Appendix 2
Operations Project Authorization Form

# Operations Project Authorization Form

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|---|---|
| **Project Title: Enhanced Tree Removal (ETR) Program** | **Project Number: ETR2023** |
| **Date Prepared:** 11/16/2022 | **Company:** Eversource CT |
| **Organization: Operations Services** | **Class(es) of Plant:** D Line |
| **Project Initiator:** [redacted] | **Project Category:** Lines - General |
| **Project Manager:** [redacted] | **Project Type:** Specific |
| **Project Sponsor:** [redacted] | **Capital Investment part of original Operating Plan:** Yes |
| **Estimated in service date: 12/31/23** | **Emergency Related Request?** No |
| **Eng./Constr. Resources Budgeted?** No | **Facility Type** (check all that apply)**:** ☐ PTF ☐ non-PTF ■ Distribution |
| **Total Gross Capital Request: 18,000,000** | **Authorization Type:** Full Funding |

## Executive Summary

An authorization of $18,000,000 is requested for the Connecticut Distribution Enhanced Tree Removal (ETR) capital project (id: ETR2023) which is part of Eversource CT's annual distribution vegetation maintenance plan.

The ETR project strategically removes trees to proactively improve system reliability and mitigate long term costs for the distribution cycle trimming programs. Tree removals, in conjunction with cycle pruning, drive improved reliability performance. Additionally, the service area has experienced drought conditions and insect infestations that have negatively impacted tree health and there are signs of increased tree mortality for the coming years.

The CT tree removal program is a Regulatory supported program that targets removals, primarily focused on circuit backbones and large laterals.

## 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 thousands*

| Capital Costs | Year 2023 | Year 20__ | Year 20__+ | Total |
|---|---|---|---|---|
| **Direct Capital Costs** | | | | |
| Internal Labor and Construction Equipment | | | | |
| Outside Services | 17,485.00 | | | 17,485.00 |
| Materials | | | | |
| Removals | | | | |
| Risk and Contingency | | | | |
| Other | | | | |

| | | | | |
|---|---|---|---|---|
| Subtotal – Direct Costs | 17,485.00 | | | 17,485.00 |
| **Indirect Capital Costs** | | | | |
| Indirect/Overheads (including benefits) | 515.00 | | | 515.00 |
| Capitalized interest or AFUDC, if any | | | | |
| Subtotal – Indirect Costs | 515.00 | | | 515.00 |
| **Total Gross Capital Costs** | **18,000.00** | | | **18,000.00** |
| Customer Contribution | | | | |
| **Total Net Capital Project Costs** | **18,000.00** | | | **18,000.00** |

## Technical Justification:

The ETR program removes trees that have the potential to impact the utility plant thereby extending the life of the plant. The ETR program meets the three tests for capitalization:

- Substantial investment towards asset life extension
- One time program cost as the activity can only be performed once
- Standalone program which will be budgeted, charged and tracked separately

Justification:
The 2023 distribution prune program requires expenditures across all Eversource operating companies to address maintenance pruning and hazardous tree removals. These activities improve the system's ability to survive major storms with less extensive damage. This will improve reliability performance across the service area.

## Alternatives Considered:

*Were alternative solutions considered/applicable? Include any cost/benefit analysis.*

Project is a compliance obligation with alternatives considered (please describe below)

Eversource has delineated the benefits of enhanced tree removal programs to regulatory bodies in CT as an important component of the vegetation management program for both day-to-day reliability improvement and increasing system resiliency for adverse weather events. Additionally, the majority of our customer and community officials have come to appreciate the impact of these programs and expect the company to have robust line clearance efforts. The deferral of this proactive maintenance approach to address only specific instances of insufficient clearance runs counter to the goals of improved reliability and system resiliency.

## Regulatory Approvals:

*Are Regulatory body approvals needed for the project?*
No

If yes, provide detailed regulatory approvals

## Project Schedule

| Milestone/Phase Name | Estimated Date |
|---|---|
| 100% Engineering Completion | |
| Construction Start | |
| Testing/Commissioning | |
| In Service Date | 12/31/23 |
| | |
| | |
| | |

## Risks and Risk Mitigation Plans

*The Company has made commitments to customers and regulators to improve reliability and system resiliency. In the case of CT, there are specific vegetation management program goals for ETR as part of the System Resiliency Program.*

- *CT PURA 12-01-10 specified risk tree removal and the recapture of Enhanced Tree Trimming (ETT) clearances on backbones and large laterals.*

*There are both operational and regulatory risks associated with a failure to approve this program. Operationally, there is an increased risk of more vegetation caused outages, both on normal days and during adverse weather. The Company is required to report on both maintenance costs and volume and risk/hazard tree removals on an annual*

*basis. The Vegetation Management programs also receive intense scrutiny during storm cost recovery hearings and rate case proceedings, creating a regulatory risk for the Company.*

## References

## Appendices (One-Line Diagrams, Images, etc.)

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

*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__ |
|---|---|---|---|---|
| Capital | | | | |
| O&M | | | | |
| Other | | | | |
| **Total Financial Benefits** | | | | |

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.***