Shared Services Project Authorization Form

Project Title: Connecticut-Electric Residential Low Income Discount Rate program	**Project Number:** IT23426
Date Prepared: 11/03/2022	**Company:** CL&P Electric Distribution 11
Organization: Customer Group	**Class(es) of Plant:** Software
Project Initiator: [redacted]	**Authorization Type:** Full Funding
Business Project Manager: [redacted]	**Project Type:** Specific
Project Sponsor: [redacted]	
Estimated in service date: 11/01/2023	**Capital Investment part of original Operating Plan:** Yes
Total Capital Request: $ 3,492,000	**O&M Expenses part of request:** No
Estimated Life of Asset (check one)**:** X 5yrs ☐ 10yrs ☐ 15yrs ☐ Other:_____	**Emergency Related Request?** No

Executive Summary

In the State of Connecticut Public Utilities Regulatory Authority (PURA) Docket 17-12-03RE11 October 19, 2022 DECISION, Eversource shall develop a two-tiered low-income discount rate (LIDR), that proactively seeks to provide direct energy assistance to qualifying residential customers. To be in compliance with the PURA October 19, 2022 DECISION, Eversource must make IT system changes (C2 billing on-line and billing calculation to apply discount % and heating customer kWh Caps, Web Social Agency Portal Tier information, KUBRA 3rd party bill presentment and correspondence) to support Pre-enrollment and the launch of Low Income Discount Rate for Connecticut.

The LIDR will have an overall eligibility cap of 60% State Median Income (Tier 1), and the eligibility for Tier 2 is aligned with existing state benefits programs (up to 160% of Federal Poverty Guidelines). These discount levels were developed to meet the following dual LIDR objectives:

1. Achieve energy affordability, as defined by the allocation of no more than 6% of annual household income spent on building energy costs; and
2. Reduce uncollectable expenses paid by all ratepayers, in part, by reducing the need for service disconnections and reconnections.

Connecticut-Electric Residential Customers eligible for the Tier 1 will receive a 10% discount applied to their monthly electric bill. The discount for Tier 2 eligible customers will be 50%.

Pre-enrollment for Low Income Discount Rate begins August 2023. Launch of Connecticut Electric Residential Low Income Discount Rate program by January 2024.

Project Costs Summary

Capital Costs	Year 2023	Total
Direct Capital Costs		
Internal Labor	335,000	335,000
Outside Services	2,267,000	2,267,000
Materials		
Removals		
Risk and Contingency	582,000	582,000
Other		
Subtotal	3,184,000	3,184,000
Indirect Capital Costs		
Indirect/Overheads (including benefits)	308,000	308,000
Capitalized interest or AFUDC, if any		
Subtotal	308,000	308,000
Total Capital Project Costs	**3,492,000**	**3,492,000**

Costs by Entity	CL&P Electric Distribution 11	**Total**
Direct Capital	3,184,000	3,184,000
Indirect Capital	308,000	308,000
Removal net of salvage		
Total Capital Project Costs by Entity	**3,492,000**	**3,492,000**

O&M Project Costs	**Year 2023**	**Year 2024**
Labor		
Outside Services		
Materials		
Training		
Other		
Total O&M Related Costs		

Software as a Service (SaaS):

SAAS*	**Year 2023**	**Year 2024**
Capital		
O&M		
Total		

Alternatives Considered:

Project is a PURA obligation with no alternatives considered

Eversource provided Connecticut Public Utilities Regulatory Authority (PURA) several different cost estimates in 2021 and 2022 mirroring the NH and MA low-income discount rates and programs. PURA did not approve the Massachusetts Low Income Discount Rate model (R-2 Residential Non-Heating Assistance and R-4 Residential Heating Assistance rates using one (the same) 36 percent discount for a heating and non-heating Assistant rate customers. PURA did not approve using a New Hampshire Energy Assistance Program model (5-Tier percent discount program applied to existing Residential rates with no Pre-Enrollment or Automation).

Regulatory Requirements:

Yes - detailed explanation provided in appendix

Future Costs:

Future Costs	Year 20__	Year 20__	Year 20__	Year 20__
Capital				
O&M				
Other				
Total Future Costs				

Future O&M represents:

What functional area(s) will these future costs be funded in (include manager and CCC)?

Future Financial Benefits:

No - project is not undertaken for financial benefits

Project Justification:

Connecticut billing system changes are required for Eversource to comply with the decision from Docket No. 17-12-03RE11 (Public Utilities Regulatory Authority) PURA investigation into Distribution System Planning of the electric Distribution Companies – New Rate Designs and Rates Review. System changes are required to store Pre-Enrollment Tier 1 and Tier 2 information, development of Low-Income Discount Rate Tiered program in C2 workstation, billing calculation, KWH usage caps, bill presentment, Auto-Enrollment in default Tier 1 (10% discount percentage), certification/recertification, and Tier information to Social Agency portal.

Eversource (C2) core billing system is used to bill Connecticut-Electric Residential customers and 3rd party vendor KUBRA platform is used for electronic/mailed bill presentment and correspondence.

The Scope of this project will be delivered in 2023 in 3 Tracks:

- Track 1 by August 1, 2023 update C2 core billing system with Pre-enrollment Tier 1 and Tier 2 Low Income Discount Rate program information (C2 database, C2 programs, C2 data entry screen including Social Agency portal).

- Track 2 by January 1, 2024 update C2 core billing system and 3rd party vendor KUBRA platform with new Low Income Discount Rate Connecticut Tier logic, billing calculations, KWH caps, and bill presentment (C2 programs, C2 data entry screen, and KUBRA 3rd party vendor view/mail bill and correspondence). Hardship Profile customers will automatically be enrolled in default Tier 1 (10% discount).

- Track 3 by November 2023 will introduce new certification/recertification logic for annual renewal of Tier 1 and Tier 2. Tier 1 and Tier 2 information will be shared with existing Social Agency portal. KWH usage cap information when limit is exceeded will display on Eversource color bill under Important Messages About Your Account.

Project Schedule:

Milestone/Phase Name	Estimated Date
Track 1 – Pre-Enrollment for two-Tier T1/T2 information including Social Agency portal	
Requirements	January 2023
Design	February 2023
Build	March-April-May2023
Test	June-July 2023
In Service Date	August 1, 2023
Track 2 – Low Income Discount Rate for two-Tier T1/T2 program and automation	
Requirements	January-February 2023
Design	March 2023
Build	April-May-June-July 2023
Test	August-September-October 2023
In Service Date	November 1, 2023 by January 1, 2024
Track 3 – certification/recertification and bill presentment	
Requirements	May 2023
Design	June 2023
Build	July-August 2023
Test	September-October 2023
In Service Date	November 1, 2023

Risks and Risk Mitigation Plans

Risk	*Risk Mitigation Plan*
Inability to comply with Docket 17-12-03RE11.	Project Sponsors are requesting PAF approval by year end 2022 for project to begin no later than first week in January 2023 for Docket 17-12-03RE11 DECISION to launch LIDR by Jan 1st 2024.
Availability of Business Resources.	Business Project Manager is working closely with Business Leadership to ensure necessary resources are available to meet target deliverables.
Availability of IT Resources.	IT Leadership is working with TCS Supplier to secure separate development team resources from TCS.
Legacy billing system (C2) will eventually be migrated to a new (Omni) SAP billing system. A date for Connecticut has not been set.	Omni SAP project team will be kept informed of Connecticut approved Low Income Discount Rate program approved by PURA in Docket 17-12-03RE11 as this program will need to be developed in 'future state' Omni SAP for Connecticut-Electric.

Appendices

171203RE11-101922 .pdf

- ***Future Financial Benefits:***

If the project has future financial benefits, please use the following table to provide the yearly amounts.

Financial Benefits	**Year 20__**	**Year 20__**	**Year 20__**	**Year 20__**
O&M reductions				
Other (i.e: return on investment, revenues)				
Total Financial Benefits				

Describe the estimated future financial benefits noted above:

What functional area(s) will these benefits be reflected in?_____
A representative from the respective functional area is required to be included as a project approver.

- ***If the project has regulatory requirements, please disclose here***
  Project is in support of approved Docket 17-12-03RE11 PURA Investigation into Distribution System Planning of the Electric Distribution Companies – New Rate Designs and Rates Review.

Analysis of Vendor Software Payments for Cloud-Based Software Applications Hosting Fees ONLY

This document ONLY needs to be utilized if Eversource Energy is entering into a Cloud-Based Application and the Application has Hosting Fees which are also referred to as; Hosted Solution, Cloud Fees, Cloud Solution, Enterprise Agreement (EA), Enterprise License Agreement (ELA), Licensing Fee, RTU's (Rights to Use), Maintenance Agreement, Support & Service Agreement.

Project Name:

Complete the following analysis of vendor software payments for cloud-based software applications for the *hosting fees only* (as defined above):

- Accounting should be determined by Plant Accounting Services during PAF development.
- Attach documentation or information from IT supporting the nature of software payments.
- Also see APS 3 for capitalization policy for software costs.

NOTE: A pro rata portion **of the hosting fees** incurred during the development phase (described below) may be capitalized up to the point when the product goes **in-service**.

Development phase: In accordance with APS 3, SaaS/Cloud projects that do not meet the two capitalization criteria as outlined in APS 3 may have internal and external direct costs during the development phase (**prior to in service date**) that may be capitalized. External direct costs may include the pro-rata portion of an up-front software usage fee applicable to use of the software to develop the project before it is in service. Indicate below pro rata portion of development phase hosting fees requested to be capitalized:

Development phase: # months (provide support) (A) _____

÷ Total hosting contract period: # months (B) _____

= Pro rata portion that may be capitalized (A) ÷ (B) _____%

Total hosting fees over contract period $_____

Development phase amount requested to be capitalized (% x Total fees above) $_____
For costs after development phase, complete PAF break-out of capital/expense.