

# Investment Evaluation Summary (IES)



## Project Details:

<b>Project Name:</b>	Change or Upgrade Service on Telstra Pole
<b>Project ID:</b>	00734
<b>Thread:</b>	Structures
<b>CAPEX/OPEX:</b>	CAPEX
<b>Service Classification:</b>	Standard Control
<b>Scope Type:</b>	B
<b>Work Category Code:</b>	RESTE
<b>Work Category Description:</b>	Change over / upgrade service on Telstra Poles
<b>Preferred Option Description:</b>	Upgrade and reconfigure any LV that is attached to Telstra owned poles. If major work is required or a problem exists with the pole, TasNetworks will negotiate transfer of ownership of the asset to TasNetworks.
<b>Preferred Option Estimate (Nominal Dollars):</b>	\$350,000

	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27
<b>Unit (\$)</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Volume</b>	1	1	1	1	1	1	1	1	1	1
<b>Estimate (\$)</b>										
<b>Total (\$)</b>	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000

## Governance:

<b>Project Initiator:</b>	Jack Terry	<b>Date:</b>	27/03/2015
<b>Thread Approved:</b>	David Eccles	<b>Date:</b>	20/10/2015
<b>Project Approver:</b>	David Eccles	<b>Date:</b>	20/10/2015

## Document Details:

<b>Version Number:</b>	1
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## Related Documents:

Description	URL
NPV Document	<a href="http://projectzone.tnad.tasnetworks.com.au/business-projects/nis-program/DD17SAM/Deliverables/Overhead%20Systems%20and%20Structures/RESTE%20Replacing%20upgrading%20services%20on%20Telstra%20Poles/NPV%20-%20RESTE.xlsm">http://projectzone.tnad.tasnetworks.com.au/business-projects/nis-program/DD17SAM/Deliverables/Overhead%20Systems%20and%20Structures/RESTE%20Replacing%20upgrading%20services%20on%20Telstra%20Poles/NPV%20-%20RESTE.xlsm</a>
IES Document	<a href="http://projectzone.tnad.tasnetworks.com.au/business-projects/nis-program/DD17SAM/Deliverables/Overhead%20Systems%20and%20Structures/RESTE%20Replacing%20upgrading%20services%20on%20Telstra%20Poles/IES%20-%20RESTE.docx">http://projectzone.tnad.tasnetworks.com.au/business-projects/nis-program/DD17SAM/Deliverables/Overhead%20Systems%20and%20Structures/RESTE%20Replacing%20upgrading%20services%20on%20Telstra%20Poles/IES%20-%20RESTE.docx</a>

# Section 1 (Gated Investment Step 1)

## 1. Background

There are approximately 2,700 Telstra owned poles currently in service where TasNetworks assets (generally small service lines) are attached.

This program covers the upgrade and reconfiguration of any LV that is attached to Telstra owned poles. If any major work is required or a problem exists with the pole, TasNetworks will negotiate transfer of ownership of the asset.

There are no major changes to this program and the proposed expenditure is to remain consistent with historical spend.

### 1.1 Investment Need

While these poles are maintained appropriately, upgrades and reconfigurations may occur in which TasNetworks owned LV assets are required to be attached to the Telstra pole. In such cases TasNetworks takes over ownership of the pole so the appropriate standards and policies can be applied to it with regard to installation, access inspections and maintenance.

The driver for this program is therefore compliance with contractual and legal obligations.

The only impact of this project on the customer is the cost passed through, for this work to be completed.

This project will be ongoing to enable the upgrade of LV services, when required.

### 1.2 Customer Needs or Impact

The only impact of this project on the customer is the cost passed through, for this work to be completed.

### 1.3 Regulatory Considerations

This project will be ongoing to enable the upgrade of LV services, when required.

## 2. Project Objectives

The objective of this project is to change service conductors that are attached to Telstra Poles and are due for replacement.

## 3. Strategic Alignment

### 3.1 Business Objectives

Strategic and operational performance objectives relevant to this project are derived from TasNetworks 2014 Corporate Plan, approved by the board in 2014. This project is relevant to the following areas of the corporate plan: • We care for our assets, delivering safe and reliable networks services while transforming our business.

### 3.2 Business Initiatives

TasNetworks continues to undertake consumer engagement as part of business as usual through the Voice of the Customer program. Customers have identified that into the future they believe that affordability, green, communicative, innovative, efficient and reliable services must be provided by TasNetworks. This project specifically provides improvements to consumers with respect to safety, restoration of faults/emergencies and supply reliability. Customers will continue to be consulted through routine TasNetworks processes, including the Voice of the customer program, the Annual Planning Review and ongoing regular customer liaison meetings.

## 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
Environment and Community	Asset failure results in damage to property.	Possible	Minor	Low
Regulatory Compliance	Installed asset does not comply with contractual and legal requirements	Possible	Minor	Low
Reputation	Asset failure results in damage to property. Non-sustained press coverage.	Possible	Moderate	Medium
Safety and People	Asset failure results in serious injury or death to member of the public.	Rare	Severe	Medium

## Section 1 Approvals (Gated Investment Step 1)

<b>Project Initiator:</b>	Jack Terry	<b>Date:</b>	27/03/2015
<b>Line Manager:</b>		<b>Date:</b>	
<b>Manager (Network Projects) or Group/Business Manager (Non-network projects):</b>		<b>Date:</b>	
[Send this signed and endorsed summary to the Capital Works Program Coordinator.]			

<b>Actions</b>			
<b>CWP Project Manager commenced initiation:</b>		<b>Assigned CW Project Manager:</b>	
<b>PI notified project initiation commenced:</b>		<b>Actioned by:</b>	

## Section 2 (Gated Investment Step 2)

### 5. Preferred Option:

The preferred option is to upgrade and reconfigure any LV that is attached to Telstra owned poles. If major work is required or a problem exists with the pole, TasNetworks will negotiate transfer of ownership of the asset to TasNetworks.

#### 5.1 Scope

The work to be undertaken is the changeover of services that are attached to Telstra poles that have been condemned and may be generated by: a) Works Delivery. b) Requests from RAMs or Asset Investment and Performance Particular methodology to undertake the work: c) Work should be discussed with the RAM prior to commencement. Other Conditions a) WASP is to be updated to show that work has been completed. b) Report quarterly on expenditure and number of sites rectified. c) The budget cannot be exceeded.

#### 5.2 Expected outcomes and benefits

The expected outcomes of this project are 1. Reduction in safety risk to members of the public; and 2. Improvement in customer network reliability; and 3. Reduced replacement cost (completed as planned work versus fault work).

#### 5.3 Regulatory Test

## 6. Options Analysis

### 6.1 Option Summary

Option description	
Option 0	Do nothing. Services on Telstra poles are run to failure. Repairs are only done under fault and only to resume supply. This will not comply with TasNetworks contractual and legal responsibilities.
Option 1 (preferred)	Upgrade and reconfigure any LV that is attached to Telstra owned poles. If major work is required or a problem exists with the pole, TasNetworks will negotiate transfer of ownership of the asset to TasNetworks.

### 6.2 Summary of Drivers

Option	
Option 0	Regulatory and compliance - Poses an unacceptable noncompliance risk to TasNetworks. Public Safety - Poses an unacceptable risk to public safety from asset failure perspective.
Option 1 (preferred)	Regulatory and compliance - Meets the requirements of TasNetworks' contractual and legal obligations. Public Safety - Adequately addresses the

risks presented to public safety.

### 6.3 Summary of Costs

Option	Total Cost (\$)
Option 0	\$0
Option 1 (preferred)	\$350,000

### 6.4 Summary of Risk

### 6.5 Economic analysis

Option	Description	NPV
Option 0	Do nothing. Services on Telstra poles are run to failure. Repairs are only done under fault and only to resume supply. This will not comply with TasNetworks contractual and legal responsibilities.	\$0
Option 1 (preferred)	Upgrade and reconfigure any LV that is attached to Telstra owned poles. If major work is required or a problem exists with the pole, TasNetworks will negotiate transfer of ownership of the asset to TasNetworks.	-\$159,226

#### 6.5.1 Quantitative Risk Analysis

None

#### 6.5.2 Benchmarking

None

#### 6.5.3 Expert findings

None

#### 6.5.4 Assumptions

None

## Section 2 Approvals (Gated Investment Step 2)

<b>Project Initiator:</b>	Jack Terry	<b>Date:</b>	27/03/2015
<b>Project Manager:</b>		<b>Date:</b>	

<b>Actions</b>			
<b>Submitted for CIRT review:</b>		<b>Actioned by:</b>	
<b>CIRT outcome:</b>			