



30 June 2009

## Intervention Report - Ad Hoc Schedule for the Gas Day 12 June 2009

Clause 6.7.7 of the Market and System Operation Rules (MSO Rules) requires VENCorp to investigate and prepare a report to the Regulator of events including an intervention by VENCorp, a threat to system security, a system force majeure event or an emergency.

In the reporting of such an event VENCorp must also assess and advise on:

- the adequacy of the provisions of the MSOR relevant to the event or events which occurred;
- the appropriateness of actions taken by VENCorp in relation to the event or events which occurred; and
- the costs incurred by VENCorp and/or participants as a consequence of responding to the event or events.

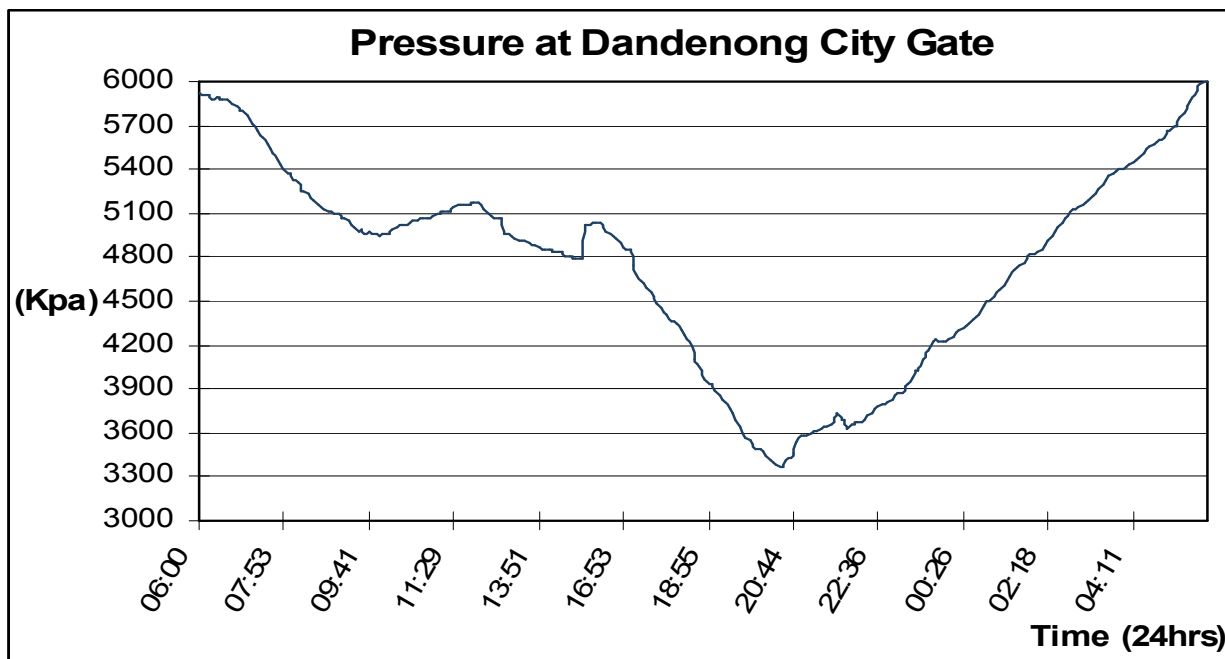
### **Summary of the event**

During the evening of Friday 12 June 2009, VENCorp identified a potential threat to system security due to higher than expected demand during the evening peak. Thus an ad hoc operational schedule was issued at 19:28 with an addition of 6.0 TJ of LNG, as the peak shaving gas for the hours between 20:00 and 22:00 hours, in order to maintain DCG inlet pressure at or above the required minimum pressure.

The main reason for the peak shaving gas during the evening was due to the deterioration of weather conditions during the afternoon, which led to a reduction in system linepack prior to the evening peak. In addition the hourly system demand was higher than the predicted demand for the evening peak in the published 18:00 schedule. The following table lists the demand forecasts together with weather forecasts for the scheduling horizons for the gas day.

Schedule	Demand (TJ)		Three Hour Temperature (°C)									EDD (°C)
	Daily	18:00 - 22:00	6:00	9:00	12:00	15:00	18:00	21:00	0:00	3:00	6:00	
6:00	1,045.4	243.7	5.0	7.0	12.0	13.0	12.0	10.0	9.0	9.0	8.0	11.7
10:00	1,035.2	239.5	5.5	8.0	11.0	13.0	12.0	10.0	9.0	8.0	7.0	11.4
14:00	1,076.0	246.0	5.5	6.9	9.3	12.0	10.0	9.0	9.0	8.0	7.0	12.5
18:00	1,132.3	254.6	5.5	6.9	9.3	10.1	9.0	8.0	8.0	8.0	7.0	13.1
22:00	1,149.4		5.5	6.9	9.3	10.1	9.2	8.0	8.0	8.0	7.0	13.1
<b>Actual</b>	1,157.4	275.0	5.5	6.9	9.3	10.1	9.2	9.0	8.7	8.5	8.9	12.8

During the evening peak, 6.3 TJ of LNG was injected and the pressure at DCG inlet dropped to the lowest level of 3,361 kPa at 20:27, which was above the required operational minimum pressure of 3,300 kPa (see graph below). There were no pressure breaches at other locations for the gas day.



The table below details the market prices and ancillary payments which occurred due to the peak shaving used for the gas day.

	06:00	10:00	14:00	18:00	22:00
Market Price	\$3.3100	\$2.6500	\$3.5600	\$3.5600	\$1.5300
Ancillary Payment (Provisional settlement)	\$0	\$0	\$0	\$14,640	\$0

### **Adequacy of the MSOR**

VENCorp believe that the provisions of the MSOR are adequate for dealing with the events which occurred on 12 June 2009.

Clause 3.1.12(d) of the MSOR allows VENCorp to publish an operating schedule outside of the regular publishing times if VENCorp reasonably considers that the emerging conditions may constitute a threat to system security and that these emerging conditions can only be addressed by a revised operating schedule before the next scheduled publishing time under clause 3.1.12(c).

### **Appropriateness of VENCorp actions**

VENCorp considers that, on the 12 June 2009, the decision was made after fully assessing the system conditions at the time. It also considers that the actions were taken in a timely manner, with the issuance of an ad hoc operational schedule adding 6.0 TJ of LNG as the peak shaving gas. This averted an emerging threat to system security.

VENCorp notified the market when the ad hoc schedule was issued due to operational reasons.

### ***Costs incurred as a consequence***

The ancillary payment calculation is based on the scheduled LNG and published in the provisional settlement statement for 12 June 09.

In the published ad hoc operational schedule, 6.0 TJ of LNG was scheduled for the hours between 20:00 and 22:00 at the cost of \$6.00 per GJ. The published market price for 6:00pm schedule was \$3.5600, thus the ancillary payment (estimated maximum amount) was \$14,640, which will be funded by the market through uplift.

### ***Conclusions***

VENCorp published an ad hoc operational schedule for the gas day 12 June 2009 at 19:28 for the purpose of averting a threat to system security. In the ad hoc schedule, an addition of 6.0 TJ LNG was scheduled for peak shaving purposes.

There were no breaches of system security.