



Appendix A9

Breakdown of Network Capital Projects into Component Costs

Breakdown of ElectraNet's Network Capital Projects into Component Costs

Section 4.2.4 of ElectraNet's revised Revenue Proposal sets out the derivation of non-labour cost escalators that have been applied to determining the revised capex forecast for network capital projects. The derivation of these cost escalators relies on a breakdown of network capital projects into component costs.

The following table provides a description of each cost component categories and also includes the weighting of the component in the overall program of network capital projects. The weightings have been determined using a detailed breakdown of the scope and cost estimate for each network capital project (using BPOs) and then aggregating into the cost component categories shown.

Cost Component	Weighting (%)	Description
Labour	24.3	Aggregation of labour components which include internal labour (preliminary design, project management, planning and administrative costs) and external labour (contractor design, project management, line construction and environmental compliance)
Structures/ fabricated steel	2.4	Fabrication, procurement and supply of substation structural components
Primary plant	15.9	Procurement and supply of substation primary systems
Secondary systems	13.4	Procurement and supply of substation secondary systems
Transformers	14.3	Supply and on site installation of transformers and reactors (excluding foundations).
Buildings	4.4	Supply and erection of demountable buildings, erection and material costs of masonry buildings including building services (water, sewer, electrical supplies and air conditioning)
Civil construction	12.9	Civil construction including earthworks, foundations, erection of equipment, earthing, road works, fencing and landscaping
Electrical construction	6.2	Electrical installation including connection of components, cable laying, commissioning and testing
Transmission towers	0.7	Procurement and supply of transmission towers (excludes erection)
Aluminium conductor	0.3	Procurement and supply of aluminium transmission line conductor (excludes installation)
Concrete poles	0.2	Procurement and supply of concrete poles
Underground copper cable	0.02	Procurement and supply of copper underground XLPE HV cable
Land and Easements	4.4	Purchase of land and easements
Materials - other	0.4	All other materials
Total	100.0%	

