

# **Modification Proposal 0640 ('End of Year Reconciliation of Specific categories of Smaller Supply Points.') Tolerance Analysis**

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# Background

- Feedback received at September 2003 Workstream.
- Suggestion that tolerances within Proposal should be reduced or removed.
- Transco undertook to review rationale for tolerances and undertake analysis to consider 'optimum' level.
- Mod Panel extension granted to November 2003.

# Analysis

## Oct 2003 Summary Details

Domestic to I&C Supply Points **63,132**  
 Total SP Energy Increase kWh **3,851,785,521**

| Scenario                              | ENERGY RECONCILED |               |                           |                   | ENERGY LOST    |               |                           |                   |
|---------------------------------------|-------------------|---------------|---------------------------|-------------------|----------------|---------------|---------------------------|-------------------|
|                                       | Count of Sites    | % of TC Sites | Energy Value kWh Increase | % Total TC Energy | Count of Sites | % of TC Sites | Energy Value kWh Increase | % Total TC Energy |
| <b>kWh Increase</b>                   |                   |               |                           |                   |                |               |                           |                   |
| 5000                                  | 59,155            | 93.7          | 3,839,113,551             | 99.7              | 3,977          | 6.3           | 12,671,970                | 0.3               |
| 10000                                 | 53,016            | 84.0          | 3,793,266,856             | 98.5              | 10,116         | 16.0          | 58,518,665                | 1.5               |
| <b>15000</b>                          | <b>48,449</b>     | <b>76.7</b>   | <b>3,736,868,449</b>      | <b>97.0</b>       | <b>14,683</b>  | <b>23.3</b>   | <b>114,917,072</b>        | <b>3.0</b>        |
| 20000                                 | 45,038            | 71.3          | 3,677,571,953             | 95.5              | 18,094         | 28.7          | 174,213,568               | 4.5               |
| 25000                                 | 42,407            | 67.2          | 3,618,437,252             | 93.9              | 20,725         | 32.8          | 233,348,269               | 6.1               |
| <b>% Energy Increase</b>              |                   |               |                           |                   |                |               |                           |                   |
| 5                                     | 60,866            | 96.4          | 3,846,498,613             | 99.9              | 2,266          | 3.6           | 5,286,908                 | 0.1               |
| 10                                    | 56,772            | 89.9          | 3,824,898,009             | 99.3              | 6,360          | 10.1          | 26,887,512                | 0.7               |
| 15                                    | 52,828            | 83.7          | 3,791,272,178             | 98.4              | 10,304         | 16.3          | 60,513,343                | 1.6               |
| 20                                    | 49,889            | 79.0          | 3,756,957,305             | 97.5              | 13,243         | 21.0          | 94,828,216                | 2.5               |
| 25                                    | 47,548            | 75.3          | 3,722,439,408             | 96.6              | 15,584         | 24.7          | 129,346,113               | 3.4               |
| 30                                    | 45,690            | 72.4          | 3,689,628,412             | 95.8              | 17,442         | 27.6          | 162,157,109               | 4.2               |
| 35                                    | 44,171            | 70.0          | 3,658,574,291             | 95.0              | 18,961         | 30.0          | 193,211,230               | 5.0               |
| >= 15,000 kWh OR >= 20%               | 49,889            | 79.0          | 3,756,957,305             | 97.5              | 13,243         | 21.0          | 94,828,216                | 2.5               |
| <b>&gt;= 15,000 kWh AND &gt;= 20%</b> | <b>48,449</b>     | <b>76.7</b>   | <b>3,736,868,449</b>      | <b>97.0</b>       | <b>14,683</b>  | <b>23.3</b>   | <b>114,917,072</b>        | <b>3.0</b>        |
| >= 20,000 kWh OR >= 30%               | 45,827            | 72.6          | 3,692,457,625             | 95.9              | 17,305         | 27.4          | 159,327,896               | 4.1               |
| >= 25,000 kWh OR >= 30%               | 45,690            | 72.4          | 3,689,628,412             | 95.8              | 17,442         | 27.6          | 162,157,109               | 4.2               |
| >= 35,000 kWh OR >= 35%               | 44,171            | 70.0          | 3,658,574,291             | 95.0              | 18,961         | 30.0          | 193,211,230               | 5.0               |

# Conclusion and Recommendation

- Recommend that tolerances within Proposal should be retained.
  - Reduction in Transco 'reconciliation' calculation workload.
  - Reduction in shipper 'reconciliation' validation workload.
  - Reduction in 'reconciliation' calculation timescales.
  - RbD impacts processed more rapidly.

## Conclusion and Recommendation (cont)

- Tolerances consistent with intention of Modification Proposal.
  - Poor portfolio management captured.
  - Small 'natural' fluctuations in AQ excluded (*cf* 70,000 kWh AQ/60,000 kWh actual).