



## **Allocation Agent**

## **Self Review Performance Report**

**February 2009**

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 M-co 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 Matters**

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Ashley Milkop, Energy Services Manager	498 0028

#### **Allocation Operations**

Jo Hardy, Reconciliation Analyst	498 0053
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## 2. Self Review Report

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### 2.1 Allocation Agent Operations

The review period for this report is February 2009.

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

- The allocation for January 2009 was performed and published on Monday 9 February.
- The estimation process was used for the first time in production due to late submissions at two gas gates. Refer to breach 2009-7
- The initial January 2009 allocation was re-run and published on Tuesday 10 February under rule 44.3 due to OnGas having late submissions at a number of Gas Gates. Refer to breach 2009-11.
- OnGas requested on 17 February that the allocation agent request a special allocation for January 2009 as they have found subsequent errors in their consumption submissions at Greater Auckland, GTA03610 and Rotorua, ROT08101. GIC advised there was no cause to request a special allocation - so no action was required.
- Continued enhancements to the operational procedures, including improved sanity checking of the monthly allocation results prior to publication.
- The first interim allocation for October 2008 was completed successfully.
- The first GAR100 Meter Reading Frequency report was published on 26 February 2009

#### October 2008 Interim Allocation incident updates

- NovaGas corrected TOU consumption at Foxton FOX22101, there are no longer any negative allocation quantities here.
- Allocation at Kapuni KAP12901 for Contact Energy is now correct for contract ID1232.
- UFG at Edgecumbe EGC30701 remains unchanged at 3311GJ.
- NovaGas and Greymouth Gas both had correct submissions at their respective contract IDs.
- Both Paekakariki PAE23001 and Pungarehu 1 PGH15901 had zero injection and positive consumption again.
- Vector's injection (68.39GJ) at Te Teko TTK30601 is still small compared with consumption.

#### January 2009 Initial Allocation incidents



- The submission of notices of alleged rule breaches by six participants. These were primarily associated with data submission and trade notification issues. A further four alleged breaches were self-reported by participants
- The allocation agent continued to update its internal procedures.
- No injection information was received from Vector at Kapuni (GTP) KAP09612 for January 2009. This has not been reported as an alleged breach as it has been recommended by the investigator at Gas Industry Co that the gas gate be removed from the allocable gas gate list.
- Vector advised OATIS tolerances have been changed to 0.100GJ instead of 0.003GJ. All GAR130 files were successfully loaded into OATIS.
- Te Teko TTK30601: Vector (Transmission) again submitted a zero injection reading. Bell Block was previously requested by Gas Industry Co to liaise directly with the two retailers at TTK30601 to determine the injection quantities at the gas gate.
- Kairanga KRG24101: There was a small injection quantity (0.208 GJ). Zero consumption quantities were again submitted from CTCT and EGLT. The new retailer at this gas gate, EDNZ, supplied consumption of 0.355GJ and has been allocated the 0.208GJ.
- Tuakau TUK06501: Had high negative UFG in both November and December. Vector corrected the meter in January. UFG is reduced for January compared with previous months

In February, the allocation agent notified the following alleged breach incidents to the Market Administrator:

- 2009-6 Rule 39: Genesis Energy Ltd (GEND) – Late notice of a trade notification at Whangarei, WHG07501, received on 30 January. Trading had ceased as at 31 December 2008. The notification should have been received by December 31 2008.
- 2009-7 Rule 31: OnGas Ltd (GNGC) - Late submission of GAS050 daily consumption submission at Tuakau TUK06501 and Te Puke TPK33301 for the January 2009 consumption month. This was due by 1200 on business day 4 but was received on business day 5 at 09.31. The submissions were included in the initial January 09 allocation.
- 2009-8 Rule 31: E-Gas Ltd (EGLT) – Late submission of GAS050 daily consumption submission at Waitoa WTA16501 for the January 2009 consumption month. This was due by 1200 on business day 4 but was received on business day 4 at 14.25. The submission was included in the initial January 09 allocation.
- 2009-9 Rule 31: Auckland Gas Company (AGCL) – Late submission of GAS040 monthly consumption submission at Otaki OTA22601 for the January 2009 consumption month. This was due by 1200 on business day 4 but was received on business day 4 at 14.13. The submission was included in the initial January 09 allocation.
- 2009-10 Rules 31.4 and 39: Auckland Gas Company Ltd (AGCL) - Auckland Gas Company supplied a trade notification on 11 February 2009 advising Te Kuiti North TKN17001 should be end-dated 31 December 2008. This should have been received by 31 December 2008 and is an



alleged breach of rule 39. Because the trade notification had not been received prior to the January 2009 allocation being run, which was published on 10 February 2009, under rule 31.4 Auckland Gas Company should have provided consumption data for January 2009 at Te Kuiti North.

- 2009-11 Rule 31.1: OnGas Ltd (GNGC) – Late submission of GAS050 daily consumption submission for allocation groups 1 and 2 at Belmont BEL24510, Greater Auckland GTA03610, Greater Hamilton GTH11301Hunua HUN15301, Ramarama, RAM15201 and Whakatane WHK32101 at 16:13 on 9 February 2009, the fifth business day of the month. The allocation agent received the missing data and re-ran the allocation for January 2009, and re-published the results on Tuesday 10 February under rule 44.3.

The allocation agent was aware of two participants intending to submit self breach reports to Gas Industry Company:

- Mercury Energy (MEEN) submitted a late trader notification to the allocation agent for Ashhurst ASH34301, on 3 February 2009. The notice should have been received by 30 January 2009 because trading commenced on 1 January 2009. Mercury have advised they will submit a self breach report for this.
- Mercury Energy (MEEN) submitted a late trader notification to the allocation agent for Longburn LNB24301, on 3 February 2009. The notice should have been received by 31 December 2008 because trading commenced on 1 December 2008. Mercury have advised they will submit a self breach report for this.
- Mercury Energy (MEEN) submitted a late trader notification to the allocation agent for Levin LVN24401, on 19 February 2009. The notice should have been received by 31 January 2009 because trading commenced on 1 January 2009. Mercury advised they will submit a self breach report for this.
- Energy Direct NZ (EDNZ) submitted a late trader notification to the allocation agent for Oroua Downs ORD24701, on 16 February 2009. The notice should have been received by 31 January 200 because trading commenced on 1 December 2008. Energy Direct have advised they will submit a self breach report for this.

## 2.2 Rule Compliance

To the best of its knowledge, the allocation agent complied with all rules during the review period. Non-compliance or problems in regard to allocation agent obligations under the Rules are detailed in the table below.

Rule Reference	Description



### 2.3 Service Provider Agreement Compliance

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

Agreement Reference	Description

### 2.4 Performance Standards

The following table details 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	

### 2.5 Overall Comment

February 2009 was a successful month for the allocation agent. The participants are more aware now of their obligations. The allocation agent is at the stage where the process is much more streamlined and it is possible to spend more time checking inputs so as to be in a position to advise participants of instances where information is incomplete or missing.

**Shane Dinnan**  
**General Manager Market Operations**