Shared Services Project Authorization Form

Project Title: Waterbury AWC [redacted] Renovation	**Project Number:** 23747
Date Prepared: 03/14/2023	**Company:** CL&P Electric Distribution 11 Choose an item. Choose an item.
Organization: Real Estate & Property Management	**Class(es) of Plant: Building Structure / General Plant**
Project Initiator: [redacted]	**Authorization Type:** Full Funding
Project Manager: [redacted]	**Project Type:** Specific
Project Sponsor: [redacted]	
Estimated in service date: 08/01/2023	**Capital Investment part of original Operating Plan:** Yes
Total Capital Request: $ 3,072,965	**O&M Expenses part of request:** N/A
Estimated Life of Asset (check one): ☐ 5yrs ☐ 10yrs ☐ 15yrs ☐ Other: _____	**Emergency Related Request?** No

Executive Summary

A project authorization for $3,072,965 is being requested for the renovation of the Waterbury [redacted] Area Work Center. This location has been closed since 2017 and was recently re-opened in 2022 with a satellite overhead and underground presence supporting service for the electric customers in the city of Waterbury and the surrounding communities.

This project will renovate approximately 10,000sf of office and support space for functions aligned with the local operations such as Field Engineering, Scheduling and Planning, Safety, Environmental, Community Relations, Account Executives, General Administration, etc. It is also being structured to accommodate support space during storm events.

Work will include installing new local mechanical, electrical, plumbing, and data systems, as well as office furniture, flooring, ceilings, and wall treatments to accommodate approximately 36 workstations, conference rooms, break area and a large meeting space. The project has been budgeted for the 2023 fiscal year.

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 Internal Reporting.
Note: Dollar values are in whole number

Capital Costs	Year 2023	Year 2024	Year 2-__+	Total
Direct Capital Costs				
Internal Labor	$ 5,000			$ 5,000
Outside Services	$ 2,450,000			$ 2,450,000
				$ -
Removals	$ 300,000			$ 300,000
Risk and Contingency	$ 200,000			$ 200,000
Other				$ -
Subtotal	$ 2,955,000	$ -	$ -	$ 2,955,000
Indirect Capital Costs				
Indirect/Overheads (including benefits)	$ 4,365			$ 4,365
Capitalized interest or AFUDC, if any	$ 113,600			$ 113,600
Subtotal	$ 117,965	$ -	$ -	$ 117,965
Total Customer Contribution				$ -
Total Capital Project Costs	**$ 3,072,965**	**$ -**	**$ -**	**$ 3,072,965**

Costs by Entity	CL&P Dist 11			Total
Direct Capital	$ 2,655,000	$ -	$ -	$ 2,655,000
Indirect Capital	$ 117,965	$ -	$ -	$ 117,965
Removal net of salvage	$ 300,000	$ -	$ -	$ 300,000
Total Capital Project Costs by Entity	**$ 3,072,965**	**$ -**	**$ -**	**$ 3,072,965**

O&M Costs	Year 2023	Year 2024	Year 20__	Year 20__
Labor				
Outside Services				
Materials				
Training				
Other				
Total O&M Related Costs	**$ -**	**$ -**	**$ -**	**$ -**

Software as a Service (SaaS):

SAAS*	Year 20__	Year 20__	Year 20__	Year 20__
Capital				
O&M				
Total				

**Identify any vendor software costs in this table and indicate whether or not they are included in the Project Costs Summary above. Identify capital vs. O&M costs based on parameters found in the vendor SaaS calculation document in the appendices. Ensure any future software O&M costs are also disclosed within the Future Costs section below.*

Alternatives Considered:

Were alternative solutions considered/applicable?

Alternatives were considered (please describe below)

The alternative to expanding the Waterbury satellite space would be to keep support operations in Cheshire and Newtown. However, due to union considerations, the represented support functions need to be aligned with the territory they are supporting. Therefore these functions will need to reside in Waterbury.

Regulatory Requirements:

If yes, provide a detailed explanation in the appendix section

No

Future Costs:

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

Future O&M represents:

Costs have already been included in the 2023 budget – CCC 2HV.

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

Future Financial Benefits:

If yes, provide a detailed explanation in the appendix section

No - project is not undertaken for financial benefits

Project Justification:

An agreement between the Company and CT PURA required the re-opening of the Freight Street Waterbury operations. Operations has set up a satellite operation in 2022 and now requires support functions and spaces to accommodate the operation as well as to comply with bargaining unit contracts. The space was last renovated over 20 years ago (some spaces date back to 40 years ago) and has been vacant for the past 5 years.

Project Schedule:

Milestone/Phase Name	Estimated Date
Design	Complete
Construct	3/27/23
Test	7/24/23
In Service Date	8/1/23

Risks and Risk Mitigation Plans

List top risks and mitigation plans associated with this project (from Table in the Appendix). Include any contingency related to each risk.
(Permitting/siting; environmental; outage constraints; customer/community outreach; material delivery; constructability challenges; excavation; etc.)

Material lead times could extend the project due to Supply Chain delays.

Appendices

Reference appendices items in the appropriate section of the PAF and list items in the same order as referenced in the PAF.

- ***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***

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.