



# **Allocation Agent**

  

# **Self Review Performance**

  

# **Report**

**January 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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#### **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 January 2009.

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

- The allocation for December 2008 was performed successfully.
- A second initial allocation was performed and published on Monday 12 January to correct data submission anomalies causing allocation greatly outside of OATIS upload tolerances
- Continued enhancements to the operational procedures, including improved sanity checking of the monthly allocation results prior to publication;
- The submission of notices of alleged rule breaches by four participants, were primarily associated with data submission issues;
- A further four retailers had alleged breach notices submitted against them for late or incorrect GAS070 submissions that were due on business day 11.

In January, the allocation agent notified the following incidents to the Market Administrator:

- 2009-1 Rule 31: OnGas Ltd (GNGC) – Late submission of GAS050 'daily submission for static deemed profile types' and GAS040 'Monthly submissions for residual profile types' files. These submissions were due by 1200 on business day 4 for all gas gates OnGas trades at. The submissions were received at 13.25 on business day 4 and included in the initial December 08 allocation. OnGas advised they were late submitting due to a fire in their office building. Publication was not delayed as a result.
- 2009-2 Rule 41: Vector Ltd (VCTX) – Gas injection data at Kapuni (Gas Treatment Plant) KAP09612 was required but was not supplied from Vector for the December 2008 allocation. Given the gas gate is exempt, this has not affected allocation for December 2008. This issue is currently under discussion between Vector and Gas Industry Co
- 2009-3 Rule 39: NovaGas Ltd (GNVG and AGCL) – Late notice of trade notifications at Te Kuiti North TKN17001 and Marton MTN23801 received on 8 January. Trading had commenced for both on 1 December 2008. The notifications were in time for the December 08 allocation.



- 2009-4 Rule 31: NovaGas Ltd (GNVG) – Late submission of GAS050 'daily submission for static deemed profile types' information at Westfield WST03610 from 1-30 December. This was due by 1200 on business day 4 but was received on business day 4 at 1500. The submission was included in the initial December 08 allocation.
- Mercury Energy (MEEN) had submitted a late trader notification to the allocation agent on for Tuakau TUK06501 on 12 January 2009. The notice should have been received by 30 November 2008 because trading commenced on 1 November 08. They have advised they will submit a self breach report for this.
- Te Teko TTK30601: Vector (Transmission) submitted a zero injection reading. Vector has advised that Te Teko is an oversized meter and Tom Tetenburg was previously supplying allocation data monthly so Vector could write a correction. GIC requested that Vector liaise directly with the two retailers at TTK30601 to determine the injection quantities at the gas gate. Injection had been supplied for October and November 2008 but negative UFG of 246GJ and 205GJ was recorded for each month respectively.
- Kairanga KRG24101: There was a small injection quantity (0.708 GJ) but zero consumption quantities from CTCT and EGLT in the December 08 consumption month. It appears that a few domestic consumers are consuming gas, but this isn't being picked up by the retailers. Although the quantity is not large, it is large enough for this gas gate to be rejected by OATIS as falling outside the upload tolerance of 0.003 GJ. As the allocation system is unable to allocate the 0.708 GJ, this will be borne by the TSO as UFG. EGLT have confirmed their zero submission is correct and an actual meter reading was taken for both November and December. Contact Energy are also happy with their consumption submitted but have not confirmed whether an actual meter reading has taken place. A new retailer, EDNZ, is trading here from 1 January 2009.
- The initial December 08 allocation was re-run and published on Monday 12 January under rule 44.3 due to two GAR130 files that were outside OATIS tolerances; Vector would not accept two files that were outside tolerance limits and required a re-run of the initial December 08 allocation:  
Horotiu HRU16101: the total allocated quantity was different to the total injection was by 226.461GJ. Genesis had initially estimated zeroes at this gas gate but have since re-submitted data with values that corrected this problem.  
Takapau TKP05101: the total allocated quantity is different to the total injection by 2.823GJ. Takapau is a direct connect gas gate with Nova Gas as the retailer. There should be zero difference between allocation and injection at this gas gate (as for November and October 2008)  
The difference occurred where Nova had submitted zero consumption on 25, 27, 28 and 29 December where injection has been supplied. To correct, Nova re-submitted data for these four days before the allocation agent re-ran the December 2008 allocation. The allocation agent was unable to



estimate consumption here as Nova had already made a submission. The allocation agent now has an SQL query to run to check the difference between delivered GJ and allocated GJ before uploading allocation results (GAR130 files) into OATIS

- Tuakau TUK06501: Had high negative UFG in both November and December. Vector have checked the meter reading and found a discrepancy between electronic and mechanical readings. Bell Block will advise once the meter is replaced and a correction applied. Ogas and NovaGas are both happy with their submissions here. Also to note: MEEN have just supplied a trader notification at this gas gate to start as of 1 November 08.
- Hastings HST05210: The allocation agent incorrectly linked up contract 1284 to HST05210 for Contact Energy on 23 December 08. The result was incorrect allocation at both contracts 1117 and 1284. Contact Energy is the only affected participant. Contact Energy have since provided the appropriate ICP number to link contract 1284 to so the next time an allocation for December 2008 is run, the allocation will be correct here. The compliance consequences of this action are currently being investigated by M-co. M-co had requested a special allocation from Gas Industry Company.

## 2.2 Rule Compliance

The allocation agent had two alleged breaches notified against itself by a participant:

- 2008-18: Vector Ltd has alleged a breach of Rule 11 and clause 17.2.1 of the Service Provider Agreement (SPA) between GIC and M-co. The alleged breach regards the disclosure of confidential information.
- 2008-19: Vector Ltd has alleged breaches of rules 11 and 48.2 of the Rules and clause 1.7 of Schedule 1 (Services and Deliverables), clause 1.8(b) of Schedule 1, and clause 7.1 (Calendar view of monthly allocation process for data transfer - item 5) of the SPA.

Both of these allegations were found not to involve breaches of the rules, but one of the allegations related to a breach, reported in last month's self-report, of a breach of the service provider agreement. M-co has made a number of changes to its operations to minimise the likelihood of any reoccurrence.

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 was one instance of non-compliance with the service provider agreement. Other than this matter, to the best of its knowledge the allocation agent complied with all other service provider agreement requirements during the review period.

Agreement Reference	Description
3.7 of schedule 3	The monthly service provider report was provided late.

## 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	x	Further resources are being allocated at the beginning of the month to ensure that this obligation is met.
Annual reports provided within 20 Business Days of the end of each Financial Year	n/a	

## 2.5 Overall Comment

With the exception of the monthly self report provided late, all service provider obligations were met in January 2009.

As participants improve their understanding of the processes and allocation analysts gain experience, the monthly tasks are becoming more streamlined.

**Ashley Milkop**  
Energy Services Manager