

STTM EVENT – DELAYED CAPACITY SUBMISSION – ADELAIDE – 8 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.
MAP	Moomba to Adelaide Pipeline
NGR or rule	National Gas Rules
MOS	Market Operator Service
STTM	Short Term Trading Market

1 Summary

On gas day 7 October 2013, Epic Energy South Australia (Epic Energy) did not submit its D-1 facility hub capacity for gas day 8 October 2013 by the 9:30 AEST cut-off time for the Adelaide hub. In accordance with the National Gas Rules (NGR) and STTM Procedures, the window for the submission of the MAP data was extended to 11:00 AEST. Epic Energy successfully submitted the facility hub capacity by the extended cut-off time of 11:00 AEST. This hub capacity was used as an input into the ex ante market price and schedule for gas day 8 October 2013 for the Adelaide hub.

There were no market impacts resulting from the event.

Epic Energy advised that the late submission was due to the 'longer than expected time' it took to manually submit the facility hub capacity which was required as a result of a failure of their automated systems. Epic Energy also advised that it has begun staff training to address the process issue encountered, was expecting to complete the training in November and will also provide ongoing refresher sessions.

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 Adelaide 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.

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 the latter 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.

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.

3 Description of the event

On gas day 7 October 2013, Epic Energy did not submit the facility hub capacity for gas day 8 October 2013 by the 9:30 AEST cut-off time. Subsequently, AEMO systems notified Epic Energy and the market that the facility hub capacity had not been submitted.

An extended window was opened for Epic Energy to submit the facility hub capacity by 11:00 AEST. Epic Energy successfully submitted the facility hub capacity by that time. This hub capacity was used as an input into the ex ante market price and schedule for gas day 8 October 2013 for the Adelaide hub.

4 Epic Energy's comments

Epic Energy has advised AEMO as follows below. Note that the context of 'redundant' in Epic Energy's comments is in relation to their back-up processes.

"Epic Energy South Australia Pty Ltd (EESA) operates the Moomba to Adelaide Pipeline System (MAPS), and is a Market Participant of the Short Term Trading Market (STTM). EESA operates a Customer Reporting System (termed CRS) that is used to facilitate 'semi-automatic' processing of its daily reporting to the market.

As is required of Market Participants, Epic Energy South Australia (EESA) undertakes a daily verification process for data submitted to AEMO to allow for any resubmission of data before the regulated cut off times. Whilst undertaking this verification process on 7 October 2013, EESA operators identified that CRS had failed to operate correctly and that the delivery/receipt data had not been submitted to the market.

EESA's STTM procedures include a redundant reporting procedure. This procedure was instigated and the resulting manual uploading of files was completed by 0937AEST (after the nominated cut off time).

Contributing Factors to Occurrence:

1. Epic Energy had been acquired by APA in December 2012 and EESA subsequently separately sold. EESA took over STTM reporting obligations from APA on 1 July 2013 and is progressing through relocating STTM reporting hardware and software systems from APA's Melbourne Office to the Adelaide office;
2. As part of the transition process, EESA's Information Technology Department (IT) migrated the CRS service from the old server in Melbourne to the new CRS server in Dry Creek on 4 and 5 October 2013;
3. After the new server became the active server in Dry Creek, the old server in Melbourne was kept running as fail back in the case there were problems with the new server.
4. On Sunday and Monday (6 and 7 October), CRS failed to operate as planned (the cause of this has been determined to be new ftp management software installed by the CRS vendor), and the controllers enacted the manual file submission process. Unfortunately the manual file submission process took longer than expected on 7 October.

Remedial Actions:

To reduce the likelihood of failures in the manual data transmission process, EESA is conducting further training in the use of this redundant process to ensure that all operators are familiar with the associated requirements. This training is due to be completed during November 2013, but will be ongoing."

5 AEMO's assessment of the actions taken

Epic Energy did not submit the D-1 facility hub capacity by the cut-off time (09:30 AEST for Adelaide) in accordance with rule 414(1) but was able to successfully submit the facility hub capacity by the extended window (11:00 AEST for Adelaide) in accordance with section 7.1.3B of

the STTM Procedures. As advised Epic Energy, the late submission was due to the 'longer than expected' time it took to manually submit the facility hub capacity which was required as a result of a failure of their automated systems. AEMO system logs indicate that the facility hub capacity was submitted at 09:37 AEST.

AEMO market systems operated correctly. The ex ante market price and schedules were produced before 13:00 AEST for the Adelaide hub using the hub capacity data submitted by Epic Energy before the 11:00 AEST cut-off time.

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 Epic Energy facility for the upcoming gas day. The same report published at 11:00 AEST showed the facility hub capacity for Epic Energy 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 Epic Energy had failed to submit a hub capacity at 09.30 AEST.

6 Market Impacts

There were no financial or operational impacts.

While Epic Energy did not submit the facility hub capacity by the 09:30 AEST cut-off time, the capacity delivered to AEMO before the extended cut-off time of 11:00 AEST did not breach validation thresholds, and was used in the ex-ante scheduling process. As a consequence, the calculation of the ex-ante market price and schedule was not affected by the late submission.

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 Conclusion

There were no market impacts resulting from the event.

From Epic Energy's advice, it has begun staff training to address the process issue encountered, was expecting to complete the training in November and will also provide ongoing refresher sessions.

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