,106	6,947	63
PLN24201	7,260	3,266	3,994	122
BEL24510	-1,420	832	-2,253	-271
HST05210	1,203	3,921	-2,718	-69
TWA35610	-1,630	2,017	-3,647	-181
PAU20101	-4,628	-112	-4,516	-4,035

- Paraparaumu PAU20101 has the highest negative UFG, -4,628GJ. The allocation agent noticed a decrease of approximately 7,000GJ in total injection versus a decrease of just 3,000GJ in total consumption.

June 2010 Interim Allocation incident updates

- There were 80 gas gates with allocation amendments in the interim allocation run. 12 of these gas gates had amended injection quantities, but only 2 are metered gas gates. The largest change in injection for the metered gas gates was at Lake Alice LAB20201 (126.33GJ).

- Total net UFG decreased from the initial allocation figure of 126,931GJ to 67,886GJ for the interim allocation.

The main decreases in UFG were (GJ):

Gas Gate	Jun 10 Interim	Jun 10 Initial	Difference	% change
GTK19101	-442	1,846	-2,288	-124
GTW06910	2,605	5,292	-2,687	-51
GTT07701	4	3,229	-3,225	-100
ROT08101	2,463	6,715	-4,252	-63
BEL24510	3,932	8,674	-4,742	-55
NPL12101	4,365	9,692	-5,327	-55
GTA03610	19,905	28,092	-8,187	-29
GTH11301	8,258	20,329	-12,071	-59

- The highest negative UFG was at Whakatane WHK32101 (-2,129GJ).
- The GAR130 zip file was successfully uploaded to OATIS on 15 October 2010. Three gas gates fell outside of OATIS tolerance limits: Greater Auckland GTA03610 (-0.152GJ), Edgumbe EGC30701 (7.879GJ), and Waitotara WTT20301 (7.069GJ). Edgumbe and Waitotara fell outside of tolerance because TOU consumption was zero.

September 2009 Final Allocation incident updates

- Total net UFG is 47,210GJ, down from the net interim allocation figure of 62,881GJ.
- The main decreases were (GJ):

Gas Gate	Sep 09 Final	Sep 09 Interim	Difference	% change
TWA35610	4,031	11,768	-7,738	-66
BEL24510	1,848	3,346	-1,498	-45

- The highest negative UFG was at Edgumbe DF EGC30701 (-2,861GJ).
- Gas gate allocation data was loaded successfully into OATIS on 22 October 2010, with the Greater Auckland gas gate falling outside of OATIS tolerance limits (-0.223GJ).
- 83 gas gates had amended allocation quantities. 12 of these had amended injection quantities, only Tawa A TWA35610 is a metered gas gate. The largest change in injection was -6,917GJ at Tawa A as a result of a meter correction on 20 Jan 2010.

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

Consumption Period	Participant	Notification Type	Date	Details
September 2010	GNVG	As-Billed	13-Oct-2010	Submission at RAG33401 has no trading notification

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

Ref#	Date	Rule	Allocation	Participant	Details
2010-319	5-Oct-10	39.2.3	Sep-10 I	GEND	Late T/N at FLD03001
2010-320	5-Jul-10	39.2.3	Jul-10 I	CTCT	Late T/N at PAE23001
2010-323	5-Jul-10	41.1	Sep-10 I	VCTX	Late injection data at WTK33901
2010-331	20-Oct-10	33	Sep-09 F	GMTH	Late GAS040 submission

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
2010-318	6-Oct-10	31.1	Sep-10 I	GEND	WST03610
2010-321	6-Oct-10	31.1	Sep-10 I	GNGC	GTA03610, HAR11801, LVN24401
2010-322	6-Oct-10	31.1	Sep-10 I	GNVG	DAN05001, KKI23701, MTN23801
2010-324	13-Oct-10	32.1	Jun-10 M	GMTH	TKS17401
2010-325	13-Oct-10	32.1	Jun-10 M	GNGC	BEL24510
2010-326	13-Oct-10	32.1	Jun-10 M	GNVG	DAN05001, NPL12101, WST03610
2010-327	13-Oct-10	32.1	Jun-10 M	GEND	KIH19101
2010-328	20-Oct-10	33.1	Sep-09 F	EDNZ	LAB20201
2010-329	20-Oct-10	33.1	Sep-09 F	GNGC	GTA03610, WHG07501
2010-330	20-Oct-10	33.1	Sep-09 F	GEND	NPL12101

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 September 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.

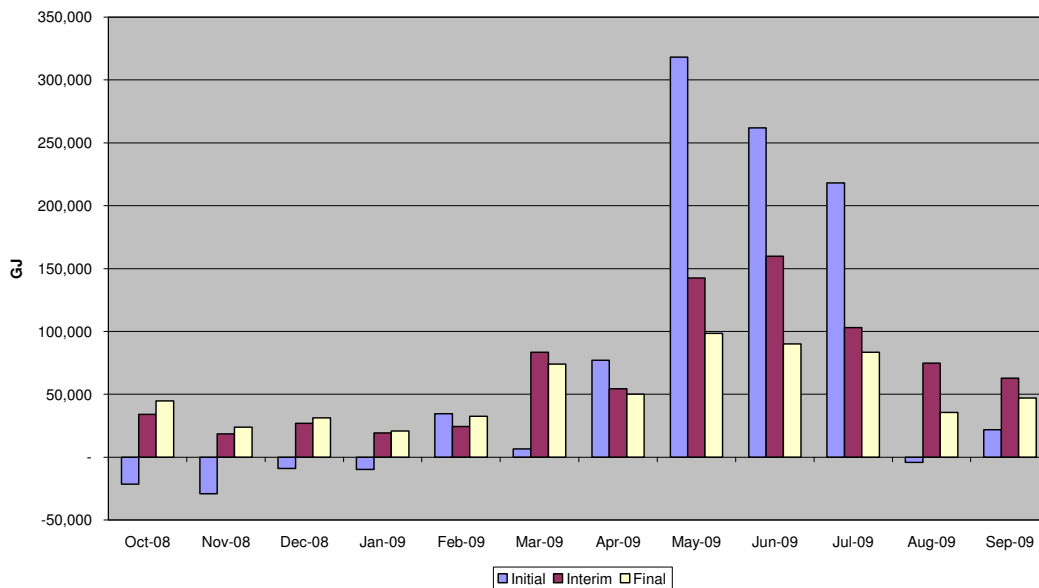
Ref#	Date	Consumption period	Participant	No. of Gas Gates outside $\pm 15\%$
2010-	20-Oct-10	Sep-09	CTCT	43
2010-	20-Oct-10	Sep-09	EGLT	12
2010-	20-Oct-10	Sep-09	GENG	26
2010-	20-Oct-10	Sep-09	MEEN	14
2010-	20-Oct-10	Sep-09	AGCL	9
2010-	20-Oct-10	Sep-09	EDNZ	9
2010-	20-Oct-10	Sep-09	EGAS	3
2010-	20-Oct-10	Sep-09	GNGC	1
2010-	20-Oct-10	Sep-09	GNVG	1
2010-	20-Oct-10	Sep-09	BOPE	6

UFG

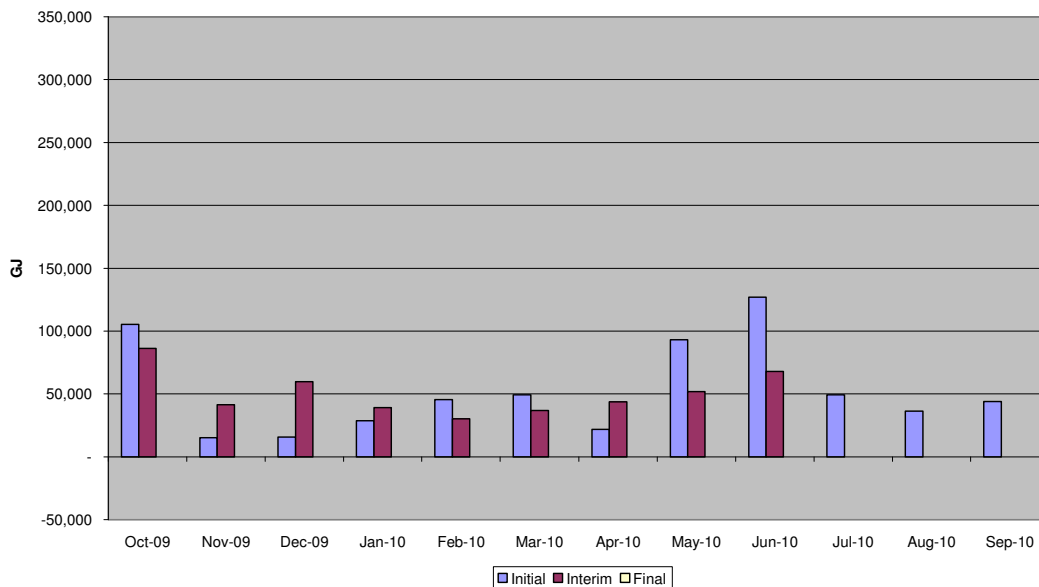
The below graphs illustrate UFG to date, and in the most recent consumption month.

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 (Oct-08 to Sep-09)

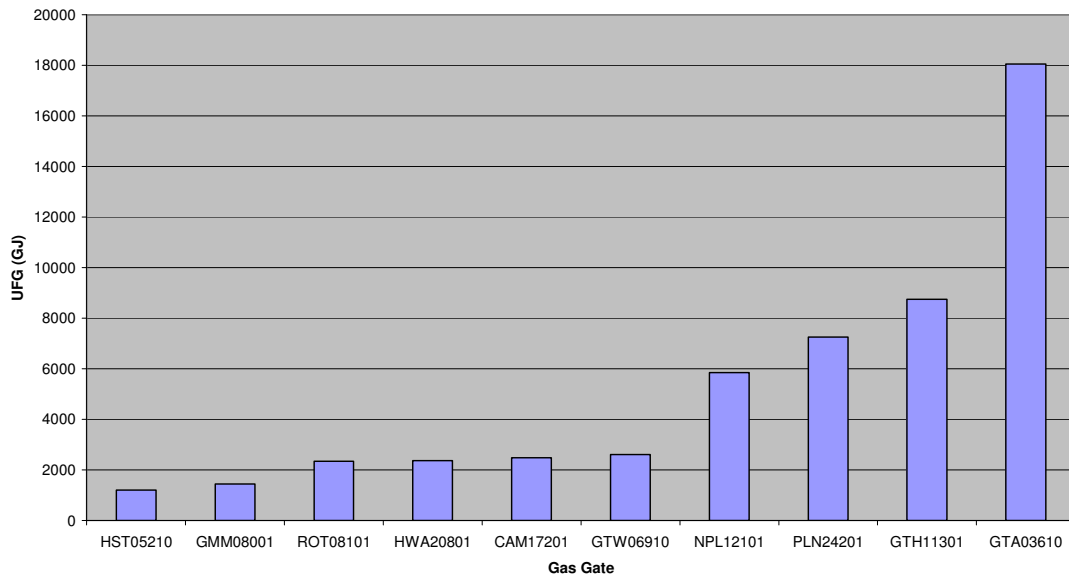


Total Net UFG by Month (Oct-09 - ongoing)

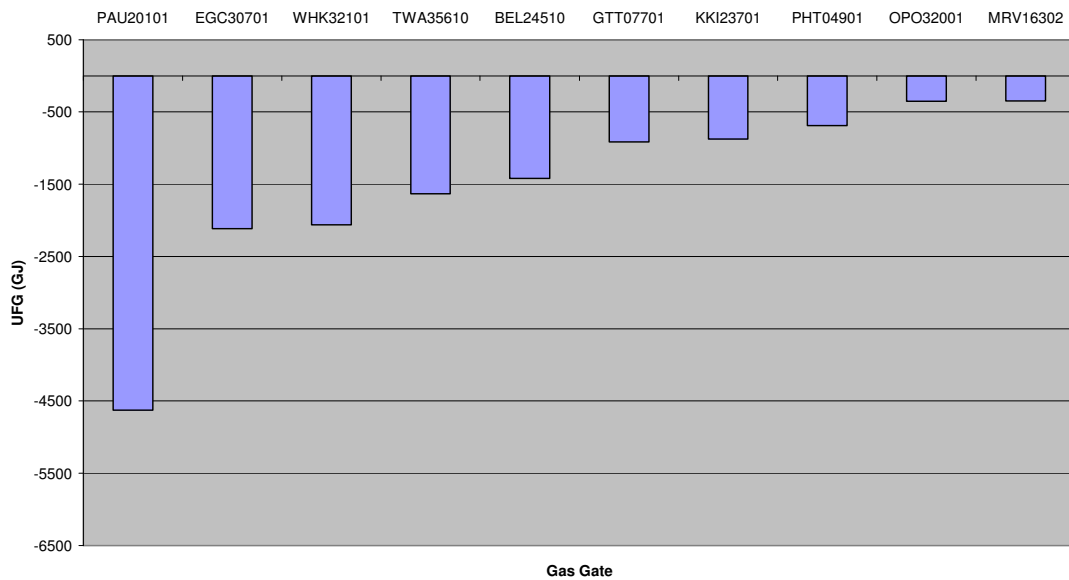


The two graphs below show the top ten positive and negative UFG gas gates for the most recent initial allocation performed.

September 2010 Initial Allocation - Positive UFG



September 2010 Initial Allocation - Negative UFG



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.

2.2 Service Provider Agreement Compliance

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

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

October 2010 was business as usual for the allocation agent. Negative UFG was noticeably high at Paraparaumu PAU20101 in the September 2010 initial allocation, but overall, the total net UFG seems to be in line with the September 2009 final allocation figure. The allocation agent also performed a re-run of the May 2009 initial allocation, and emailed the results to participants as instructed by GIC.



Heather Kirkham
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