Operations Project Authorization Form

Date Prepared: December 5, 2018	Project Title: ETT Customer Focused 2019
Company: Connecticut Light & Power Co	Project ID Number: ETTCF2019
Organization: Operations Services-Vegetation Management	Class(es) of Plant: Outside Services
Project Initiator: [redacted]	Project Category: Enhanced Tree Trimming
Project Owner/Manager: [redacted]	Project Type: *Annual*
Project Sponsor: [redacted]	Project Purpose: part of regulatory tracked program? CT Resiliency
Estimated in service date: Jan 01, 2020	If Transmission Project: PTF / Non-PTF / NA
Supplement to Existing Authorization? No	Capital Investment Part of Original Operating Plan? Yes
Eng./Constr. Resources Budgeted? N/A	O&M Expenses Part of the Original Operating Plan? N/A

Project Authorization

Project authorization must be in accordance with the approval levels included in the Delegation of Authority Policy (DOA).

If Chief Executive Officer or Subsidiary Board approval is required, document the review by Enterprise Risk Management (ERM) and Financial Planning and Analysis (FP&A)

ERM: _____N/A_____

FP&A: _____N/A_____

Executive Summary

An authorization of $5,100,000 is requested for the Connecticut Distribution Customer Focused Enhanced Tree Trimming capital project (id: ETTCF2019) which is part of CL&P's annual distribution vegetation maintenance plan.

The Customer Focus (ETT) Enhanced Tree Trimming project addresses system reliability by providing greater clearances and removing risk limbs and trees that are outside the normal maintenance trim zone in areas of emergent reliability concerns.

The Customer Focus ETT program meets the three tests for capitalization:

- Substantial investment towards asset life extension
- One time program cost as the activity can only be performed once
- Standalone program which will be budgeted, charged and tracked separately

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

	Prior Authorized	2019	2020	20__+	Totals
Capital Additions - Direct	$ -	$ 5,074.5	$ -	$ -	$ 5,074.5
Less Customer Contribution	-	$ -	$ -	$ -	$ -
Removals net of Salvage ____%	-	$ -	$ -	$ -	$ -
Total - Direct Spending	$ -	$ 5,074.5	$ -	$ -	$ 5,074.5
Capital Additions - Indirect	-	$ 25.5	$ -	$ -	$ 25.5
Subtotal Request	$ -	$ 5,100.0	$ -	$ -	$ 5,100.0
AFUDC	-	$ -	$ -	$ -	$ -
Total Capital Request	$ -	$ 5,100.0	$ -	$ -	$ 5,100.0
O&M	-	$ -	$ -	$ -	$ -
Total Request	$ -	$ 5,100.0	$ -	$ -	$ 5,100.0

Justification:
The 2019 distribution prune program requires expenditures across all Eversource operating companies to address maintenance pruning and hazardous tree removals. These activities improve the system's ability to survive major storms with less extensive damage. This will improve reliability performance across the service area.

Risk Assessment:
The Company has made commitments to customers and regulators to improve reliability and system resiliency.

There are both operational and regulatory risks associated with a failure to approve this program. Operationally, there is an increased risk of more vegetation caused outages, both on normal days and during adverse weather. The Company is required to report on both program pruning cost and volume. The Vegetation Management programs also receive intense scrutiny during storm cost recovery hearings and rate case proceedings, creating a regulatory risk for the Company.

Financial Evaluation

Provide the following financial information (attach additional detail if summarized items are significant or additional information is needed). Note: Dollar values are in thousands

Direct Capital Costs	Year 1	Year 2	Year 3+	Total
Straight Time Labor				
Overtime Labor				
Outside Services	5,074.5			5,074.5
Materials				
Other, including contingency amounts (describe)				
Total				

Indirect Capital Costs	Year 1	Year 2	Year 3+	Total
Indirects/Overheads (including benefits)	25.5			25.5
Capitalized interest or AFUDC, if any				
Total				

Total Capital Costs	5,100.0			5,100.0
Less Total Customer Contribution				
Total Capital Project Costs	5,100.0			5,100.0
Total O&M Project Costs				

Note: Explain unique payment provisions, if applicable

If this is a new business project, is a customer contribution required? If yes, please note the contribution amount.

In addition, for all electric and gas growth / new business projects, please attach the CIAC calculation

Provide other financial documentation as warranted by management and / or regulatory precedent. When performing financial analysis, use appropriate discount rate by company (can be provided by Budgeting and Internal Reporting or Financial Planning and Analysis).

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? Vegetation Management_____
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):

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: