



Market Operations Monthly Service Provider Report

July 2006

This report details monthly information in relation to the information system, clearing manager and pricing manager functions performed by M-co under contract to the Electricity Governance Board.

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1. Introduction

1.1 Purpose

This report details monthly information in relation to the information system, clearing manager and pricing manager functions performed by M-co under contract to the Electricity Governance Board.

This report has been prepared in accordance with sections 44 and 45 of the Electricity Governance Regulations 2003 and contains the core reporting requirements plus additional market information that will be of interest to the Board.

1.2 Contact Details

The following is a list of contact details for further information or questions pertaining to this report:

General Queries

Shane Dinnan, General Manager Market Operations	+64 4 498 0052
Dan Lee, Chief Information Officer	+64 4 498 0046

COMIT Market Information System

Pradeep Navalkar, Market Information Systems Manager	+64 4 498 0045
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Clearing & Settlement

Shelley Nixon, Clearing & Settlements Manager	+64 4 498 0054
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Pricing

Ashley Milkop, Pricing Analyst	+64 4 498 0028
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2. Core Reporting

2.1 Compliance with Regulations and Rules

To the best of our knowledge the information system, and clearing manager service providers have complied with their obligations under the regulations and rules during July 2006.

2.2 Operation of the Regulations and Rules

The information system, clearing manager and pricing manager service providers have not during July 2006 identified any areas where, in their view, a change to the regulations or rules may need to be considered.

2.3 Compliance with Service Provider Agreements

To the best of our knowledge the information system, clearing manager and pricing manager service providers have complied with their obligations under their respective service provider agreements during July 2006.

2.4 Rule Change Costs

In accordance with the requirements of the respective service provider agreements, the following costs have been incurred since 1 March 2004 in relation to implementing rule changes:

Service Provider	Rule Change Details	Cost (inc GST)
Information system	HVDC Component Flows and Risk Offsets (rule change no. 19)	\$29,250.00
Clearing Manager	Voltage support "nominated kvars" (rule change no. 7)	\$11,398.50
Clearing Manager	Under frequency event charge (rule change no. 30)	\$8,484.37

2.5 Compliance with Agreed Performance Standards

Information System Manager (COMIT)

Measure	Achieved This Month	Standard
COMIT availability	100.00%	99.72%
COMIT 6-month availability	100.00%	99.72%
COMIT file upload availability	100.00%	99.72%
Average time to publish PDS	3mins 46sec	7mins
Average time to publish dispatch prices	22secs	1min
Average time to publish provisional/final prices	18secs	1min 30secs

The target level of 99.72% relates to the equivalent of no more than two hours of outages per calendar month. Core functionality denotes all the systems and facilities necessary to fulfil the information system requirements of the EGRs as part of the Information System Service Provider Agreement.

Clearing Manager

Measure	Achieved This Month	Standard
Wash-up notifications distributed to parties by 5th business day of each month	Yes	92%
Invoices released by 6pm on 9th business day	Yes	92%
Constrained on/off amounts released to System Operator by 9am on 8th business day	Yes	92%
Amounts payable to payees sent through to the bank by 5:30pm on settlement day	Yes	92%
Number of invoice calculation errors	0	0%
Number of security level calculation errors	0	0%

The target level of 92% relates to the equivalent of no more than one instance of missing the deadline within a twelve-month period. The zero percent standards



indicate that the Board expects there to be no calculation errors, in either invoices or the establishment of security levels.

Pricing Manager

Measure	Achieved This Month	Standard
Final prices published by 9:30am if no provisional price situation exists	100%	97%
Provisional prices published by 10:30am if provisional price situation exists	100%	97%
Final prices published within 3 hours of a System Operator/Grid Owner fix to a provisional price situation	100%	97%
IT processing time to publish final prices within 5 minutes of sending	100%	97%
Number of price processing errors	0%	0%

The target level of 97% relates to the equivalent of no more than one instance of missing a listed deadline within a calendar month. The zero percent standard indicates that the Board expects there to be no errors caused by the pricing manager in the calculation of prices.

3. Additional Information

3.1 Information System Manager (COMIT)

3.1.1 COMIT Statistics

The following are key statistics for COMIT for the month of July 2006:

Measure	Result	Target	Comments
Core Planned	0	-	No outages
Core Unplanned	0	-	No outages
Named user licenses allocated	98	120	Not including Electricity Commission, Transpower or M-co users, but belonging to Active Trader companies
Active trader companies allocated	14	10	Simply Energy have started as Active Traders in June 06

Core functionality denotes all the systems and facilities necessary to fulfil the information system requirements of the EGRs as part of the Information System Service Provider Agreement.

3.1.2 Outage Summary

There were no planned or unplanned outages affecting the core COMIT system during the month.

3.1.3 Rule Change Implementations

There was no rule change work carried out during the month.

3.1.4 Material System Changes

The material changes and new COMIT functionality will be reported separately.

3.2 Clearing Manager

3.2.1 Security Monitoring

At the end of July 2006 the clearing manager held security of \$176,634,716 with the total payers' projected exposure to 28th August 2006 estimated at \$102,297,048.

Six calls for security were made in July.

3.2.2 Invoicing and Settlement

Invoicing and settlement for the June 2006 billing period was completed on July 20th:

Amounts Received

Received from Payers	\$369,989,377
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Amounts Paid

Paid to Payees	\$359,445,911
Loss and Constraint Excess	\$10,543,465

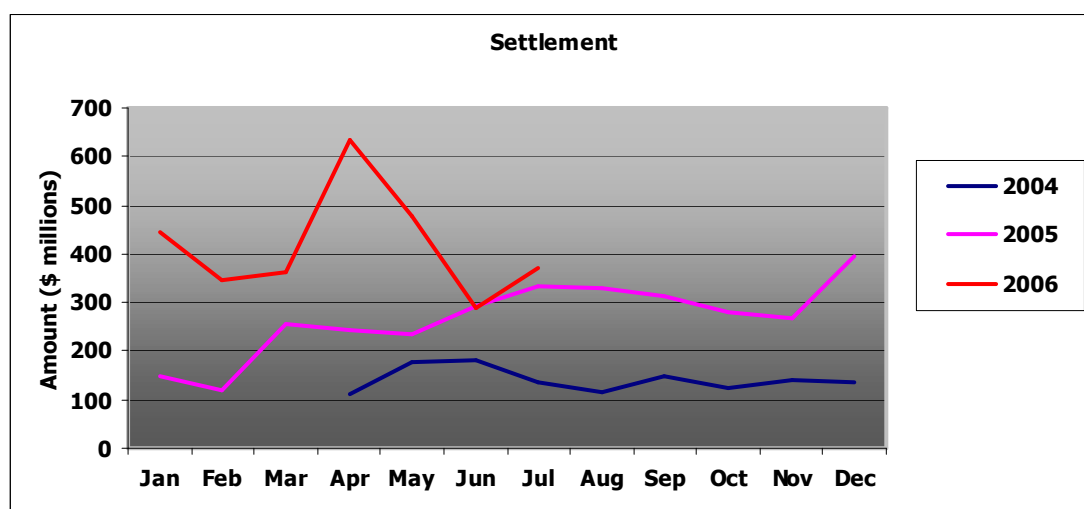
Total settlement (1 April 04 to 31 July 06):

Amounts Received

Received from Payers	\$7,402,518,668
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Amounts Paid

Paid to Payees	\$7,212,109,216
Loss and Constraint Excess	\$190,360,836



3.2.3 Ancillary Services

Payments to Ancillary Services Agents in July 2006 for the June 2006 billing period totalled \$11,373,120. That amount was made up of the following:

Type	Amount
Black Start	\$29,925.00
Over-frequency Reserve	\$57,206.25
Frequency Keeping	\$5,808,043.63
Instantaneous Reserve	\$5,132,286.97
Voltage Support	\$345,658.39

3.2.4 Constrained on

Total constrained on amounts calculated in July 2006 for the June 2006 billing period were \$1,183,709. Of that, \$353,284 (net of amounts attributable to the system operator) was paid to generators by the clearing manager on the June 2006 invoices issued in July.

3.2.5 Constrained off

Total constrained off amounts calculated in July 2006 for the June 2006 billing period was \$3,127,391. Constrained on/off calculations that are attributable to the system operator are advised to the system operator for inclusion in the frequency keeping calculations however there is **no direct financial settlement** for constrained off under the EGRs.

3.2.6 Must Run Dispatch Auction

There were bids into the must run dispatch auction every day during the month of July 2006.

3.2.7 System Development

There were no software changes made to CHASM during July 2006.

3.3 Pricing Manager

3.3.1 Price Commentary

Prices in July were generally lower than in June. The average price at HAY2201 during July 2006 was \$69.76 versus \$82.28 in June 2006. This is a reflection that winter is almost over, with daily demand likely to start easing.

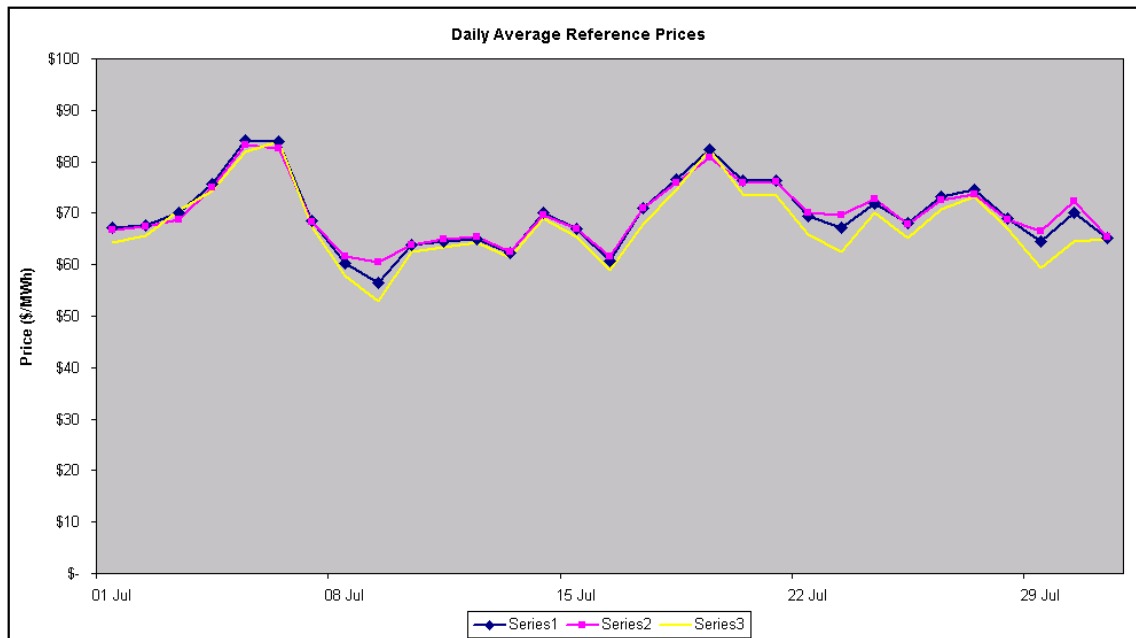
3.3.2 Monthly Average Reference Price Summary

Haywards (HAY2201)	Forecast	Dispatch	Final
Average Price:	\$ 79.43	\$ 71.16	\$ 69.76
Highest Price:	\$ 490.47	\$ 139.34	\$ 118.40
Lowest Price:	\$ 47.84	\$ 11.59	\$ 11.58
Half Hours > \$100:	106	25	20
Average Weekday (excl stats):	\$ 83.43	\$ 73.92	\$ 72.00
Average Weekend (incl stats):	\$ 71.03	\$ 65.37	\$ 65.04
Benmore (BEN2201)	Forecast	Dispatch	Final
Average Price:	\$ 77.33	\$ 71.12	\$ 69.92
Highest Price:	\$ 429.98	\$ 129.86	\$ 110.24
Lowest Price:	\$ 49.76	\$ 13.46	\$ 13.45
Half Hours > \$100:	80	17	16
Average Weekday (excl stats):	\$ 80.64	\$ 73.35	\$ 71.64
Average Weekend (incl stats):	\$ 70.38	\$ 66.44	\$ 66.30
Otahuhu (OTA2201)		Dispatch	Final
Average Price:		\$ 69.47	\$ 67.70
Highest Price:		\$ 245.00	\$ 125.20
Lowest Price:		\$ 10.82	\$ 10.82
Half Hours > \$100:		45	26
Average Weekday (excl stats):		\$ 72.99	\$ 70.55
Average Weekend (incl stats):		\$ 62.07	\$ 61.70

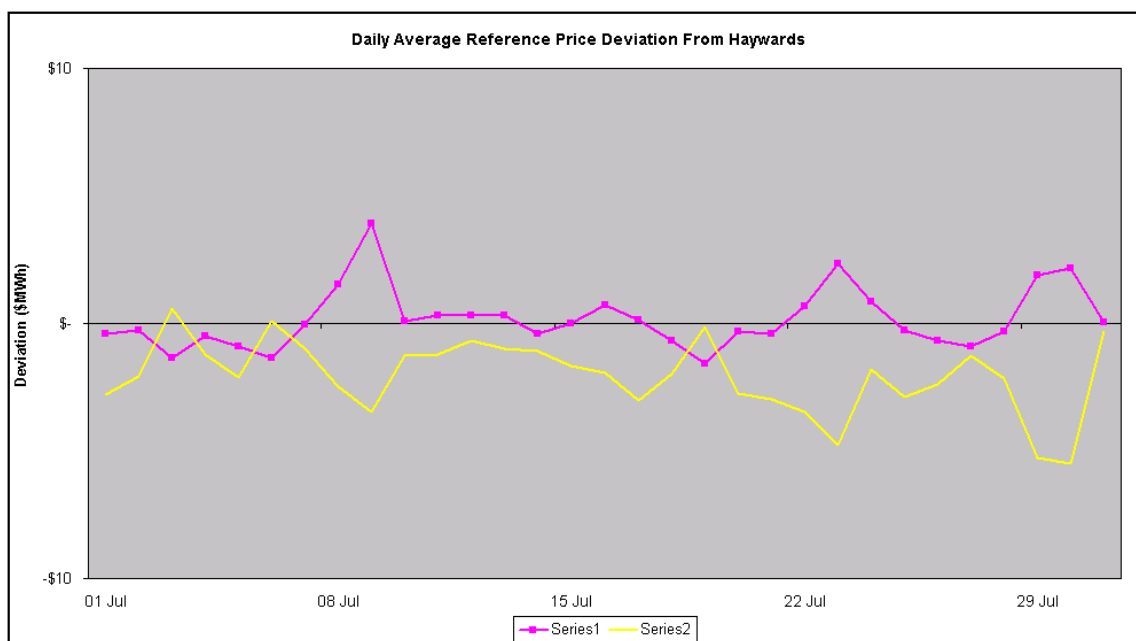
Note: Forecast prices for Otahuhu are not published



3.3.3 Daily Average Reference Price Graph

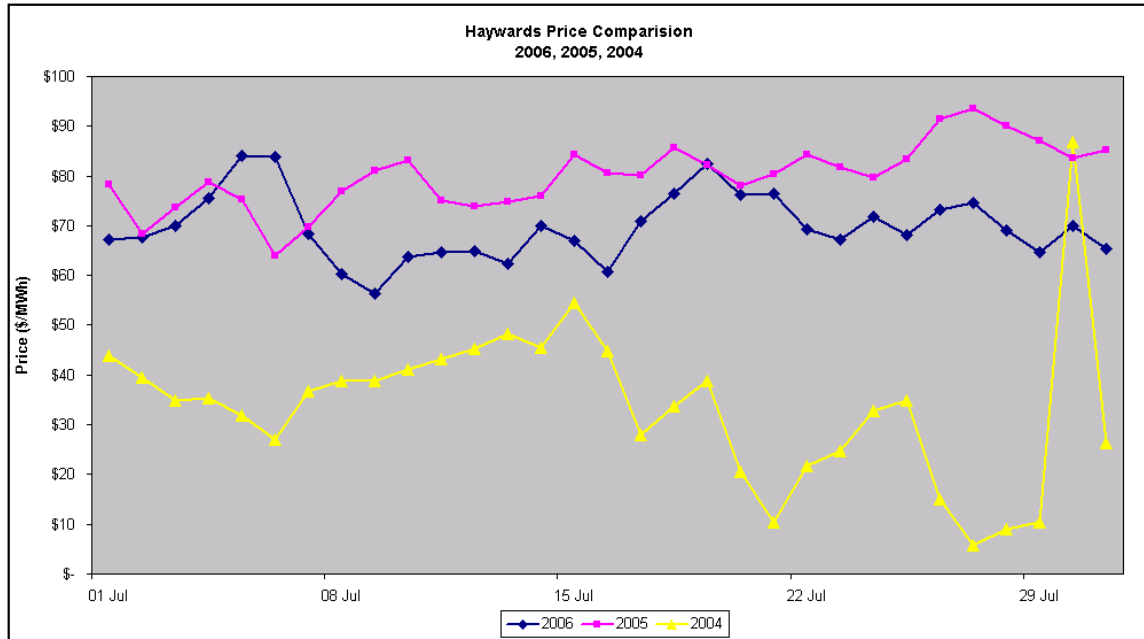


3.3.4 Daily Average Reference Price Deviation from Haywards





3.3.5 Daily Average Haywards Price Comparison



3.3.6 Haywards 13 Month Daily Average Price Comparison

