Appendix 3
Shared Services Project Authorization Form

# Shared Services Project Authorization Form

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|---|---|
| **Project Title:** CL&P-D Material Logistics Vehicles 2024 | **Project Number:** ML2410 |
| **Date Prepared:** 11/10/2023 | **Company:** CL&P Electric Distribution 11 Choose an item. Choose an item. |
| **Organization:** Supply Chain | **Class(es) of Plant:** Vehicles |
| **Project Initiator:** [redacted] | **Authorization Type:** Full Funding |
| **Project Manager:** [redacted] | **Project Type:** Specific |
| **Project Sponsor:** [redacted] | |
| **Estimated in service date:** 12/31/2024 | **Capital Investment part of original Operating Plan:** Yes |
| **Total Capital Request: $2,925,488.00** | **O&M Expenses part of request:** No |
| **Estimated Life of Asset** (check one): ☐ 5yrs ☐ 10yrs ☐ 15yrs ☐ Other:_____ | **Emergency Related Request?** No |

## Executive Summary

This authorization is a line-of-business authorization to provide for Material Logistics capital projects for the year 2024. Each year, capital dollars are allocated to the Material Logistics organization to replace vehicles as needed.

## 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*

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| Capital Costs | Year 2024 | Year 2025 | Year 2-__+ | Total |
|---|---|---|---|---|
| **Direct Capital Costs** | | | | |
| Internal Labor | $ 58,510 | | | $ 58,510 |
| Outside Services | $ - | | | $ - |
| Vehicles | $ 2,808,468 | | | $ 2,808,468 |
| Removals | $ - | | | $ - |
| Risk and Contingency | $ - | | | $ - |
| Other | $ 22,959 | | | $ 22,959 |
| **Subtotal** | $ 2,889,938 | $ - | $ - | $ 2,889,938 |
| **Indirect Capital Costs** | | | | |
| Indirect/Overheads (including benefits) | $ 9,783 | | | $ 9,783 |
| Capitalized interest or AFUDC, if any | $ 25,768 | | | $ 25,768 |
| **Subtotal** | $ 35,550 | $ - | $ - | $ 35,550 |
| Total Customer Contribution | | | | $ - |
| **Total Capital Project Costs** | **$ 2,925,488** | **$ -** | **$ -** | **$ 2,925,488** |

| Costs by Entity | CL&P Dist 11 | | | Total |
|---|---|---|---|---|
| Direct Capital | $ 2,889,938 | | | $ 2,889,938 |
| Indirect Capital | $ 35,550 | | | $ 35,550 |
| Removal net of salvage | $ - | | | $ - |
| **Total Capital Project Costs by Entity** | **$ 2,925,488** | **$ -** | **$ -** | **$ 2,925,488** |

| O&M Costs | Year 2024 | 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)

Alternatives and risks, including not replacing vehicles are addressed as part of the prioritization process. Alternatives are evaluated and generally the least cost solution is implemented taking into account the lifecycle cost of operating and maintaining the respective vehicles. The Eversource Procurement Policy will be followed for all projects.

## 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:**

**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:

**Project Need Statement** *(Description of Issue)*

The vehicles are generally related to high mileage, repair costs, and warehouse business needs.

**Project Scope**

Vehicles are identified by Material Logistics and Fleet and tracked on a master worksheet. During the budgeting process for 2024, Material Logistics justified and was approved for a specific level of funding. The list of vehicles that are being purchased are as follows: Trailer Semi Van, F350 Pickup Truck, Trailer Semi Van, Tractor. There are 2 trailers. Our budget detail lists specific vehicle numbers that are being replaced. They are identified in conjunction with Fleet by life cycle/age, condition, and suitability for current operations.

**Project Objectives**

Each year, capital dollars are allocated to the Material Logistics organization to replace older vehicles.

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 because of this project.

To improve warehouse functionality.

## Project Schedule:

| Milestone/Phase Name | Estimated Date |
|---|---|
| Purchase Vehicles | 01/01/2024-12/31/2024 |
| | |
| | |
| | |
| | |
| | |
| | |

## 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.)*

N/A

## 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.***

## 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.