

STTM EVENT – DELAYED CAPACITY SUBMISSION – SYDNEY – 7 OCTOBER 2013

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Glossary

Terms or Abbreviations	Explanation
AEMO	Australian Energy Market Operator
AEST	Australian Eastern Standard Time
D, D+n, D-n	An action performed on, n gas days after, or n gas days before gas day D with respect to gas day D. The term D-1 refers to actions taken on the preceding gas day before gas day D with respect to gas day D. For example, the ex ante market price calculated on D-1 is for gas day D.
EGP	Eastern Gas Pipeline
NGR or rule	National Gas Rules
MOS	Market Operator Service
STTM	Short Term Trading Market

1 Summary

On gas day 6 October 2013, Jemena Eastern Gas Pipeline (EGP) did not submit its D-1 facility hub capacity for gas day 7 October 2013 by the 9:30 AEST cut-off time at the Sydney hub. In accordance with the National Gas Rules (NGR) and STTM Procedures, the window for the submission of the EGP data was extended to 11:00 AEST. Due to an AEMO market systems defect, Jemena EGP was unable to successfully submit the facility hub capacity by the extended cut-off time of 11:00 AEST.

Jemena EGP had submitted the facility hub capacity at 6:00 AEST 6 October (ie. before the end of gas day 5 October at 6:30 AEST) which was intended to be the capacity for gas day 7 October. AEMO market systems correctly considered this to be a D-2 facility hub capacity for gas day 7 October since it was submitted on gas day 5 October. Under the substitution procedures this capacity was used as an input into the ex ante market price and schedule for gas day 7 October 2013 for the Sydney hub.

There were no market impacts resulting as the ex ante market price and schedule used the capacity intended for gas day 7 October.

Jemena EGP has advised that it has taken steps to address the IT and process issues encountered and completed identified mitigation actions.

AEMO has undertaken an IT solution to address the defect which is planned for deployment on 21 November 2013.

The procedures for data validation, substitution and price setting operated in accordance with the rules.

2 Background

2.1 Event reporting requirements

Section 7.6 of the STTM Procedures requires AEMO to publish a report¹ if:

- data submitted to AEMO by an STTM facility operator under rules 414 or 419 of the NGR fails validation, and this leads to confirmation or substitution of data; or
- an STTM facility operator fails to provide data under rule 414 and 419 and this leads to the substitution of data.

AEMO must publish the report within 30 business days of the conclusion of the event.

2.2 Facility hub capacity and the ex ante market

On each gas day, STTM facility operators provide AEMO with daily estimates of the capacity that its STTM facility has available to deliver gas to the hub on the following three gas days. The D-1 facility hub capacity refers to the capacity estimate for gas day D that is submitted on the preceding gas day.

The daily hub capacity of the STTM facility limits the quantity of gas that AEMO can schedule for delivery to the hub from that facility on a gas day. Because of the potential effect on the resulting ex ante market price and schedule, AEMO systems validate the capacity data submitted by the facility operators. If the capacity data submitted by the facility operator breaches the validation thresholds, or no data has been submitted by the required D-1 cut-off time (09:30 AEST for the Sydney hub), then the submission window is extended for a maximum of 1.5 hours to allow the facility operator time to either confirm that the submitted data is valid or submit new data.

¹ Under clause 7.6 of the STTM Procedures, the report must include: a description of the event; AEMO's assessment of the actions taken by STTM facility operators and AEMO in relation to the event; AEMO's assessment of the effect of the event on the operation of the STTM; and any other matter than AEMO considers relevant.

If hub capacity data is not submitted by the extended cut-off time, the provisional hub capacity information submitted on previous days for the relevant gas day will be substituted. For example, if a capacity estimate for a gas day D is not submitted on D-1, then the capacity submitted on D-2 for gas day D is used. If the D-2 is not available, then D-3 is used. If that is not available then the default hub capacity (registered with AEMO) is used to generate the ex ante market price and schedule. In this case, a data quality flag will show that the data was unconfirmed.

3 Description of the event

On gas day 6 October 2013, Jemena EGP did not submit the facility hub capacity for gas day 7 October 2013 by the 9:30 AEST cut-off time. Subsequently, AEMO systems notified Jemena EGP and the market that the facility hub capacity had not been submitted.

An extended window was opened for Jemena EGP to submit the facility hub capacity by 11:00 AEST. However, due to an AEMO market systems defect, Jemena EGP was unable to successfully submit the facility hub capacity by the extended cut-off time of 11:00 AEST.

Jemena EGP had submitted the facility hub capacity at 6:00 AEST 6 October (ie. before the end of gas day 5 October at 6:30 AEST) which was intended to be the capacity for gas day 7 October. Ultimately this capacity, which did not breach validation thresholds, was used as an input into the ex ante market price and schedule for gas day 7 October 2013 for the Sydney hub, as a result of the substitution process described above.

4 Jemena EGP comments

Jemena EGP has advised AEMO as follows.

“On the 6 October 2013, Jemena EGP automatically submitted the facility hub capacity (FHC) file for gas days 7, 8 and 9 October 2013 as per our existing STTM data submission process. On the previous day our external IT service provider was employed to amend the automatic submission time of the FHC file to allow for daylight savings changes, however, the IT changes did not take effect. Jemena EGP received a transaction acknowledgement receipt from AEMO confirming they had received and validated the FHC data at 6AM AEST (7AM AEDST). Pursuant to Jemena EGP’s daily process, the acknowledgement received from AEMO was deemed sufficient to confirm a valid and successful receipt of the FHC file on the day prior to 9:30AM AEST.

At 9:30AM EST (10:30AM AEDST), AEMO published a notice that it had not received the EGP’s facility hub capacity data. AEMO staff also contacted Jemena EGP and asked them to resubmit the file. Based on AEMO’s advice, Jemena tried to re-submit its data file again at 10:20AM AEST (11:20AM AEDST) but the file was rejected with the message, “New Facility Hub Capacity data for the D-1 schedule cannot be submitted between the first and second cut-off time - Facility Hub Capacity data for the D-1 schedule is received and is valid. AEMO subsequently reconfirmed to Jemena EGP that they believed that Jemena EGP should have been able to resubmit the data at 10:20AM AEST (11:20AM AEDST). AEMO has also since confirmed that an AEMO systems defect prevented Jemena EGP from successfully submitting a valid D-1 FHC file after 9:30am. A defect fix is underway and is planned for deployment in November.

Jemena EGP is of the view that the 6AM AEST (7AM AEDST) FHC file was acknowledged by AEMO and should be treated as the submitted FHC information. We do not believe this event constitutes a breach of the NGR. If the FHC submission was not to be accepted for the purposes of the initial submission cut off, it should have been rejected outright as it was post 9:30AM/11AM deadline on the previous gas day. This rejection would then have triggered a manual submission from Jemena EGP prior to the data submission deadline.

Jemena EGP views these matters very seriously and have since undertaken a formal and thorough review of this event with our external IT service provider. As part of this completed review, a system change has since been completed in regards to the system configuration

rights where Jemena EGP will now assume full control of the FHC submission times. Jemena EGP has also reconfigured the daily FHC submission timing so that this event should not recur in case of a future daylight saving time change. This event has been managed within Jemena's compliance system and has also been discussed and reviewed by the Commercial Operations team responsible for all STTM data submissions."

5 AEMO's assessment of the actions taken

Jemena EGP did not submit the D-1 facility hub capacity by the cut-off time (09:30 AEST for Sydney) in accordance with rule 414(1). Subsequently due to an AEMO market systems defect it was unable to submit the facility hub capacity by the extended window (11:00 AEST for Sydney) in accordance with 7.1.3B of the STTM Procedures.

The facility hub capacity submitted at 6:00 AEST 6 October (ie. on gas day 5 October) was intended to be the D-1 facility hub capacity for 7 October. However, as it was submitted on gas day 5 October, it was correctly considered (by AEMO systems) to be a D-2 facility hub capacity for 7 October. As advised by Jemena EGP, the earlier than intended submission was due to a process error in a systems adjustment for daylight savings.

AEMO's market systems by design do not limit when data can be submitted except when there is a defined submission time, and operated correctly when validating and accepting the facility hub capacity submitted at 6:00 AEST 6 October.

Market reports of missing data operated correctly. Under Section 7.1.3A of the STTM Procedures, AEMO must notify a facility operator of missing data. This was undertaken by SMS/e-mail messages to the facility operator contacts that are registered in the AEMO systems if no data is received by 09:30 AEST.

Under section 7.1.4 of the STTM Procedures, AEMO must make the capacity information available to trading participants at the relevant hub. AEMO generated market information reports and notified the trading participants by SMS/e-mail. This was performed as follows:

- Report INT653 – Ex Ante Pipeline Data report which is published just after 09:30 AEST showed the facility hub capacity the market would use for the Jemena EGP facility for the upcoming gas day. The same report published at 11:00 showed the facility hub capacity for Jemena EGP used to determine the ex ante market price and schedule.

SMS/e-mail messages were sent to 24-hour contacts that are registered in AEMO systems for the affected hub advising them that Jemena EGP had failed to submit a hub capacity at 09:30 AEST.

The ex ante market price and schedule were produced before 13:00 AEST for the Sydney hub using the hub capacity submitted by Jemena EGP at 6:00 AEST 6 October (ie. on gas day 5 October) which it had intended to be the hub capacity for gas day 7 October.

6 Market Impacts

There were no financial or operational impacts. The ex ante market price and schedule were produced for the Sydney hub using the EGP hub capacity, which did not breach validation thresholds, submitted by Jemena EGP at 6:00 AEST 6 October (ie. on gas day 5 October) which it had intended to be the capacity for gas day 7 October.

AEMO has not been advised by any participants that they were affected by the event.

The facility hub capacity is published in the INT653 Ex Ante Pipeline Data report and the ex-ante market price is published in the INT651 Ex-ante Market Price report.

The facility hub capacity reports are available from the AEMO website at:

http://www.aemo.com.au/data_gas/sttm_data.html.

7 Resulting Actions

After confirming that an AEMO market systems defect prevented Jemena EGP from successfully submitting a valid D-1 facility hub capacity after 9:30am, AEMO undertook development of a defect fix which is planned for deployment on 21 November 2013.

AEMO has met with Jemena EGP and confirmed the timing requirements of rule 414(1), under which STTM facility operators must submit daily estimates of the available capacity of their STTM facilities to deliver gas to the hub on the following three gas days after a gas day. The D-1 facility hub capacity refers to the capacity estimate for gas day D that is submitted on the preceding gas day.

Jemena EGP has advised that it has taken steps to address the IT and process issues encountered in relation to its adjustment for daylight savings and has completed identified mitigation actions.

8 Conclusion

There were no market impacts resulting from the event.

From Jemena EGP's advice, it appears that it has taken steps to address the IT and process issues encountered and completed identified mitigation actions.

AEMO has undertaken an IT solution to address the incorrect rejection of a valid D-1 facility hub capacity submitted after 9:30am under the same circumstances of this event.

The procedures for data validation, substitution and price setting operated in accordance with the rules.