

Investment Evaluation Summary (IES)



Project Details:

Project Name:	Maintain Access Tracks and Weed Management
Project ID:	00463
Thread:	Overhead
CAPEX/OPEX:	OPEX
Service Classification:	Standard Control
Scope Type:	B
Work Category Code:	RMOTC
Work Category Description:	Access track clearing
Preferred Option Description:	Maintain 100% of priority 1 works and 50% of priority 2 works annually
Preferred Option Estimate (Nominal Dollars):	\$10,720,000

	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27
Unit (\$)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Volume	0	0	0	0	0	0	0	0	0	0
Estimate (\$)										
Total (\$)	\$1,072,000	\$1,072,000	\$1,072,000	\$1,072,000	\$1,072,000	\$1,072,000	\$1,072,000	\$1,072,000	\$1,072,000	\$1,072,000

Governance:

Project Initiator:	Michael Emmett	Date:	19/03/2015
Thread Approved:	David Ellis	Date:	02/11/2015
Project Approver:	David Eccles	Date:	30/10/2015

Document Details:

Version Number:	1
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Related Documents:

Description	URL
RMOTC Works Identified	http://collaborationzone.tnad.tasnetworks.com.au/business-functions/asset-performance/Vegetation%20Management/Powerline_Access_Corridor_Maintenance_Identified.XLS
RMOTC NPV DD17	http://collaborationzone.tnad.tasnetworks.com.au/business-functions/asset-performance/Vegetation%20Management/RMOTC%20NPV%20DD17.xlsm

Section 1 (Gated Investment Step 1)

1. Background

This activity delivers access to TasNetworks' overhead powerlines by means of access track and corridor maintenance.

Overhead line are long service life assets , and once constructed , need timely regular access for asset management such as operations , fault patrol, periodic condition assessment or emergency replacement of assets.

Overhead line asset sites are often off road and accessed by single purpose tracks .

These tracks can be prone to rapid vegetation regrowth , water flood erosion , sea storms , heavy run off , snow and ice storms , bushfires , and other external changes that render access unuseable.

Legacy methods of access such as pole hauling by bullock teams are no longer economical, and newer safety requirements for working aloft, and modern vehicles can require review of asset track access.

1.1 Investment Need

Access track and corridor maintenance is needed to access TasNetworks powerlines no longer able to be timely reached for inspection , switching and asset maintenance .

1.2 Customer Needs or Impact

Gaining access to powerlines enables preventative maintenance to take place to prevent outages.

Should outages occur, access to powerlines minimises duration (SAIDI).

1.3 Regulatory Considerations

na

2. Project Objectives

This activity delivers access to TasNetworks' powerlines by means of access track and corridor maintenance.

3. Strategic Alignment

3.1 Business Objectives

Aligns with strategic goal of One Business: *'We care for our assets, delivering safe and reliable network services while transforming our business'*.

3.2 Business Initiatives

Aligns with *'Condition and risk-based asset management capability'*

4. Current Risk Evaluation

4.1 5x5 Risk Matrix

TasNetworks business risks are analysed utilising the 5x5 corporate risk matrix, as outlined in TasNetworks Risk Management Framework.

Relevant strategic business risk factors that apply are follows:

Risk Category	Risk	Likelihood	Consequence	Risk Rating
Customer	Inherent risk of increased SAIDI due to limited access to infrastructure is 'Almost Certain' that risk would be 'Moderate' (overall risk = Extreme).	Almost Certain	Moderate	High
Network Performance	Inherent risk of prolonged outages and significant impact on SAIDI is 'almost certain' that risk would be 'Major'. (overall risk = Extreme).	Almost Certain	Major	Very High
Safety and People	Inherent risk of injury to employees and contractors is 'likely' that risk would be 'Moderate'. (overall risk = Extreme).	Likely	Moderate	High

Section 1 Approvals (Gated Investment Step 1)

Project Initiator:	Michael Emmett	Date:	19/03/2015
Line Manager:		Date:	
Manager (Network Projects) or Group/Business Manager (Non-network projects):		Date:	
[Send this signed and endorsed summary to the Capital Works Program Coordinator.]			

Actions

CWP Project Manager commenced initiation:		Assigned CW Project Manager:	
PI notified project initiation commenced:		Actioned by:	

Section 2 (Gated Investment Step 2)

5. Preferred Option:

Option 2. Maintain 100% of priority 1 works and 50% of priority 2 works annually.

5.1 Scope

A quantity of works has been identified to address the issue of adequate access to TasNetworks' powerlines.

The majority of this work will be carried out by contract resource utilising heavy machinery.

5.2 Expected outcomes and benefits

- Access to test poles
- Access to locate faults
- Access to rectify faults once located
- Reduction in SAIDI due to access issues

5.3 Regulatory Test

6. Options Analysis

6.1 Option Summary

Option description	
Option 0	Do Nothing
Option 1	Maintain 100% of all identified works annually
Option 2 (preferred)	Maintain 100% of priority 1 works and 50% of priority 2 works annually

6.2 Summary of Drivers

Option	
Option 0	
Option 1	Excessive cost
Option 2 (preferred)	Addresses highest priority risks and allows mitigation of individual P2 weighting risks. Lower cost

6.3 Summary of Costs

Option	Total Cost (\$)
Option 0	\$0
Option 1	\$18,465,000
Option 2 (preferred)	\$10,720,000

6.4 Summary of Risk

6.5 Economic analysis

Option	Description	NPV
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Option 0	Do Nothing	\$1
Option 1	Maintain 100% of all identified works annually	-\$12,817,295
Option 2 (preferred)	Maintain 100% of priority 1 works and 50% of priority 2 works annually	-\$7,441,181

6.5.1 Quantitative Risk Analysis

Inherent risk of prolonged outages and significant impact on SAIDI is 'almost certain' that risk would be 'Major'. (overall risk = Extreme).

6.5.2 Benchmarking

na

6.5.3 Expert findings

na

6.5.4 Assumptions

Business as usual - no step change.

Section 2 Approvals (Gated Investment Step 2)

Project Initiator:	Michael Emmett	Date:	19/03/2015
Project Manager:		Date:	

Actions

Submitted for CIRT review:		Actioned by:	
CIRT outcome:			