CONTRACTOR NEEDS PRICE AND DELIVERY STABILITY FOR POWER UPGRADE IN REMOTE AREA

ANIXTER®

SUMMARY

Customer
Contractor for electric power grid upgrade

Challenge
A 210-mile, 500-kV power grid upgrade in a remote area using control cable produced to exact specifications

Solution
READY!℠ To Install

Results
- More than 320,000 feet of cable delivered as specified
- Stable copper pricing through nine-month project
- Stored cable off site to eliminate risk of theft, loss or damage

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The coordination of the manufacturing lead times and product deliveries helped the right products to arrive at the right substation, ready to be installed.

Customer Challenge

With nearly 10,000 megawatts of energy-generating capacity, a large provider of coal-based electricity delivers power to more than 1.5 million customers in the eastern U.S. With a vision to be a top-performing, high-growth utility, the energy producer's long-term vision is to add value to its core generation and delivery business. In order to do this, the company planned to build a 210-mile, 500-kV power grid, which included two substations along the route.

As vital links in the grid, the substations either boost the voltage to send the power further down the line or begin to transform the power to a lower voltage for use in residential or commercial applications.

The company hired a contractor to install the power grid and substations. Within each substation, the contractor required a precisely specified 600-volt control cable with unique size and shielding characteristics. The cable was essential to the completion of the project, and in order to meet its construction deadlines, the contractor needed a steady supply of the cable while ensuring its delivery to the substations corresponded with its production schedule. However, the two substations were constructed in remote, heavily forested areas, which made the timing of the deliveries crucial and on-site storage problematic. Unless the substations were fully operable by the project's deadline, the expanded grid system—a project estimated to cost more than $820 million—could not be utilized.

Anixter Solution

To deliver a steady supply of the 600-volt cable throughout the project's duration, Anixter maintained a relationship with the only manufacturer that could provide the specified product without having to outsource some of the process. In order to guard against price fluctuations in copper, Anixter secured contractual agreements with the manufacturer of the control cable to set a fixed price for copper throughout the construction. This provided the manufacturer with a supply of the raw material to create the finished product at an agreed upon cost. By locking in the quantity and cost of the copper, Anixter relieved the contractor of the responsibility of sourcing competitively priced materials throughout the project. By working closely with the manufacturer, Anixter confirmed that the finished cabling met the contractor's requirements for size, shielding, capacity and quality. Anixter also worked with the manufacturer to create a production schedule that matched the build-out of the power grid, which helped to protect against production overruns and shortages.

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As Anixter received delivery of the control cable from the manufacturer, it warehoused the product in a distribution center close to the construction of the two substations. To address the problems of limited on-site storage space, Anixter recommended its READY!℠ To Install service to the contractor. As part of its READY! Deployment Services, Anixter's READY! To Install offering provides a customized, full-service wire and cable management and delivery program. Instead of having to warehouse the material on site, the contractor received timed deliveries from Anixter's distribution center. Each delivery contained only the right amount of material that needed to be installed on the job site, which lowered the risk of theft, eliminated the need for the contractor to move the cable between substations, store excess product or conduct time-consuming cutting on site.

Project Results

Anixter ultimately supplied more than 320,000 feet of the specified cable to the customer. During the nine-month life of the project, the contractor received a fixed cost for the cabling, which minimized the effects of fluctuating copper prices and made cash flow more predictable. Anixter held the cost of inventory until the contractor was ready to install, which reduced the contractor's cash outlay. By delivering the products to the remote areas, Anixter helped to eliminate the risk associated with storing the cable on site. The coordination of the manufacturing lead times and product deliveries helped the right products to arrive at the right substation, ready to be installed. With help from Anixter's long-standing manufacturer relationships and supply chain knowledge, the contractor was able to complete the project on time and meet the technical and deployment specification of the project, helping to deliver 10,000 megawatts of power across the grid.

READY!
DEPLOYMENT SERVICES · BY ANIXTER

READY!℠ Deployment Services by Anixter map our distribution and Supply Chain Solutions to the construction or deployment process of any technology project. We combine sourcing, inventory management, kitting, labeling, packaging and deployment services to simplify and address the material management challenges at the job site(s). READY! Deployment Services by Anixter will help you improve the speed to deployment, lower your total cost of deployment and deliver your product specifications as planned.

This project called for:

READY.
TO INSTALL · BY ANIXTER

READY!℠ To Install is a customized, full-service wire and cable management and delivery program.

OVER **8,300** employees

OVER **100,0000** customers

MORE THAN **450,000** products

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