LCN Fund Full Submission

Supplementary Answer Form

Tick if this answer is Confidential: ☐

Tick if this answer has been provided verbally: ☐

Project code:	SPT2005	Question Number	30
Question date	3rd Oct 2013	Answer date	11th Oct 2013
Submission section question relates to	Expert Panel Bilateral		
Topic	Financial		
Question	Can you elaborate on how you have estimated the benefits from this trial? In particular – (a) Can you explain how a deferral of a £15m network reinforcement, for up to 10 yrs, can be justified given the project will cost £13.2m? (b) Could you explain how, if the method was replicated elsewhere, it could be done at very much lower cost?		
Notes on question			
Answer	(a) The aim of the project is to create a blueprint for deployment throughout GB as a viable business model. Hence, there is a requirement for significant investment in analysis and a subsequent requirement for stimulus funding to test the boundaries on the premise in a trial environment so that we can have confidence in a commercial model suitable for GB. Anglesey is chosen as a test site to prove the blueprint, not as a means for the sole commercial justification of an ACE-like approach. (b) We anticipate replication of the project will be sub £5m, showing significant cost savings in areas such as Anglesey. In replication we would expect university analysis and associated overheads to be removed. This will leave only "Menter Mon" and DNO fixed and equipment costs along with DSR payments. This is explained in more detail in the resubmission.		
Attachments			
Verbal Clarifications (Consultants			

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