

# LCNF Full Submission

## Supplementary Answer Form

|                        |                                |                         |              |
|------------------------|--------------------------------|-------------------------|--------------|
| <b>DNO Name:</b>       | Electricity North West Limited | <b>Question Number:</b> | ENWL026      |
| <b>Question Date:</b>  | 17 Sept 2010                   | <b>Answer Date:</b>     | 22 Sept 2010 |
| <b>Question Topic:</b> |                                | Box 8                   |              |

|                              |  |                              |  |
|------------------------------|--|------------------------------|--|
| <b>Original Question No:</b> |  | <b>Original Answer Date:</b> |  |
| <b>Original Question:</b>    |  |                              |  |
| <b>Original Answer:</b>      |  |                              |  |

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| <b>Question:</b> | Please provide a breakdown of the cost items provided by SAIC, Alcatel-Lucent and GE. |
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| <b>Answer:</b> | <p>In answering this question we identified that there was an error in our reporting of the costs in Box 8. We have reviewed the information in boxes 7, 8 and 10 of the Full Submission and have corrected the error. The error identified does not affect the materiality of the Project cost, but does affect the allocation of costs between the cost categories and by External Collaborator. For example, the percentage funding ratio and the External Collaborator of some equipment costs was wrongly allocated; equipment costs were identified across boxes 7 and 8; and some costs, like office accommodation, were previously separately listed.</p> <p>Corrections are only required to boxes 7, 8 and 10 of the Full Submission. No corrections are required to the Northern Gateway Technology Costs for proforma workbook submitted with the answer to question ENWL001. The corrected boxes are attached at the end of this answer form.</p> <p><i>SAIC</i></p> <p>We identified in Box 8 that the SAIC will support the Project through the provision of the Programme</p> |
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|  | <p>Management Office, Systems Integrator role and a Cyber Security Solution totalling £955,000. In our answer to ENWL001 we provided the supporting cost data, contained within 'Northern Gateway Technology Costs for proforma' workbook that was used to complete the 'Second Tier Funding Request' worksheet. The cost of the roles to be undertaken by SAIC are:</p> <ol style="list-style-type: none"> <li>1. Programme Management Office (£689,000);</li> <li>2. Systems Integration role (£74,000); and</li> <li>3. Cyber security solution (£192,000).</li> </ol> <p><i>Alcatel-Lucent</i></p> <p>We have identified in Box 8 that Alcatel-Lucent will support the Project through the provision of a Communications Systems Integrator role totalling £375,000. Alcatel-Lucent will oversee the development of the telecommunications infrastructure for the Project by acting as the design authority and telecommunications systems integrator.</p> <p><i>GE</i></p> <p>We have identified in Box 8 that GE will support the Project through the provision of the Distribution Equipment Systems Integrator role totalling £26,000. Note, this cost is contained within the 'IT' and 'Contractor' cost items contained within the previously issued 'Northern Gateway Technology Costs for proforma' workbook (which we have attached again for ease of reference).</p> |
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|---------------------|---|
| <b>Attachments:</b> | <p>Excel Workbook:<br/>ENWL001 – Northern Gateway Technology Costs for proforma.xls</p> <p>PDF document:<br/>Northern Gateway Smart Grid Project revised boxes 7, 8 and 10.</p> |
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## Northern Gateway Smart Grid Project revised boxes 7, 8 and 10

**Box 7: Please outline the main Equipment costs required for the total Project which you are project managing**

| Item description & No. of units                            | Function in Project  | Cost per unit  | Total Cost | Funding   | Direct Benefit |
|--|--|----------------|------------|---|----------------|
| Superconducting Fault Limiter (1)                          | Manage distribution fault level  | £2,076,000     | £2,076,000 | Funded by LCN Fund                                    | None           |
| Distributed Energy Management System (1)                   | Distribution network and distributed energy management system                              | £1,241,000     | £1,241,000 | 80% funding from LCNF<br>20 % funding from BPL Global | None           |
| Distribution Automation and SFCL Monitoring Equipment (12) | Retrofit automation equipment for control of HV switchgear, including current transformers | Average £5,700 | £68,000    | 97% funding from LCNF<br>3% funding from GE           | None           |
| Consumer sub-meters and substation monitors (11)           | Monitoring of load, demand, voltage, including current transformers                        | Average £7,400 | £81,000    | 80% funding from LCNF<br>20 % funding from GE         | None           |

## Northern Gateway Smart Grid Project revised boxes 7, 8 and 10

| Item description & No. of units   | Function in Project                        | Cost per unit                          | Total Cost | Funding   | Direct Benefit |
|---|--|--|------------|---|----------------|
| Ruggedised Network Routers (48)   | Telecommunications network control devices | £5,080                                 | £243,000   | Funded by LCN Fund  | None           |
| Remote terminal units (48)  | Telecommunications network control devices | £4,000                                 | £240,000   | 80% funding from LCNF<br>20 % funding from Alcatel-Lucent | None           |
| UHF Radio System and WiMax System (base stations and cpe) (1 of each)   | Telecommunication network solution         | £122,000                               | £122,000   | 80% funding from LCNF<br>20 % funding from Alcatel-Lucent | None           |
| Digital Subscriber Link Modems (16), BPL equipment (8) and hardware (1) | Telecommunications network solutions       | Average<br>£1,270<br>£5,100<br>£61,000 | £122,000   | Funded by LCN Fund  | None           |

## Northern Gateway Smart Grid Project revised boxes 7, 8 and 10

**Box 8: Please outline the Contractor costs required for the total Project which you are project managing**

| Contractor     | Role in Project  | Funding  | Expected length of contract | Total Cost |
|----------------|--|--|-----------------------------|------------|
| SAIC           | Provision of:<br>1. Programme Management Office<br>2. Systems Integrator<br>3. Cyber Security Solution | 80% from LCN Fund and<br>20% from SAIC           | 40 months                   | £955,000   |
| Alcatel-Lucent | Provision of:<br>1. Systems Integrator role for communications infrastructure                          | 80% from LCN Fund and<br>20% from Alcatel-Lucent | 40 months                   | £375,000   |
| GE             | Provision of:<br>1. Systems Integrator role for distribution network equipment                         | 80% from LCN Fund and<br>20% from GE             | 40 months                   | £26,000    |
| Arqiva         | Provision of:<br>1. Long range radio communications service  | 26% from LCN Fund and<br>74% from Arqiva         | 40 months                   | £570,000   |

## Northern Gateway Smart Grid Project revised boxes 7, 8 and 10

**Box 10: Other costs for the total Project which you are project managing. This should be categorised into the following categories: IT costs, Contingency costs, IPR costs, decommissioning costs, abnormal travel costs and costs associated with public engagement and dissemination of learning**

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