Corporate Shared Services Project Authorization Form

Date Prepared: 01/12/2018	Project Title: CL&P-D Material Logistics Vehicle Replacements
Company/Companies: Connecticut Light & Power-D (CL&P-D)	Project ID Number: 18742
Organization: Supply Chain	Plant Class/(F.P.Type): General Plant
Project Initiator: [redacted]	Project Type: *Annual*
Project Manager: [redacted]	Capital Investment Part of Original Operating Plan? Y
Project Sponsor: [redacted]	O&M Expenses Part of the Original Operating Plan? N
Estimated in service date(s): 12-31-2018	Transfer of Funds Request: N
Total Request: $325,000	Emergency Related Request: N

Project Authorization

Project Authorization Forms must be completed for Corporate Shared Services projects totaling $500K or greater in accordance with the Project Authorization Policy and approval levels in the Delegation of Authority Policy (DOA).

If Subsidiary Board approval is required (Corporate Shared Services capital projects > $15M), document the review by Enterprise Risk Management (ERM) and Financial Planning and Analysis (FP&A) (attach email approval).

ERM: _____

FP&A: _____

If this is a Transfer of Funds Request Vice President of Financial Planning and Analysis approval is required. If the Vice President of Financial Planning and Analysis deems appropriate, additional approvals may also be required (see page 7 of the Project Authorization Policy – Project Approval is not Transferable for further detail):

Date of Approval
CFO:_____

Other:_____

Documentation/Explanation:_____

Executive Summary

(If related to an Emergency Request – please provide specific details of emergency situation and operational impacts to business and/or customer.)

This authorization is a line-of-business authorization to provide for Material Logistics capital projects for the year 2018. Each year, capital dollars are allocated to the Material Logistics organization to replace or upgrade Warehouse vehicles. The projects covered by this

authorization are generally related to lifecycle replacement. Projects can also be related to Operational needs and requests or to maintain basic working standards.

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 Financial Analysis.

	Year 2018	Year 20__	Year 20__+	Totals
Capital Additions - Direct	$ 321,782	$ -	$ -	$ 321,782
Capital Additions - Indirect	$ 3,218	$ -	$ -	$ 3,218
Removals net of salvage ____%	$ -	$ -	$ -	$ -
Subtotal Request	$ 325,000	$ -	$ -	$ 325,000
O&M	$ -	$ -	$ -	$ -
Total Request	**$ 325,000**	**$ -**	**$ -**	**$ 325,000**

Financial Evaluation

Provide the following financial information (provide additional detail if summarized items are significant, additional information is needed or there are unique payment provisions).

Direct Capital Costs	**Year 2018**	**Year 20___**	**Year 20___ +**	**Total**
Straight Time Labor	$ -	$ -	$ -	$ -
Overtime	-	-	-	-
Outside Services/Consultants	321,782	-	-	321,782
Software	-	-	-	-
Hardware	-	-	-	-
Materials	-	-	-	-
Other, including contingency amounts (Describe) Contingency ____%	-	-	-	-
Total Direct Capital Costs	**$ 321,782**	**$ -**	**$ -**	**$ 321,782**

Indirect Capital Costs	**Year 2018**	**Year 20___**	**Year 20___ +**	**Total**
Indirects/Overheads (including benefits)	$ 3,218	$ -	$ -	$ 3,218
Capitalized interest or AFUDC , if any		$ -	$ -	$ -
Total Indirect Capital Costs	**$ 3,218**	**$ -**	**$ -**	**$ 3,218**
Total Capital Costs	**$ 325,000**	**$ -**	**$ -**	**$ 325,000**
Total O&M Costs	**$ -**	**$ -**	**$ -**	**$ -**
Total Project Costs	**$ 325,000**	**$ -**	**$ -**	**$ 325,000**
Vendor software payments (indicate whether or not included in the above)*	$ -	$ -	$ -	$ -

*Accounting for vendor software payments for SaaS or other agreements involving the right to use software is to be determined by a separate analysis, and approval by Plant Accounting and Budgeting and Financial Analysis is required. Plant Accounting maintains a checklist to aid in this analysis.

By Company Summary:

	Entity 11	Entity ____	Entity ____	Entity ____	Totals
Capital Additions - Direct	$ 321,782	$ -	$ -	$ -	$ 321,782
Capital Additions - Indirect	3,218	-	-	-	3,218
Removals net of salvage ____%	-	-	-	-	-
Subtotal Request	325,000	-	-	-	325,000
O&M	-	-	-	-	-
Total Request	**$ 325,000**	**$ -**	**$ -**	**$ -**	**$ 325,000**

Overall Justification:

Project Need Statement *(Description of Issue)*

The vehicle is related to life cycle replacement and business needs.

Project Scope

Projects are identified by Material Logistics and other organizations and tracked on a master worksheet. During the budgeting process for 2018, Material Logistics justified and was approved for a specific level of funding. The list of budgeted projects is attached to this authorization. As discussed below, the Material Logistics Department may substitute other similar projects for the budgeted projects as priorities change throughout the year. Material Logistics will manage the expenditure to the total authorized amount. At year end, Material Logistics will provide a summary of projects completed under this authorization along with actual costs. The Capital Plan worksheet list is reviewed monthly to add higher priority work that may arise and drop lower priority work as needed.

Any projects to be done that will exceed $500,000 will have a Project Authorization Document written and approved.

Project Objectives

Each year, capital dollars are allocated to the Material Logistics organization to replace or upgrade Warehouse 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 as a result of this project.

To improve warehouse functionality.

Assessment of solutions utilized by and applicability to other Eversource Companies

Line of business work is based upon the forecast of emergent needs.

Safety assessments

Safety inspections will be conducted as needed.

Background / Justification

See "Overall Justification" section above.

Business Process and / or Technical Improvements: *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 as a result of this project*

Future Financial Impacts:

Provide below the estimated future costs that will result from the project:

Future Costs	Year 20__	Year 20__	Year 20__	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?_N/A
A representative from the respective functional area is required to be included as a project approver.

Provide below the estimated financial benefits that will result from the project:

Future Benefits	Year 20__	Year 20__	Year 20__	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?_N/A
A representative from the respective functional area is required to be included as a project approver.

What is the project's IRR? N/A

What is the project's NPV? N/A

What is the project's payback period? N/A

Use appropriate discount rate by company and associated corporate models (to be provided by Financial Planning and Analysis).

If the above items are not applicable, explain why (e.g., if negative but there are other reasons to proceed).

Replacement of vehicles/equipment for the proper functioning of the Organization.

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

An ARO is a current legal obligation to remove or retire property, plant or equipment at some point in the future. Please refer to APS8 or contact Plant Accounting for further detail.

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

Yes. There will be multiple work orders associated with this Project. The upgraded/replaced asset will be identified on the work order and will be communicated to Plant Accounting when the work order is put in service.

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

Environmental and Safety plans will be applied as required through the Environmental Screening Tool.

Alternatives Considered with Cost Estimates

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. Some projects may require more spending than anticipated. However, overall Material Logistics spending (under this and other Material Logistics authorizations) will be maintained at the same level by achieving cost savings and otherwise under spending on other projects.

Project Schedule

Describe the project schedule and milestones. Include estimated start and end dates.

Milestone/Phase Name	Estimated Start - Completion Date
Various Projects under $500,000	01-01-2018 to 12-31-2018

Regulatory Approvals

N/A

Risks and Risk Mitigation Plans

Describe the applicable risks and associated risk mitigation plans: e.g., construction, customer, reputational, schedule, financial, regulatory, environmental, safety and IT risks. Indicate discussions with relevant subject matter experts.

N/A

References (*additional supporting documentation*)

Diagrams, Attachments, and Images

See the attached 2018 Capital Plan Worksheet.

Authorization Criteria Specific to IT Projects

Describe the applications that are impacted and include information regarding the interfaces and interdependencies related to this IT project (diagrams may be considered to assist in review and approval).

N/A

Assess the fit of this IT project with the overall IT strategy.

N/A

Describe control matters, such as the processes for data migration, change management plan including impacts to business processes, data maintenance controls, whether or not this IT project will be or impacts a Sarbanes-Oxley critical application, and the business continuity plan.

N/A