



Allocation Agent

Self Review Performance Report

May 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

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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Allocation Operations

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2. Self Review Report

2.1 Allocation Agent Operations

The review period for this report is May 2009.

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

- The initial allocation for April 2009 was performed and published on Thursday 7 May
- The interim allocation for January 2009 was completed successfully and published on Thursday 14 May.
- A special allocation for April 2009 was performed and published on Wednesday 20 May.
- Continued enhancements to the operational procedures, including improved sanity checking of the monthly allocation results prior to publication.
- CR6, the GAR170 report has been published in the initial allocation for the first time.
- The draft AUFG factors for the 09/10 gas year have been distributed for industry comment.
- Contact Energy raised a query about the accuracy of the GAR030 report. Upon investigation the GAR030 was found to have two issues. The first issue was the report aggregating by allocation stage; the second was that not all relevant data was being included in the report. The report has since been corrected, with the allocation agent intending to re-publish the GAR030 report for each month by Friday 12 June.

April 2009 Initial Allocation incidents

- The GAR130 zip file was successfully uploaded. Just one file was uploaded manually by Vector Transmission staff. Paekakariki, PAE23001, fell outside the monthly tolerance limit, by 0.665GJ.
- Paekakariki, PAE23001: This was outside of tolerance limits due to there being injection of 0.665GJ file submitted by Bell Block but zero consumption submitted by the sole retailer.
Change request 5, implemented in March 09, should in theory correct this error but exemption DR09-03-T does not cover the particular situation where the retailer has historically submitted a zero consumption file. The exemption allocates proportionally, based on retailers allocated quantities for the previous consumption period.
M-co can amend the allocation system to correct this where:
 1. there is only one retailer at the gas gate, allocate all allocable quantities to that retailer.
 2. there is more than one retailer, who all supply zero consumption (both in the current and previous consumption period) but there is injection – to allocate equally between the retailers trading at that gas gate.



- Cambridge CAM17201: Initially had very high negative UFG of -15,653.9GJ (or -42.29%) for April 09. Bell Block has advised they have reconciled the Cambridge figures against meter reading and believe their injection figures are correct. Contact Energy initially confirmed they were happy with all consumption submissions at Cambridge. Contact later advised of a material error in their allocation group 4 data at Cambridge (and Papakura PAP06610). A special allocation was directed by GIC on 18 May, and published on 19 May.
- There were two gas gates with zero injection that consumption was supplied for. Bell Block has been advised they were:
FLH21901 Total consumption 9.303GJ
TTK30601 Total consumption 203.051GJ
Bell Block advised they can update the injection metering if M-co supplies the total consumption figures. As Bell Block has previously been requested by GIC to confer with the relevant retailers at these two gas gates, M-co prefers not to supply consumption data here.
- Pauatahanui 2 (Horsefield) PAH23101: Injection is 329.879GJ, and consumption just 10GJ. The sole retailer, Genesis, has checked their consumption and is happy it is correct. Bell Block is having a technician test the meter for accuracy.

January 2009 Interim Allocation incident updates

- There are a total of 80 gas gates with allocation amendments in the interim allocation run. 12 of these gas gates have amended injection quantities, notably Belmont BEL24510, Hawera HWA20801 and Tuakau TUK06501
- The NovaGas submission for public holidays at Takapau TKP05101 was correct – i.e. did not have zeros for public holidays. The allocation here was within OATIS tolerances.
- There is zero injection data at Pungarehu 2 PGH15901, Te Teko TTK30601 and Paekakariki PAE23001. PAE23001 has 0 consumption, TTK30601 and PGH15901 have small consumption.
- The allocated quantities at Greater Auckland GTA03610 and Rotorua ROT08101 were much improved. In the initial allocation OnGas had advised of errors in the consumption submitted for both of these gas gates. The request for a special allocation was turned down.
- All GAR130 files were uploaded into OATIS successfully on 20 May.

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

- 2009-57 Rule 39: Genesis (GEND) submitted a late trade notification at the Westfield WST03610 gas gate. The notification was received at 11.46am on business day 4. Under exemption DR09-04-S, trade notifications should be received by 1200 on business day 3 of they month immediately following the relevant consumption period.
- 2009-58 Rule 31.1: Contact Energy (CTCT) submitted estimated TOU data at two gas gates for the March 2009 consumption month: Henderson HEN74101



and Bruce McClaren BMC17901. Under rule 31.1 consumption supplied for allocation groups 1 and 2 should be actual daily energy quantities.

- 2009-59 Rule 31.1: Nova Gas (GNVG) submitted estimated TOU data at three gas gates for the March 2009 consumption month: Morrinsville MRV16302, Belmont BEL24510 and Westfield WST03610. Under rule 31.1 consumption supplied for allocation groups 1 and 2 should be actual daily energy quantities.
- 2009-60 Rule 31.1: OnGas Ltd (GNGC) submitted estimated TOU data at three gas gates for the March 2009 consumption month: Dannevirke DAN05001, Drury DRU15102 and Greater Auckland GTA03610. Under rule 31.1 consumption supplied for allocation groups 1 and 2 should be actual daily energy quantities.
- 2009-75 Rule 26.2.1: Contact (CTCT) advised on 12 May of a material error in their GAS040 submission at two gas gates, CAM17201 and PAP06610. Contact had confirmed the correctness of their submission prior to the publication of the initial allocation for April 2009 when requested by the allocation agent.
- 2009- Rule 32.1: OnGas (GNGC) submitted estimated TOU data at five gas gates for the January 2009 interim allocation month: Dannevirke DAN05001, Fielding FLD03001, Greater Auckland GTA03610, Greater Hamilton GTH11301 and Hastings HST05210. Under rule 32.1 consumption supplied for allocation groups 1 and 2 should be actual daily energy quantities.
- 2009- Rule 32.1: Genesis Energy (GEND) submitted estimated TOU data at Pukekohe PUK04201 for the January 2009 interim allocation month. Under rule 32.1 consumption supplied for allocation groups 1 and 2 should be actual daily energy quantities.
- 2009- Rule 32.1: Energy Direct NZ (EDNZ) submitted estimated TOU data at two gas gates for the January 2009 interim allocation month: Henderson HEN74101 and New Plymouth NPL12101. Under rule 32.1 consumption supplied for allocation groups 1 and 2 should be actual daily energy quantities.

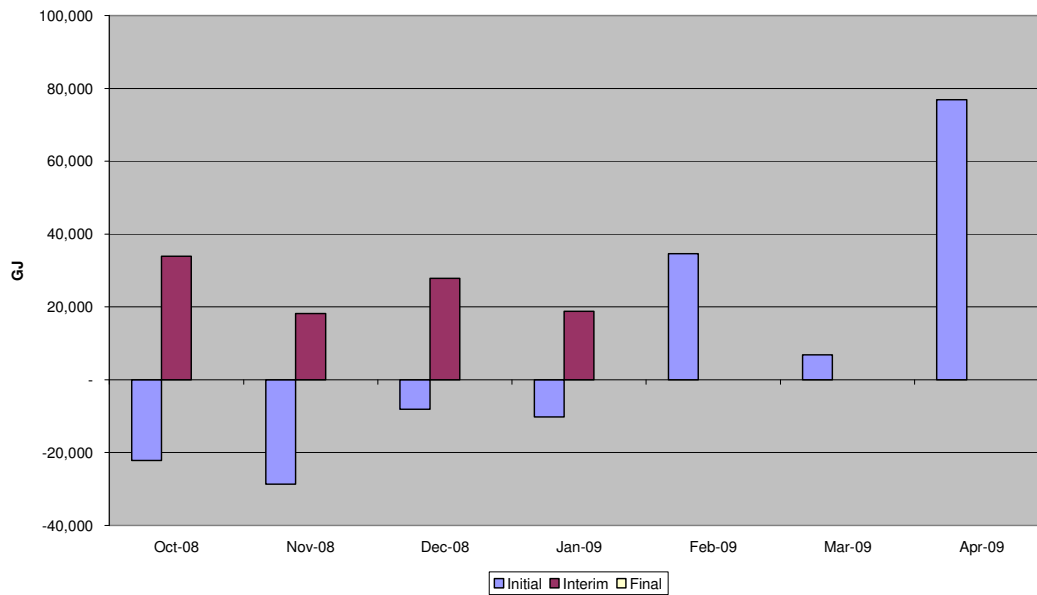
2.2 UFG

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

The 'Total UFG by month' shows total 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.

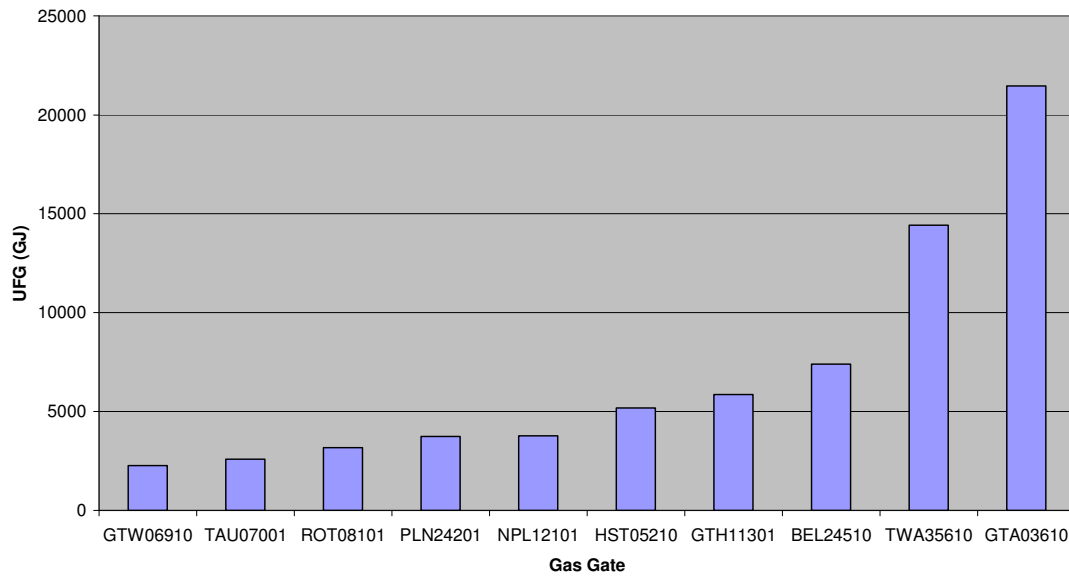


Total UFG by month



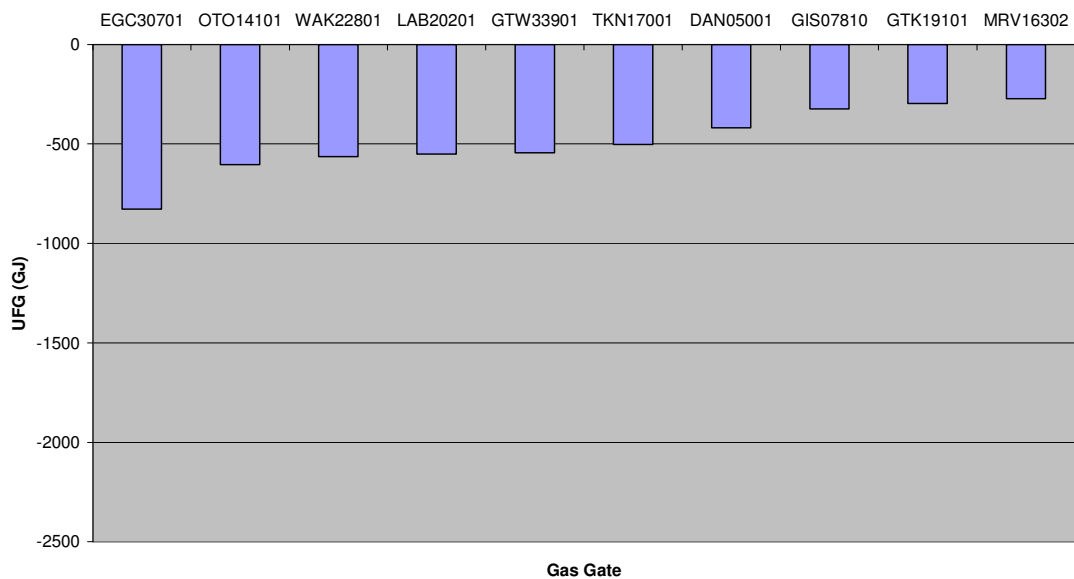
The two graphs below show the top ten positive and negative UFG for the most recent allocation performed.

April 2009 Special Allocation - Positive UFG





April 2009 Special Allocation - Negative UFG



2.3 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.

Rule Reference	Description

2.4 Service Provider Agreement Compliance

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

Agreement Reference	Description

2.5 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	x	Three alleged breach reports for the January 2009 allocation were provided to GIC on Friday 5 June.
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	



2.6 Overall Comment

There were two main issues of note during May 2009, the first being the April special allocation that was completed and published on 20 May 2009. The second was the GAR030 report issue, which has been corrected.

The draft AUFG factors have been distributed for industry comment and will be published by 1 July 2009.

A cost estimate was also produced regarding amending the allocation system to handle global 1-month methodology.

Shane Dinnan
General Manager Market Operations