

## **Allocation Agent**

## **Self Review Performance Report**



**October 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.

## Table of Contents

<b>1. Introduction .....</b>	<b>3</b>
1.1 Purpose .....	3
1.2 Contact Details .....	3
<b>2. Self Review Report .....</b>	<b>4</b>
2.1 Allocation Agent Operations .....	4
2.2 Performance Standards .....	12
2.3 Overall Comment.....	14

## **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

04 498 0026

#### **Allocation Operations**

Rebecca Young, Energy Analyst

04 498 2184

## 2. Self Review Report

---

### 2.1 Allocation Agent Operations

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

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

- The initial allocation for September 2011, interim allocation for June 2011 and final allocation for September 2010.
- The allocation agent was informed by Vector that they have decommissioned the Papakura 3 (PAP06603) gas gate, effective from 30<sup>th</sup> of September. The Greater Auckland gas gate is to include the recently commissioned Papakura B (PAP06604) gas gate, with effect from 1 September 2011.
- A critical contingency event occurred over the period 25<sup>th</sup> to 30<sup>th</sup> of October. This will affect the October 2011 initial allocation results in November.

#### September 2011 Initial Allocation incident updates

- The initial allocation for September 2011 was published on the 7<sup>th</sup> of October 2011. This was superseded by a second initial allocation, published on the 10<sup>th</sup> of October 2011 with resubmissions from a retailer.
- The GAR130 zip file was uploaded on the 7th of October 2011 and then, on the 10th of October for the second initial allocation. The Greater Auckland (GTA03610) gas gate fell outside of OATIS tolerance limit by 0.107GJ.
- Total net UFG is 6,486GJ in the September 2011 second initial allocation. This is a decrease of 34,735GJ from the August 2011 initial allocation figure of 41,221GJ.
- The main increases/decreases were:

Gas Gate	Sep 11 Initial	Aug 11 Initial	Difference	% change
PAU20101	-1,082	-7,453	6,371	85
GTH11301	-4,867	-9,442	4,575	48
GIS07810	205	2,411	-2,206	-92
NPL12101	-3,313	-1,092	-2,222	-204
WAG21501	471	4,513	-4,042	-90
PLN24201	-2,438	2,576	-5,014	-195
GTA03610	34,365	39,539	-5,173	-13
HST05210	-2,220	3,797	-6,018	-158
TWA35610	3,722	15,309	-11,586	-76

- Paraparaumu (PAU20101) had extremely low or zero volumes for the 13<sup>th</sup> of June to the 4<sup>th</sup> of July. This resulted in the consumption being allocated into the periods before and after these dates, which is the reason for high volumes in August.
- Vector published a metering correction for Okato (OKA13201) on OATIS, after investigation by the allocation agent. The metering correction has been calculated and applied for the period of the 30<sup>th</sup> of August to the 13<sup>th</sup> of October. The corrected quantities were not used in the August and September 2011 initial allocations (see Notice of Breach, 2011-329).

### June 2011 Interim Allocation incident updates

- There were 85 gas gates with allocation amendments in the interim allocation run. Of these gas gates, 11 had amended injection quantities, with nine of these being un-metered gas gates.
- Total net UFG decreased from the initial allocation figure of 109,266GJ to 57,234GJ for the interim allocation.

The main decreases in UFG (in GJ):

Gas Gate	Jun 11 Interim	Jun 11 Initial	Difference	% change
PAU20101	5,230	-8,533	13,763	161
GTA03610	18,382	16,233	2,149	13
GTT07701	-691	1,633	-2,324	-142
NPL12101	2,910	5,777	-2,867	-50
PLN24201	2,112	5,724	-3,613	-63
ROT08101	1,464	5,079	-3,615	-71
GTW06910	1,875	5,677	-3,802	-67
BEL24510	1,854	10,384	-8,530	-82
TWA35610	13,011	24,948	-11,937	-48
GTH11301	3,907	19,078	-15,171	-80

- The highest negative UFG was at Whakatane WHK32101 at -1,282GJ.
- The GAR130 zip file was successfully uploaded to OATIS on the 17<sup>th</sup> of October. No gas gates fell outside of OATIS tolerance limits.

### September 2010 Final Allocation incident updates

- Total net UFG is 29,177GJ, down from the net interim allocation figure of 35,737GJ.
- The main decrease in UFG (in GJ):

Gas Gate	Sep 10 Final	Sep 10 Interim	Difference	% change
HST05210	-1,487	2,316	-3,803	-164

- The highest negative UFG was at Edgecumbe EGC30701 (-2,116GJ).

- Gas gate allocation data was loaded successfully into OATIS on 25 October 2011. The Greater Auckland GTA03610 gas gate fell outside of OATIS tolerance at 0.171GJ.
- 70 gas gates had amended allocation quantities. Eight of these had amended injection quantities, and all are un-metered gas gates.

### **Papakura 3 gas gate and consultation on expanding GTA determination**

- On the 7th of October, the allocation agent was informed by Vector that they have decommissioned the Papakura 3 (PAP06603) gas gate, effective from 30/09/2011. The GIC sent out a proposal to all participants regarding the Papakura gas gate and consultation on expanding the GTA determination. The GIC determined that the Greater Auckland gas gate is to include the recently commissioned Papakura B (PAP06604) gas gate, with effect from 1 September 2011.
- For the September 2011 interim allocation performed in January 2012, retailers with customers at Papakura B may submit their consumption volumes for those customers either against Papakura B or against the Greater Auckland notional gate. All affected retailers have up to date trading notifications, ceasing trading at Papakura 3 on 30 September 2011 and commencing trading at Papakura B on 1 September 2011. In January, retailers will need to zero out their Papakura 3 submissions for the consumption month of September 2011 at the interim allocation, and submit the volumes against either Papakura B or Greater Auckland, to ensure there is no double-counting.

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

Reference	Date	Rule	Allocation	Participant	Details
2011-308	5-Oct-11	39.2.3	Sep-11 I	EDNZ	Late Trader Notification
2011-312	6-Oct-11	26.2.1	Sep-11 I	CTCT	Failure to provide correct non-TOU consumption by the required time
2011-313	5-Oct-11	39.2.2(b)	Sep-11 I	GEND	Incorrect Trader Notification
2011-314	6-Oct-11	31	Sep-11 I	MEEN	Late submissions
2011-315	7-Oct-11	45.1.3	Sep-11 I	NGCD	Incorrect gas gate decommissioning notice for gas gate PAP06603
2011-324	20-Oct-11	52.2.3	Sep-10	ALLA	Late publication of the GAR080 report
2011-329	6-Sep-11	26.2, 41.1	Aug-11 I Sep-11 I Oct-11 I	VCTX	Failure to provide actual daily energy quantities injected at OKA13201

### 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. Under rule 41.1 daily injection information must be actual daily energy quantities. The following are alleged breaches of these rules:

Reference	Date	Rule	Allocation	Participant	Gas Gates Affected
2011-307	6-Oct-11	31.1	Sep-11 I	CTCT	EGC30701, HST05210, KKI23701, MMU08001
2011-309	6-Oct-11	31.1	Sep-11 I	GMTH	WAG21501
2011-310	6-Oct-11	31.1	Sep-11 I	GNGC	HST05210, TWA35610
2011-311	6-Oct-11	31.1	Sep-11 I	GNVG	FLD03001, WST03610
2011-316	6-Oct-11	41.1	Sep-11 I	VCTX	BMC17901
2011-317	6-Oct-11	26.2.1, 41.1	Jul-11 I, Aug-11 I, Sep-11 I	VCTX	OPO32001
2011-318	6-Oct-11	41.1	Sep-11 I	VCTX	GIS07810
2011-319	13-Oct-11	32.1	Jun-11 M	CTCT	HST05210
2011-320	13-Oct-11	32.1	Jun-11 M	GEND	PAP06610, WST03610, NPL12101, TWA35610
2011-321	13-Oct-11	32.1	Jun-11 M	GMTH	WAG21501
2011-322	13-Oct-11	32.1	Jun-11 M	GNGC	BEL24510, GTA03610
2011-323	13-Oct-11	32.1	Jun-11 M	GNVG	WST03610
2011-325	20-Oct-11	33.1	Sep-10 F	GEND	WST03610
2011-326	20-Oct-11	33.1	Sep-10 F	GMTH	WAG21501
2011-327	20-Oct-11	33.1	Sep-10 F	GNGC	GTA03610, LVN24401
2011-328	20-Oct-11	33.1	Sep-10 F	GNVG	DAN05001, KKI23701, MTN23801, PLN24201, WST03610

### 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 September 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 October 2010.

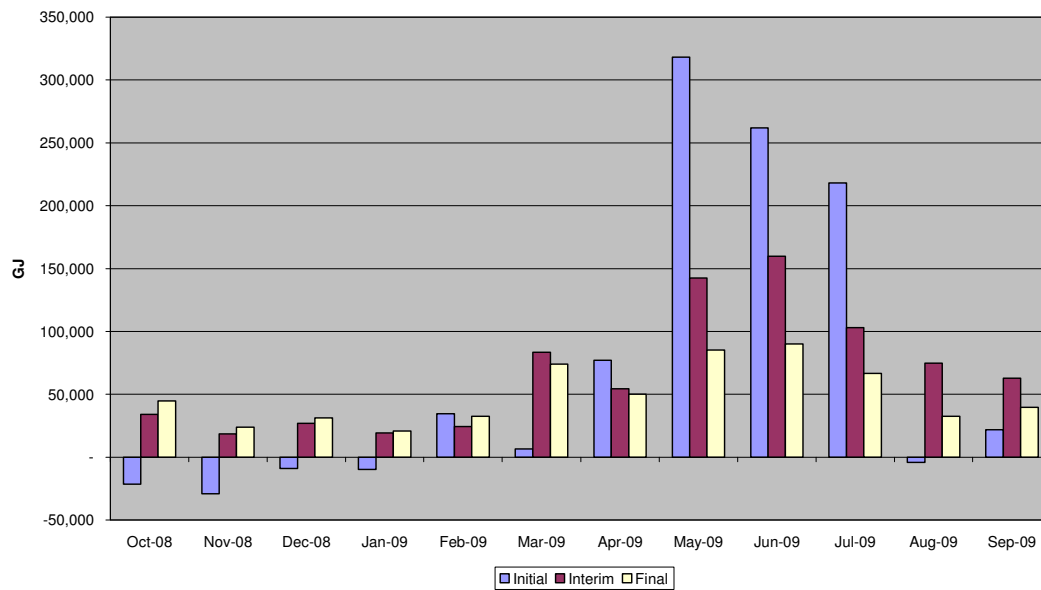
Ref#	Date	Consumption period	Participant	No. of Gas Gates outside $\pm 12.5\%$
2011-	Oct-11	Sep-10	AGCL	4
2011-	Oct-11	Sep-10	CTCT	27
2011-	Oct-11	Sep-10	GENG	30
2011-	Oct-11	Sep-10	EGLT	4
2011-	Oct-11	Sep-10	GEOL	3
2011-	Oct-11	Sep-10	MEEN	13
2011-	Oct-11	Sep-10	EDNZ	7
2011-	Oct-11	Sep-10	EGAS	1
2011-	Oct-11	Sep-10	GNGC	0
2011-	Oct-11	Sep-10	GNVG	2
2011-	Oct-11	Sep-10	BOPE	8
2011-	Oct-11	Sep-10	GMTH	0

### UFG

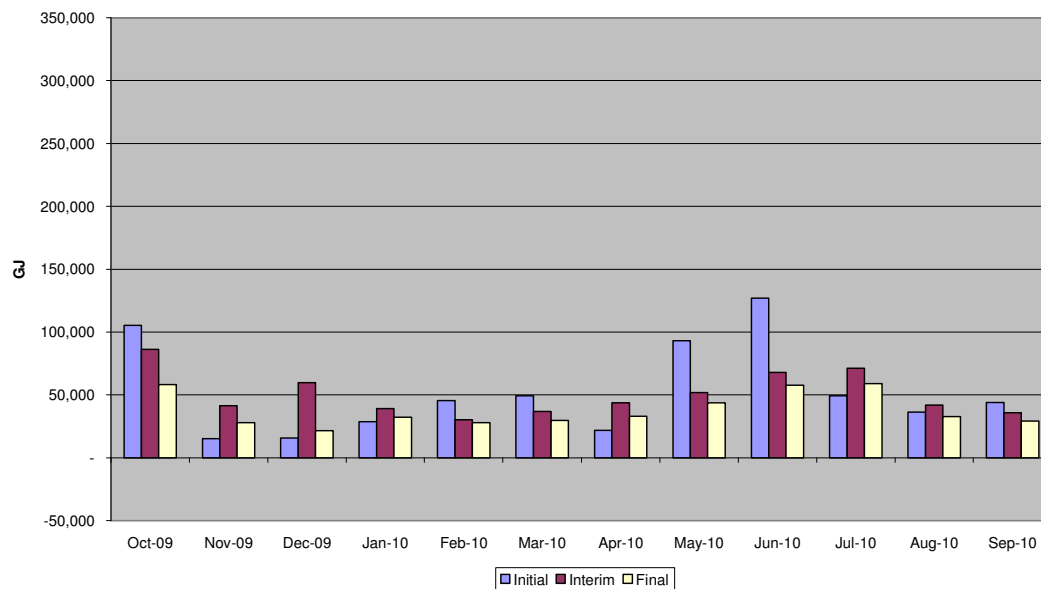
The graphs on the next page illustrate UFG to date, and in the most recent consumption month.

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, interim or final and is shown below. For example, the total UFG shown for the April 2009 initial allocation is actually the total UFG from the April 2009 special allocation.

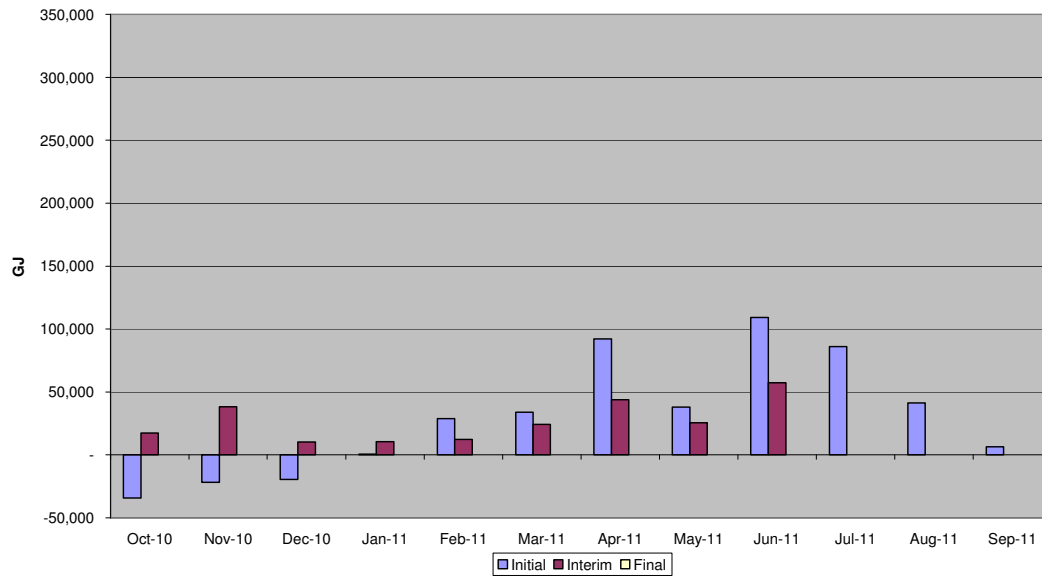
Total Net UFG by Month (Oct-08 to Sep-09)



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

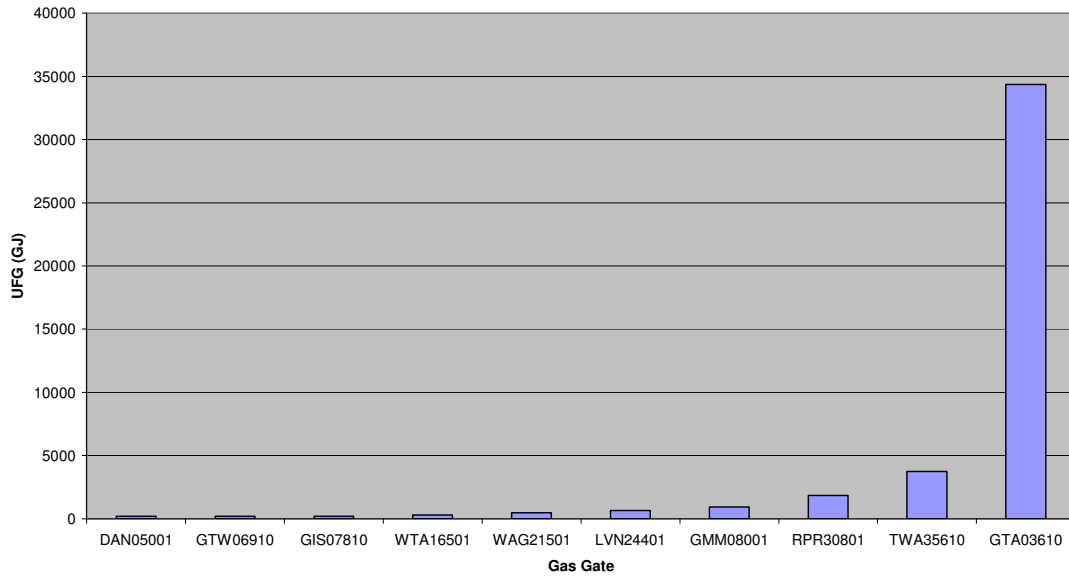


Total Net UFG by Month (Oct-10 - ongoing)

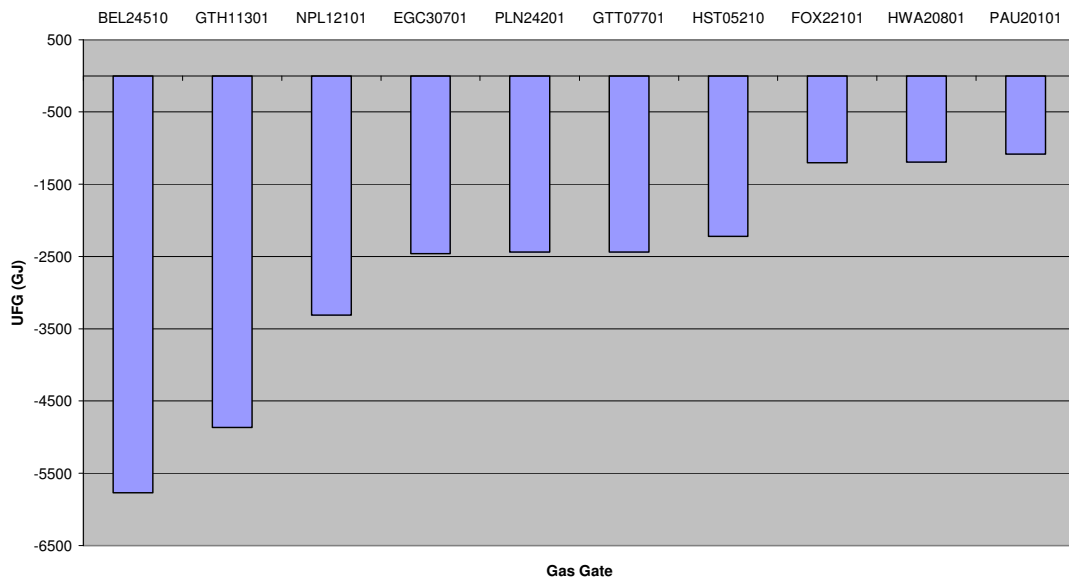


The two graphs below show the top ten positive and negative UFG gas gates for the most recent initial allocation performed.

September 2011 Initial Allocation - Positive UFG



September 2011 Initial Allocation - Negative UFG



## Rule Compliance

Rule 52.2.3 states that the allocation agent must publish the results of the billed versus submission quantities comparison (GAR080) performed under rule 52.2.2 by 0800 hours on the 14<sup>th</sup> business day of each month.

The GAR080 report for September 2011 was published at 0814 hours on the 20<sup>th</sup> of October 2011 (14<sup>th</sup> business day). As soon as the allocation agent realised the GAR080 report had not been published, the report was published in a timely manner.

The allocation agent has performed a thorough check of the allocation procedures and automated calendar reminders to ensure the incident will not reoccur and we believe there has been no market impact from the late publication of the report.

## Service Provider Agreement Compliance

Agreement Reference	Description
Schedule 3, clause 3.6	Late publication of GAR080 report. Discussed above.

## 2.2 Performance Standards

The following tables and charts detail allocation agent performance against agreed performance indicators.

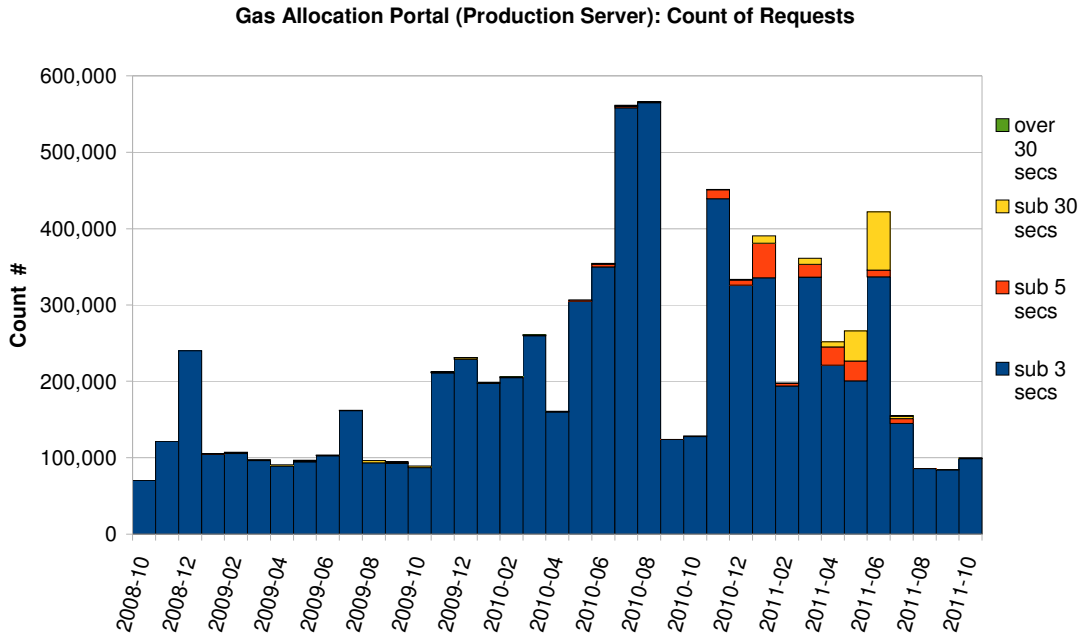
### Allocation System Performance

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	✓	

\* The gas allocation portal was available for 100% of the time.

**Gas allocation web portal response times**

The chart below shows the number of requests made to the gas allocation web portal, per month, categorised 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.



**Ongoing Operations Performance**

Performance Standard	Achieved	Corrective Action
100% adherence to rulebook timelines	x	See above
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**

<b>Performance Standard</b>	<b>Achieved</b>	<b>Corrective Action</b>
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	

**2.3 Overall Comment**

October was an eventful month. With our advice and assistance being sought across a range of activity, the allocation agent was kept busy. October featured two events of particular note – the decommissioning of the Papakura 3 gas gate and commissioning of the Papakura B gas gate, and the month ended with a critical contingency event on the Maui Pipeline.



**Erich Livengood**  
**Head of Energy**