

STTM EVENT REPORT – GAS DAY 27 AUGUST 2012 – SYDNEY AND ADELAIDE HUBS

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1 Summary

On 28 August, 2012, all STTM facility allocation data at the Sydney and Adelaide hubs for gas day 27 August 2012 was incorrectly validated and rejected by AEMO. This resulted in AEMO substituting default allocations and producing provisional ex post imbalance prices for those hubs.

An AEMO automated batch job scheduler had failed and then recovered, resulting in a number of tasks relating to determining ex-post prices being completed out-of-sequence. After the scheduler was restarted, participants were requested to resubmit the data and AEMO published delayed ex post imbalance prices for the Sydney and Adelaide hubs.

AEMO considers the market impact of the event was minor because the provision and delayed ex-post prices were the same. The Brisbane hub was not affected by the event.

This report has been prepared under section 7.6 of the STTM Procedures to assess the actions taken by STTM facility operators and AEMO in relation to the event and the effect of the event on the operation of the STTM.

All references to time in the report refer to Australian Eastern Standard Time.

2 Description of Event

2.1 Background

In each STTM hub, gas is priced once before each gas day (the ex ante market price) and once after the gas day (the ex post imbalance price or, in this report, the ex post price). AEMO normally issues the ex post price before 1100 hrs for the Sydney and Adelaide hubs unless AEMO rejects any invalid data or facility operators fail to submit facility allocation data. The timetable for determining and publishing the ex post price for each STTM hub is shown in Table 1.

Table 1 STTM Ex Post Imbalance Price Timetable¹

Item	Reference	Who	Timing	Sydney	Adelaide	Brisbane
Start of gas day (D)	NGR 364		T	0630 hrs	0630 hrs	0800 hrs
STTM facility allocation notice	NGR 419	Allocation agents ²	D+1 T + 4.5 hrs	1100 hrs D+1	1100 hrs D+1	1230 hrs D+1
Issue ex post imbalance prices (including provisional)	NGR 420	AEMO	D+1 T + 5.5 hrs	1200 hrs D+1	1200 hrs D+1	1330 hrs D+1
Data for delayed	NGR 420	Allocation agents	D+1 T + 8.5 hrs	1500 hrs D+1	1500 hrs D+1	1630 hrs D+1
Issue final ex post imbalance price	NGR 420	AEMO	D+1 T + 9.5 hrs	1600 hrs D+1	1600 hrs D+1	1730 hrs D+1

The AEMO software that validates the allocation notice files for gas day 27 August ran correctly and published ex post prices. However, the processes to detect the files failed, resulting in an incorrect advice to facility operators that invalid information had been provided. This advice was sent to facility operators and STTM trading participants registered for the Sydney and Adelaide hubs at 1110 hrs.

This event did not affect the operation of the Brisbane hub. The scheduler had recovered before processes were due to run for the Brisbane hub.

¹ All times quoted are Eastern Standard Time. D+1 indicates information provided the next day.

² In practice, the facility operators are registered as allocation agents and submit this information to AEMO directly.

AEMO manually rejected the published ex post prices at the Sydney and Adelaide hubs and re-determined a provisional ex post price, which was published at around 1140 hrs. The provisional prices are determined with any missing data replaced by substitute data. However, because all data had been received no substitute data was actually used in the provisional prices.

At around 1500 hrs, the ex post imbalance price was determined and final ex post prices were published. Because the allocation data had not changed, the provisional and final ex post prices were the same.

AEMO advised the STTM Consultative Forum members by email of the incident at 1653 hrs the same day.

2.2 Cause of the Event

Prior to the incident, AEMO staff had executed a query on the STTM production systems to allow analysis of prudential amounts in the STTM. The predefined query was executed incorrectly and, when results not returned in the expected time, terminated. However, the query continued to run in the background and filled up logs in a database, which caused critical STTM scheduler and report generator applications to stop.

The STTM applications restarted but were completed out of sequence, resulting in STTM facility operators being incorrectly advised they had not submitted the allocation files.

2.3 Market Impacts

Because the pricing processes used correct allocation information, the initial, provisional and final ex post prices were identical.

The main market impact is from uncertainty among STTM participants about AEMO's systems, processes and procedures.

2.4 Estimated Financial Impact

AEMO is not aware that any participants were significantly impacted by this event.

3 Assessment of the Event

AEMO's assessment is that action taken by STTM facility operators did not contribute to the event and all data required was correctly supplied to AEMO.

Following failure of the systems, AEMO:

- Identified the issue.
- Rejected the initial ex post price calculation.
- Manually triggered and published provisional ex post prices.
- Requested participants to resubmit allocation data.
- Redetermined and published the delayed ex post prices.

These procedures were correctly followed by AEMO.

Although automated SMS and email alerts were sent to facility operators, AEMO did not provide the market with sufficiently timely information on the event. In particular, there is no process in place to provide early information to indicate a software error had caused the event.

An STTM event for gas day 8 December 2011 also resulted in allocation notices being incorrectly rejected by AEMO, provisional ex post prices being determined and a delay in publishing final ex post prices. However, this was a result of defects identified in the STTM software and not related to this event.

4 Resulting Actions

AEMO will conduct a more detailed review of the incident and issues arising, and make the outcome of that review available to participants before the end of the year. This review will consider:

- The continuing risk of ad hoc queries interfering with core market functions.
- Whether there is a need for some degree of separation between ad hoc and automated processes in the STTM to avoid this interference.
- Whether similar risks exist in AEMO's other markets.