Shared Services Project Authorization Form

Project Title: [redacted] - Area Work Center - Mechanical Equipment Replacement	**Project Number:** 23775
Date Prepared: 05/11/2023	**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: 10/31/2023	**Capital Investment part of original Operating Plan:** Yes
Total Capital Request: $3,113,065	**O&M Expenses part of request:** N/A
Estimated Life of Asset (check one): ☐ 5yrs ☐ 10yrs ☐ 15yrs ☐ Other: _____	**Emergency Related Request?** No

Executive Summary

Briefly describe (in a few sentences) the overall description of the project (do not include technical details):

A project authorization for $3,113,065 is being requested for the replacement of both the heating and cooling systems for the Waterbury AWC.

The Waterbury Area Work Center had been closed since 2016 with the heating & cooling systems operating in a limited capacity. The work center re-opened in 2022 with a limited presence of Electric Underground and Overhead crews and their supervision. In 2023, the work center will expand the territory it covers and thus will need to expand the support staff that will occupy the building.

The HVAC equipment dates back 40+ years and has outlived its useful life. In order to properly heat and cool the building for the increased occupancy, the HVAC system will require full replacement.

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 numbers

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
Materials				$ -
Removals	$ 400,000			$ 400,000
Risk and Contingency	$ 100,000			$ 100,000
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	$ 153,700			$ 153,700
Subtotal	$ 158,065	$ -	$ -	$ 158,065
Total Customer Contribution				$ -
Total Capital Project Costs	**$ 3,113,065**	**$ -**	**$ -**	**$ 3,113,065**

Costs by Entity				Total
Direct Capital	$ 2,555,000			$ 2,555,000
Indirect Capital	$ 158,065			$ 158,065
Removal net of salvage	$ 400,000			$ 400,000
Total Capital Project Costs by Entity	**$ 3,113,065**	**$ -**	**$ -**	**$ 3,113,065**

O&M Costs	Year 2023	Year 20__	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)

Continue to operate the existing system and repair piping and equipment upon failure. This equipment is 40+ years old and was not operating at peak efficiency prior to the facility closing in 2016. Continuing to operate and repair this equipment will lead to increased O&M costs, increased utility consumption, increased carbon emissions and reduced reliability. Should the equipment fail beyond repair, replacement will take months due to supply chain issues and will render the facility un-occupiable for an extended duration.

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:
O&M costs are included in 2023 budget 2HV MBLD3311

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:

Include a summary of the project details including background and scope

Due to an agreement between the Company and CT PURA required the re-opening of the Freight Street Waterbury operations. Operations 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 7 years.

The project scope includes the design, engineering, installation, and commissioning of the roof top mounted cooling tower as well the steel structure that supports it with a new, modern, energy efficient cooling tower. Also, the replacement of two 4.2 million BTU steam boilers with two 750,000 hot water high efficiency boilers and variable frequency-controlled pumps for greater energy efficiency along with a high efficiency make-up air unit on the roof for fresh air supply into the building. This HVAC upgrade will reduce utility consumption and also aligns with the company's carbon neutrality goal.

Project Schedule:

Milestone/Phase Name	Estimated Date
Design	May 2023
Construct	June 2023
Test	September 2023
In Service Date	October 2023

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.