

# Project Name

## TNPP Submission to UR

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XX Month 201X



## General Guidance

This pro forma is designed to facilitate documentation of formal submissions for Transmission Network Pre-Construction Projects (TNPPs). The pro-forma is a general template covering the minimum requirements. All sections should be completed, but it can be adapted and tailored to suit particular spending areas as desired. ***The spaces and tables should be enlarged or modified as required to accommodate all the necessary information.***

There are no precise rules about the length of the document for these applications. However, the information provided needs to be sufficient to both justify the project and the associated forecast expenditure. Larger and/or more complex TNPPs will likely require more justification and detail.

The PART A section titles in **red text** relate to information about the **transmission project**.

The PART B section titles in **blue text** relate to information about **pre-construction activity**.

Work on the high level transmission project option analysis and preferred option selection (**Part A of this pro-forma**), along with the initial development of the plan for the associated pre-construction activity (**Part B of this pro-forma**), should be considered as 'business-as-usual' activity. This will form part of the ongoing work of the 'opex' network planning staff as provided for in the price control.

In the event that external specialists [not covered in the price control] are required to complete the pro-forma, these costs should be separately identified, justified and can be can be remunerated like other pre-construction capex costs. Work on the pre-construction activities and design/costing will be treated as 'capex' activity. This will be added to the TNPP side-RAB and will earn a WACC return.

All costs should be submitted in **constant prices**. The company should confirm what price base the submission is in as part of the TNPP cost template.

Cover letters accompanying the submission should be signed by the relevant accounting officer e.g. Managing Director, Senior Manager or SONI Board member.

## Part A - TRANSMISSION PROJECT DETAIL

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### Section 1: Need and Investment Trigger

- Identify the problem to be solved and the basis for investment.
- Explain the nature of the needs or demands that are to be addressed.
- Detail any deficiencies in service provision.

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### Section 2: Project Background

- Explain the background to the proposal including its relevance to the electricity industry in Northern Ireland (and Ireland if applicable).
- Detail how the project links to the strategic context of the ten year transmission development plan for Northern Ireland (TDPNI) (if applicable).

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### Section 3: State Objectives and Constraints of the Project

- Explain and list the project objectives in specific measurable terms.
- Include measurable targets where possible.
- Identify any likely constraints to the project e.g. timing issues, legal requirements, professional standards, planning constraints and so on.

Project Objectives	Measurable Targets
1.	1.1 1.2
2.	2.1 2.2
3.	3.1 3.2
4.	4.1 4.2

Constraints	Measures to address constraints
1.	
2.	

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## Section 4: Identify and Shortlist the Options for Investment

- Consider alternative ways to meet the objectives e.g. variations in scale, quality, technique, location, timing etc.
- Start with an initial 'long list' of options and sift them to provide a shortlist, where appropriate. Record all the options considered and the reasons for rejecting those not shortlisted.
- The shortlist of options should include a baseline Status Quo or 'Do Minimum' option and a suitable number of alternative 'Do Something' options (usually at least two). In line with the TEN-E Regulation, project deferral must also be considered

Option Number/ Description	Shortlisted (S) or Rejected (R)	Reason for Rejection
1. Status Quo	S	
2.		
3.		
4.		
5.		

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## Section 5: Costs and Benefits Analysis & Identification of Preferred Option

- If relevant, provide a high level NPV analysis of the various project options to demonstrate that the chosen option is the best whole life solution.
- NPV analysis should be completed using a modified (as required) version of the attached spreadsheet. In the spreadsheet:
  - Estimates should be provided for capital costs, maintenance costs and monetary benefits over the asset lifespan.
  - Chosen discount rate should be detailed and explained.
- In the table below:
  - Assumptions of financial costs and benefits should be detailed.
  - Non-monetary benefits should be listed e.g. resilience, security of supply etc.
  - Identification of the preferred construction solution should be provided, where applicable.
  - The preferred option should detail, an assessment of deliverability, including an assessment of 3rd party risks, to show the profile of investment i.e. budget and timelines showing that completion dates are achievable



NPV Calculator.xls

**NPV Calculation Attached: Yes / Not Applicable\***

**\*If not applicable please explain why:**

**Cost/Benefit Assumptions:**

**Non-Monetary Benefits:**

**Preferred Option (and rationale):**

## Part B - PRE-CONSTRUCTION PROJECT DETAIL

### Section 6: Pre-Construction Project Plan

- List and describe the key pre-construction activities of the preferred option. This should include as a minimum:
  - Route / Site / Technology selection & design required for all consents
  - Environmental studies
  - Consultation & stakeholder engagement including Planning application
  - Acquisition of wayleaves, easements, land options, etc. (including legal work)
- List the timelines for each activity.
- List the key milestones for reporting purposes and the relevant critical path items.
- Key milestone includes the expected pre-construction completion date.
- Where possible, provide a tracking Gantt chart.

Activity (with description)	Timeline (From – To)
1.	
2.	
3.	
4.	
5.	

Key Milestones	Critical Path Item
1.	
2.	
3.	
4.	
5.	

**Comments:**



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## Section 7: Assess Risks, Uncertainties and Unknowns

- Identify and describe the risks that the pre-construction activities may face.
- Explain the likely impact of the various risks without mitigation.
- Identify measures to ensure that each risk is appropriately managed and mitigated.
- Explain and justify any contingency allowances included for risks in the costings.

Risk Description	Likely impact of Risk H/M/L (Post-Mitigation)	Identify relevant risk management / mitigation measures & explain impact
1.		
2.		
3.		
4.		
5.		
6.		
<b>Overall Risk (H/M/L):</b>		

KEY: H = high      M = medium      L = low      N/A = Not Applicable

### Comments:

[add the key assumptions here]

## Section 8: Pre-Construction Project Budget

- Detail the project cost breakdown by pre-construction activity (as listed in Section 6 but with further split costs as defined in the spreadsheet). This should include the cost of completing the design costing.
- For each distinct activity the cost estimates should be accompanied by:
  - Details of internal staff costs, FTE numbers, daily rates and estimated time (this should be split by activity).
  - Details of external/consultancy staff costs, FTEs, daily rates and estimated time (this should be split by activity).
  - Details of wayleave/easement cost estimates.
  - Detail of contingency levels required (with justification building on the risk assessment in section 7 where appropriate).
- The company should use (and return) the attached spreadsheet to complete the table below. Comments on the basis of the assumptions in the cost forecast are to be included in the attached spreadsheet.



2018-03-09 TNPP  
Cost Template.xlsx

Activity	Cost (£)
1.	
2.	
3.	
4.	
5.	
6.	
7.	
<b>Contingency</b>	
<b>Total Pre-Construction Cost</b>	

### Comments:

[add the key assumptions here]