Operations Project Authorization Form

Date Prepared: November 17, 2020	**Project Title: 2021 Pole Integrity**
Company/ies: Eversource CT	**Project ID Number: CD01551**
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: 12/31/2021	**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: $8,762,400	

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.

This initial estimate is intended to start the engineering process. The final estimate and pole counts will be updated once the pole inspection is completed.

The total project request is $8,762K

Project Costs Summary

	Prior Authorized	2021	2022+	Total
Capital Additions Direct		$ 3,034,483		$ 3,034,483
Less Customer Contribution		$ -		$ -
Removals Net of Salvage		$ 1,011,494		$ 1,011,494
Total - Direct Spending		$ 4,045,977		$ 4,045,977
Capital Additions - Indirect		$ 3,126,437		$ 3,126,437
AFUDC		$ 27,586		$ 27,586
Total Capital Request		$ 7,200,000		$ 7,200,000
O&M		$ 1,562,400		$ 1,562,400
Total Request		**$ 8,762,400**		**$ 8,762,400**

Financial Evaluation

Direct Capital Costs	**2020**	**2021**	**2022**	**Total**
Straight Time Labor	$ -	$ 40,460	$ -	$ 40,460
Overtime Labor	$ -	$ -	$ -	$ -
Outside Services	$ -	$ 3,398,620	$ -	$ 3,398,620
Materials	$ -	$ 606,897	$ -	$ 606,897
Other, incl. contingencies	$ -	$ -	$ -	$ -
Total	**$ -**	**$ 4,045,977**	**$ -**	**$ 4,045,977**
Indirect Capital Costs				
Indirects/Overheads (incl. benefits)	$ -	$ 3,126,437	$ -	$ 3,126,437
Capitalized interest or AFUDC, if any	$ -	$ 27,586	$ -	$ 27,586
Total	**$ -**	**$ 3,154,023**	**$ -**	**$ 3,154,023**
Total Capital Costs	**$ -**	**$ 7,200,000**	**$ -**	**$ 7,200,000**
Less Total Customer Contribution	$ -	$ -	$ -	$ -
Total Capital Project Costs	**$ -**	**$ 7,200,000**	**$ -**	**$ 7,200,000**
Total O&M Project Costs	**$ -**	**$ 1,562,400**	**$ -**	**$ 1,562,400**
Total Project Cost	**$ -**	**$ 8,762,400**	**$ -**	**$ 8,762,400**

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 2020 inspection yielded the scope of work for this 2021 project. Approximate counts are below:

Defective Pole Replacements – 1094
C-Truss Pole Reinforcements - 27

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	1094	$6566	$7,184K	$1,428	$1,562K	$8,746K
C-Truss Pole Reinforcements	27	$601	$16,2K	$0	$0	$16,2K
			$7,200K		$1,562K	$8,762K

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
Design	March, 2021
Final Estimate	April, 2021
Award & Construction Start	April, 2021
Construction Completion	December 2021

Towns subject to inspection during 2020, construction in 2021:

REGION	TOWN	POLES	TOTAL
EASTERN	BROOKLYN	1918	9480
	CHESTER	980	
	DURHAM	177	
	EAST-HAMPTON	547	
	HEBRON	315	
	KILLINGLY	3604	
	MARLBOROUGH	1935	
	NORTH BRANFORD	4	
CENTRAL	HARTFORD	6330	7634
	NEWINGTON	1304	
WESTERN	NEW-HARTFORD	2495	11284
	OXFORD	5250	
	SOUTHBURY	3539	
ROW	Green Hill 30R ROW	21	1165
	ROW 009	292	
	ROW 011	148	
	ROW 057	28	
	ROW 112	108	
	ROW 075	40	
	ROW 134	57	
	ROW 102	23	
	ROW 176	387	
	ROW 069	61	
TOTAL		29563	29563

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.	2021	Low	Included higher number of defective pole replacements in estimate to reduce changes during design.
Construction resources / storm delays	2021	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	2021	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