Appendix 3
Corporate Shared Service Project Authorization Form

Date Prepared: 10/3/22	Project Title: Connecticut EL Buildings & General Plant LOB
Company/Companies: Connecticut Light & Power (CL&P-D)	Project ID Number: 22793
Organization: Real Estate & Property Management	Plant Class/(F.P.Type): Buildings & General Plant
Project Initiator: [redacted]	Project Type: *Annual*
Project Manager: [redacted]	Capital Investment Part of Original Operating Plan? Y
Project Sponsor: [redacted]	Transfer of Budgets Request: N
Estimated in service date(s): 12-31-2022	Emergency Related Request: N
Total Capital Request: $1,507,925 Total Funding Request: $1,507,925	Software Projects Only – Estimated Life of Asset: ____ 5 years ____ 10 Years ____15 Years

Project Authorization

Project Authorization Forms must be completed for Corporate Shared Services projects totaling $500K or greater in accordance with the Project Authorization Policy and approval levels in the Delegation of Authority Policy (DOA).

If Subsidiary Board approval is required (Corporate Shared Services capital projects > $15M), document the review by Enterprise Risk Management (ERM) and Financial Planning and Analysis (FP&A) (attach email approval).

ERM: _____

FP&A: _____

If this is a Transfer of Budgets Request Vice President of Financial Planning and Analysis approval is required. If the Vice President of Financial Planning and Analysis deems appropriate, additional approvals may also be required (see page 7 of the Project Authorization Policy – Project Approval is not Transferable for further detail):

Date of Approval
VP of FP&A:_____

Other:_____

Documentation/Explanation:_____

Executive Summary

(If related to an Emergency Request – please provide specific details of emergency situation and operational impacts to business and/or customer.)

This funding is requested to cover emergent facility capital work that is required across CL&P's 16 facilities which are made up of approximately 1,000,0000 sf of building space. These prjoects will typically include building system failures that require immediate replacement (such as: HVAC systems

and electrical transformers/gear, etc.). In addition, this funding will also be used to rectify code compliance/safety issues that arise throughout the CL&P facilities.

The projects are generally related to safety issues, building code requirements, security issues, and lifecycle replacements (upgrading systems/structures, furniture and equipment).

Project Costs Summary

See APS3 and APS8 requirements and consult with Plant Accounting for capital/O&M determination. Use published loaders for benefits, materials, and invoices, maintained by the Director, Budget and Financial Analysis.

Note: Dollar values are in whole dollars:

Capital Costs	Year 2022	Year 2023	Year 2-__+	Total
Direct Capital Costs				
Internal Labor	$ 40,000			$ 40,000
Outside Services	$ 1,200,000			$ 1,200,000
Materials	$ -			$ -
Removals	$ 100,000			$ 100,000
Risk and Contingency	$ -			$ -
Other				$ -
Subtotal	$ 1,340,000	$ -	$ -	$ 1,340,000
Indirect Capital Costs				
Indirect/Overheads (including benefits)	$ 9,192			$ 9,192
Capitalized interest or AFUDC, if any	$ 158,733			$ 158,733
Subtotal	$ 167,925	$ -	$ -	$ 167,925
Total Customer Contribution				$ -
Total Capital Project Costs	**$ 1,507,925**	**$ -**	**$ -**	**$ 1,507,925**

Financial Evaluation

Provide the following financial information (provide additional detail if summarized items are significant, additional information is needed or there are unique payment provisions).

Note: Dollar values are in whole dollars:

Costs by Entity	CL&P Dist 11			Total
Direct Capital	$ 1,240,000			
Indirect Capital	$ 167,925			
Removal net of salvage	$ 100,000			
Total Capital Project Costs by Entity	**$ 1,507,925**	**$ -**	**$ -**	**$ -**

*Accounting for vendor software payments for SaaS/Cloud or other agreements involving the right to use software is to be determined by a separate analysis, which is included in Appendix 3, page 7.

By Company Summary:

Note: Dollar values are in whole dollars:

O&M Costs	Year 20__	Year 20__	Year 20__	Year 20__
Labor				
Outside Services				
Materials				
Training				
Other				
Total O&M Related Costs	**$ -**	**$ -**	**$ -**	**$ -**

Overall Justification:

Project Need Statement *(Description of Issue)*

The projects are generally related to safety issues, building code requirements, security issues, and lifecycle replacements (upgrading systems/structures, furniture and equipment).

Project Scope

Projects are identified by Facilities Management and other organizations and tracked on the Facilities Capital Plan Master Worksheet. During the budgeting process for 2022, Facilities justified and was approved for a specific level of funding. As discussed below, the Facilities Department may substitute other similar projects for the budgeted projects as priorities change throughout the year. Facilities will manage the expenditures to the total authorized amount. At year end, Facilities will provide a summary of projects completed under this authorization along with actual costs. The Capital Plan worksheet is used to prioritize the projects based on safety, building code requirements, lifecycle replacements, etc. and to fund projects within the approved budgeted dollars. The Capital Plan worksheet list is reviewed monthly to add higher priority work that may arise, resulting in some projects dropping to a lower priority.

Project Objectives

Each year, capital dollars are allocated to the Facilities organization to replace, improve, or upgrade Facility land, buildings, systems, equipment, and furniture.

Any projects that will exceed $500,000 will have a specific Project Authorization Document written and approved.

Background / Justification

See “Overall Justification” section above.

Business Process and / or Technical Improvements: *Quantitative and qualitative project benefits, including assumptions used to estimate benefits and customer impacts; describe the changes in performance to the business process or technology performance metrics that can be expected as a result of this project*

Future Financial Impacts:

Provide below the estimated future costs that will result from the project:
Note: Dollar values are in whole dollars:

Future Costs	Year 20__	Year 20__	Year 20__	Year 20__+	Total Future Project Costs
Capital	$ -	$ -	$ -	$ -	$ -
O&M	-	-	-	-	-
Other	-	-	-	-	-
TOTAL	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

Describe the estimated future Capital, O&M (including cloud costs) and/or Other costs noted above:

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

Provide below the estimated financial benefits that will result from the project:
Note: Dollar values are in whole dollars:

Future Benefits	Year 20__	Year 20__	Year 20__	Year 20__+	Total Future Project Benefits
Capital	$ -	$ -	$ -	$ -	$ -
O&M	-	-	-	-	-
Other	-	-	-	-	-
TOTAL	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

Describe the estimated future Capital, O&M and/or Other 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.

What is the project's IRR? N/A

What is the project's NPV? N/A

What is the project's payback period? N/A

Use appropriate discount rate by company and associated corporate models (to be provided by Financial Planning and Analysis).

If the above items are not applicable, explain why (e.g., if negative but there are other reasons to proceed).

Decisions are based on a business need to replace equipment or furniture and were not based on financial payback or financial benefit to these projects.

Asset Retirement Obligation (ARO) and/or Environmental Cleanup Costs (Environmental Liabilities):

An ARO is a current legal obligation to remove or retire property, plant or equipment at some point in the future. Please refer to APS8 or contact Plant Accounting for further detail.

Is there an ARO associated with this project? If yes, please provide details:

Yes. There will be multiple work orders associated with this Project. The upgraded/replaced asset will be identified on the work order and will be communicated to Plant Accounting when the work order is put in service

Are there other environmental cleanup costs associated with this project? If yes, please provide details.

Environmental and Safety plans will be applied as required through the Environmental Screening Tool.

Alternatives Considered with Cost Estimates

Alternatives and risks, including not doing a project, are addressed as part of the prioritization process. Alternatives are evaluated and generally the least-cost solution is implemented, considering into account the lifecycle cost of operating and maintaining the respective facilities. The Eversource Procurement Policy will be followed for all projects. Some projects may require more spending than anticipated. However, overall Facilities spending (under this and other Facilities authorizations) will be maintained at the same level by achieving cost savings and may sometimes result in the underspending on other projects as needed.

Project Schedule

Describe the project schedule and milestones. Include estimated start and end dates.

Milestone/Phase Name	Estimated Start - Completion Date
Various Projects under $500,000	10-3-2022 to 12-31-2022

Regulatory Approvals

Local municipal building permits.

Risks and Risk Mitigation Plans

Describe the applicable risks and associated risk mitigation plans: e.g., construction, customer, reputational, schedule, financial, regulatory, environmental, safety and IT risks. Indicate discussions with relevant subject matter experts.

Environmental and safety plans will be developed through the environmental screening tool and job briefings. Any IT impacted projects will be processed through Change Management.

References (*additional supporting documentation*)

N/A

Diagrams, Attachments, and Images