Operations Project Authorization Form

Date Prepared: July 14, 2019	**Project Title: 2020 Pole Integrity**
Company/ies: Eversource CT	**Project ID Number: CD01301**
Organization: Distribution	**Class(es) of Plant: Distribution**
Project Initiator: [redacted]	**Project Category: Pole Integrity Program**
Project Manager: [redacted]	**Project Type: Specific**
Project Sponsor: [redacted]	**Project Purpose: System Resiliency**
Estimated in service date: 12/31/2020	**If Transmission Project: PTF? N/A**
Eng. /Constr. Resources Budgeted? Y	**Capital Investment Part of Original Operating Plan? Y**
Authorization Type: Preliminary Engineering	**O&M Expenses Part of the Original Operating Plan? Y**
Total Request: $8,456,191	

Financial Requirements:

Project Authorization

ERM: _____

FP&A: _____

Executive Summary

Executive Summary

This initiative captures the cost necessary to replace or reinforce wood poles found during the annual pole inspections that cannot remain in service due to loss of strength from decay or insect infestation.

Project cost estimates were generated using historical costs of contractor resources completing past Defective Pole Project work.

The total project request is $8,456,191

Project Costs Summary

	Prior Authorized*	Additional Request	2020	2020+	Total **
Capital Additions Direct	$0	$0	$ 2,785,390	$ -	$2,785,390
Less Customer Contribution	$0	$0	$ -	$ -	$0
Removals Net of Salvage	$0	$0	$ 904,787	$ -	$904,787
Total - Direct Spending	$0	$0	$ 3,690,177	$ -	$3,690,177
Capital Additions - Indirect	$0	$0	$ 2,859,208	$ -	$2,859,208
AFUDC	$0	$0	$ 28,994	$ -	$28,994
Total Capital Request	$0	$6,578,379	$ 6,578,379	$ -	$6,578,379
O&M	$0	$1,877,812	$ 1,877,812	$ -	$1,877,812
Total Request	**$0**	**$8,456,191**	**$ 8,456,191**	**$ -**	**$8,456,191**

* Amount currently approval in PowerPlan
** Total authorization needed in PowerPlan based on ACT

Financial Evaluation

Direct Capital Costs	2020	2021	2022	Total
Straight Time Labor	$ 29,023	$ -	$ -	$ 29,023
Overtime Labor	$ -	$ -	$ -	$ -
Outside Services	$ 3,118,057	$ -	$ -	$ 3,118,057
Materials	$ 543,097	$ -	$ -	$ 543,097
Other, including contingency amounts	$ -	$ -	$ -	$ -
Total	$ 3,690,177	$ -	$ -	$ 3,690,177

Indirect Capital Costs	2020	2021	2022	Total
Indirects/Overheads (including benefits)	$ 2,859,208	$ -	$ -	$ 2,859,208
Capitalized interest or AFUDC, if any	$ 28,994	$ -	$ -	$ 28,994
Total	$ 2,888,202	$ -	$ -	$ 2,888,202

Total Capital Costs	$ 6,578,379	$ -	$ -	$ 6,578,379
Less Total Customer Contribution	$ -	$ -	$ -	$ -
Total Capital Project Costs	$ 6,578,379	$ -	$ -	$ 6,578,379
Total O&M Project Costs	$ 1,877,812	$ -	$ -	$ 1,877,812
Total Project Cost	**$ 8,456,191**	**$ -**	**$ -**	**$ 8,456,191**

* to be completed if supplemental authorization is required

Future Financial Impacts:

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

Future Costs	Year 20__	Year 20__	Year20__	Year 20__ +	Total Future Project Costs
Capital	$ -	$ -	$ -	$ -	$ -
O&M	-	-	-	-	-
Other	-	-	-	-	-
TOTAL	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

Describe the estimated future Capital, O&M 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.

If this is other than a Reliability Project, please complete the section below:

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

Future Benefits	Year 20__	Year 20__	Year20__	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.

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

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

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

Technical Justification:

Project Need Statement
This project includes the replacement or reinforcement of wood poles found during yearly inspections that cannot remain in service due to loss of strength from decay or insect infestation. Poles that require c-truss reinforcement found during the 2020 inspections will also be addressed.

Project Objectives
The Pole Integrity Program accelerates the replacement and reinforcement of aging and defective pole assets.

Project Scope
Pole data collected by 2019 inspection yielded the scope of work for this 2020 project. Approximate counts are below:

Defective Pole Replacements – 999
C-Truss Pole Reinforcements - 25
Capital Maintenance Items**
**Due to the recent storms, the Capital Maintenance items will be reevaluated and therefore, the costs are excluded from this PAF.

Scope of Work	Approximate Counts	Capital Cost per pole	Capital Cost Total	Expense Cost per pole	Expense Cost Total	Capital + Expense Total
Defective Pole Replacements	999	$6,544	$6,537K	$1,880	$1,878K	$8,415K
C-Truss Pole Reinforcements	25	$1,641	$41K	$0	$0	$41K
			$6,578K		$1,878K	$8,456K

Background / Justification
Replacement and reinforcements of defective poles supports safety, reliability and commitments to the customer.

Business Process and / or Technical Improvements:
Historically CL&P used only the minimum NESC wood strength requirements to identify reject poles. The company has since incorporated System Resiliency storm criteria to help identify pole replacements and focuses on older, smaller Class 3, 4, and 5 poles because they are more susceptible to damage from 95 mile-per-hour winds or ¾” of radial ice.

Alternatives Considered with Cost Estimates
Do nothing alternative.

Project Schedule

Milestone/Phase Name	Estimated Completion Date
ACT approval	April, 2020
Design	March, 2020
Bid	January, 2020
Award & Construction Start	April, 2020
Construction Completion	December 2020

Towns subject to inspection during 2019, construction in 2020:

Berlin	5446	Newtown	4320	Durham	6
New Britain	336	Easton	2	Portland	118
Newinton	102	Monroe	1173	Glastonbury	2772
Southington	28	Oxford	41	Bolton	11
Rocky Hill	5	Southbury	100	Manchester	6804
Groton	17	Harwinton	4	East Hartford	205
Haddam	42	Litchfield	38	South Windso	34
Ledyard	2611	Waterbury	5		
Montville	33	Watertown	20		
Stonington	24	Middletown	4782		
N. Stonington	25	Cromwell	132		
Preston	93	Middlefield	32		

Regulatory Approvals

None

Risks and Risk Mitigation Plans

Risk Event	Risk Horizon	Likelihood of Occurrence	Risk Mitigation
Actual cost higher than estimated due to scope changes.	2020	Low	Included higher number of defective pole replacements in estimate to reduce changes during design.

Construction resources / storm delays	2020	Medium	Use competitive bidding to ensure lowest outside labor cost. Bid early in the year to allow long construction period.
Materials shortage or long lead times	2020	Low	Pre-order long lead time material; minimize the use of non-standard and non-stocked material.

References
None

Attachments (One-Line Diagrams, Images, etc.)
N/A