Appendix 2
Operations Project Authorization Form

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Project Title: CL&P Storm Capitalization	**Project Number: STRM20CP**
Date Prepared: 04/28/2026	**Company:** Eversource CT
Organization: Electric Field Operations	**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: 04/30/2026	**Emergency Related Request?** Yes
Eng./Constr. Resources Budgeted? No	**Facility Type** (check all that apply)**:** PTF non-PTF x Distribution
Total Gross Capital Request: $7,387,594	**Authorization Type:** Full Funding

Executive Summary

An approval of $7,387,594 is requested for the capitalization costs of multiple CL&P major storm events:

GXMS20C1
MS20ACAP FEB 7, 2020 WIND/RAIN CAPITALIZATION
MS20BCAP APR 13, 2020 WIND/RAIN CAPITALIZATION
MS20DCAP AUG 27, 2020 T-STORMS CAPITALIZATION
MS20ECAP SEP 30, 2020 RAIN/WIND CAPITALIZATION
MS20FCAP OCT 7, 2020 RAIN/WIND CAPITALIZATION
MS20HCAP NOV 2, 2020 RAIN/WIND CAPITALIZATION
MS20JCAP NOV 15, 2020 RAIN/WIND CAPITALIZATION
MS20KCAP NOV 30, 2020 RAIN/WIND CAPITALIZATION
MS20LCAP DEC 5, 2020 SNOW/WIND CAPITALIZATION
MS20NCAP DEC 25, 2020 WIND/RAIN CAPITALIZATION

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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 2020	Year 2021	Total
Direct Capital Costs				
Internal Labor		$	$553.7	$553.7
Outside Services		$	$4,386.1	$4,386.1
Materials		$48.6	$1,295.0	$1,343.6
Removals				
Risk and Contingency				
Other		$0	$0	$0
Subtotal – Direct Costs		$48.6	$6,234.8	$6,283.4
Indirect Capital Costs				
Indirect/Overheads (including benefits)		$0.6	$1,103.5	$1,104.1
Capitalized interest or AFUDC, if any				
Subtotal – Indirect Costs		$0.6	$1,103.5	$1,104.1
Total Gross Capital Costs		**$49.2**	**$7,338.3**	**$7,387.5**
Customer Contribution				
Total Net Capital Project Costs		**$49.2**	**$7,338.3**	**$7,387.5**

Technical Justification:

Project Need, Objective and Justification

During a storm event, all material is charged to the expense work order. Material is reviewed after the event, and capital units of property are then transferred to the capital work order along with associated labor and contractor costs to install the units.

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Project Scope:

The capital material charged for these events include:

Poles
Arrestors
Cutouts
Insulators
Spacer cable
Switches
Luminaires
Crossarms
Cable and wire.

Background:

The Company has a process for determining capital costs that provides a fair and accurate representation of costs associated with capital items replaced during a storm. When a major storm occurs, a work order is established to accumulate all service restoration costs. Following service restoration for the storm, all costs are analyzed to identify the capital plant items replaced to restore service. The capitalization process uses, as its foundation, the detailed material issued to the storm work order to identify capital units of property, or retirement units, replaced during the storm event. Based upon the units of property replaced, the storm capitalization process then utilizes information from the Company's work management system, such as man-hour and vehicle time estimates, to calculate the cost associated with the capital units of property replaced.

Next, the man-hour and vehicle time estimates from the work management system are priced. This includes labor costs, based on lineman contract pay rates, vehicle costs, based on the Company's hourly use rate for bucket trucks, and the actual material cost of the units of property charged to the storm work order. The process also applies appropriate factors (or "adders"), to account for the fact that work performed during a restoration event usually takes longer and the pay rates are higher due to the fact that there is more premium pay during major events. In addition to these direct costs, the process applies employee labor overheads, using the Company's overhead rates, crew supervision rates, based on supervision and dispatching costs charged to storm restoration work orders, and actual storeroom and lobby stock overhead amounts charged to the storm work order for the selected material.

This process calculates a fully loaded cost of capital retirement units installed during the restoration event using the Company's known cost structure and ensures that an appropriate and sufficient amount of costs are capitalized, thereby limiting the cost to incremental O&M that would not have been incurred but for the occurrence of the storm event.

As noted above, the capitalization process incorporates adders allowing for the calculation to reflect the fact that the restoration work is performed in adverse conditions. Listed below are the two variables which explain

these adders.

1. Labor Time Factor for Adverse Conditions

The capitalization process utilizes the Company's work management system to identify work tasks required to replace capital units of property. These work tasks provide an estimate of the labor hours typically required to perform the work. The process contains a variable, the Labor Time Factor for Adverse Conditions, which allows for the typical labor hours to be increased to reflect the adverse conditions which exist during the restoration event. It is the Company's experience that, due to the adverse system conditions which exist during the restoration event, it generally takes longer to perform tasks during an event than the same task would take on a "blue sky" day. The Company has set this factor at 2.00, thereby doubling the estimated hours to perform the capital replacement. Since the capitalization process also recognizes that vehicle time is linked directly to the labor time, this factor is also used in calculating the vehicle costs associated with the capital asset.

2. Labor Time Set Up Factor

The capitalization process contains another variable which allows for the consideration of the fact that additional time is required to set up the job site in advance of performing the work. This recognizes the fact that pre-work set up generally takes longer during storm restoration; the travel time to the site generally takes longer, the workers need to discuss and plan the work, note and discuss the safety hazards, and spend the extra time to make the site safe as well as address any other tasks. The Company has set this factor at 1.50, thereby adding 1.5 hours to the labor time estimate for the capital replacement. Since the capitalization process also recognizes that vehicle time is linked directly to the labor time, this factor is also used in calculating the vehicle costs associated with the capital asset.

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Alternatives Considered:

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

Project is a compliance obligation - no alternatives considered - no financial benefit

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	04/30/2026

Risks and Risk Mitigation Plans

List top risks and mitigation plans associated with this project. Include any contingency related to each risk. (Permitting/siting; environmental; outage constraints; customer/community outreach; material delivery; constructability challenges; excavation; etc.)

Not Applicable

References