# Operations Project Authorization Form

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|---|---|
| Date Prepared: December 9, 2017 | Project Title: 2017 Fleet Vehicle Capital Program (FVCP) |
| Company/ies:<br>Distribution Connecticut<br>Distribution Eastern MA<br>Distribution Western MA<br>Distribution New Hampshire<br>Gas CT (Gas)<br>Gas MA (Gas)<br>Transmission New Hampshire<br>Transmission Connecticut<br>Transmission Western MA<br>Transmission Eastern MA | Project ID Number:<br>LVEHPUR CL&P VEHICLE PURCHASES<br>15319 Purchase Fleet Vehicles<br>VEHPUR WMECO CAPITAL PURCHASE OF VEHICLES<br>VEHICLES Purchase vehicles - PSNH Dist<br>VEHPRCH YG VEHICLE PURCHASES<br>VEHICAP NSTAR GAS VEHICLE PURCHASES<br>NHTVEHP NH-Trans Vehicle Purchase 2017<br>CTTVEHP CT Transm Veh Purchase 2017<br>WMTVEHP WM Trans Vehicle Purchases 2017<br>EMTVEHP MAE Trans Vehicle Purchases 2017 |
| Organization: Distribution, Gas, Transmission | Class(es) of Plant: Material |
| Project Initiator: [redacted] | Project Category: Material |
| Project Owner/Manager: [redacted] | Project Type: *Annual Program* |
| Project Sponsor: [redacted] | Project Purpose: part of regulatory tracked program? No |
| Estimated in service date: 12/31/2017 | If Transmission Project: PTF / Non-PTF / NA N/A |
| 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: _____

FP&A: _____

## Executive Summary

An authorization of $34,906,782 is requested to approve projects for the purchase of vehicles. The overall Fleet Vehicle Capital Program (FVCP) is designed to provide safe, reliable and cost effective vehicle operation. The FVCP is designed to ensure Eversource's vehicles are reliable and right sized.

- Vehicle age, condition, and applicability to vehicle's use are reviewed to determine replacement need.
- Potential vehicle purchase types are evaluated for cost and right size for work tasks.
- Current fleet make-up is reviewed to determine vehicles that can be repurposed prior to purchasing new vehicles.
- Standardized vehicles are purchased.

Appendix 2
Subsidiary Board Approval Package Template

The Fleet Vehicle Capital Program strategically replaces vehicles to improve reliability and mitigate long term costs that would arise from vehicle breakdown and user down-time. Vehicle replacement, in conjunction with vehicle standardization, improves vehicle reliability, appearance, and lowers cost.

The 2017 Fleet Vehicle Capital Program provides for replacement of 10% of the Eversource vehicle portfolio. The FVCP is managed proactively with a standard approach across Operating Companies. Vehicles to be replaced are identified annually as a component to the program. Vehicle replacements are prioritized based on age, condition, and need across the fleet.

**Fleet Operations**
**2017 Capital Budget**
**Operations Only**

| Segment | State | Project | Project Description | Vehicle Capital Program 2017 Budget |
|---|---|---|---|---|
| Distribution | Connecticut | LVEHPUR | CL&P Vehicle Purchases | 14,145,008 |
| Distribution | Eastern MA | 15319 | Purchase Fleet Vehicles | 8,474,284 |
| Distribution | Western MA | VEHPUR | WMECO Capital Purchase of Vehicles | 1,575,539 |
| Distribution | New Hampshire | VEHICLES | Purchase vehicles - PSNH Dist | 4,126,054 |
| | | | **Total Electric Distribution** | **28,320,885** |
| Gas | CT (Gas) | VEHPRCH | YG Vehicle Purchases | 3,388,793 |
| Gas | MA (Gas) | VEHICAP | NSTAR Gas Vehicle Purchases | 2,501,664 |
| | | | **Total Gas Distribution** | **5,890,457** |
| Transmission | New Hampshire | NHTVEHP | NH-Trans Vehicle Purchase-2017 | 85,022 |
| Transmission | Connecticut | CTTVEHP | CT Transm Veh Purchase 2017 | 290,612 |
| Transmission | Western MA | WMTVEHP | WM Trans Vehicle Purchases 2017 | 32,562 |
| Transmission | Eastern MA | EMTVEHP | MA East Transmission | 174,883 |
| | | | **Total Transmission** | **583,079** |
| Service Company | | | **Total Service Company** | 112,361 |
| | | | **Grand Total Operations** | **34,906,782** |

## 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 | 2017 | 20__ | 20__+ | Totals |
|---|---|---|---|---|---|
| Capital Additions - Direct | $ - | $ 35,156 | $ - | $ - | $ 35,156 |
| Less Customer Contribution | - | - | - | - | - |
| Removals net of Salvage ____% | - | - | - | - | - |
| Total - Direct Spending | $ - | $ 35,156 | $ - | $ - | $ 35,156 |
| Capital Additions - Indirect | - | - | - | - | - |
| Subtotal Request | $ - | $ 35,156 | $ - | $ - | $ 35,156 |
| AFUDC | - | - | - | - | - |
| Total Capital Request | $ - | $ 35,156 | $ - | $ - | $ 35,156 |
| O&M | - | - | - | - | - |
| Total Request | $ - | $ 35,156 | $ - | $ - | $ 35,156 |

## 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 | | | | |
| Materials | $34,469 | | | $34,469 |
| Other, including contingency amounts (describe) | | | | |
| Total | $34,469 | | | $34,469 |

| Indirect Capital Costs | Year 1 | Year 2 | Year 3+ | Total |
|---|---|---|---|---|
| Indirects/Overheads (including benefits) | 438 | | | 438 |
| Capitalized interest or AFUDC, if any | | | | |
| Total | 438 | | | 438 |

| | | | | |
|---|---|---|---|---|
| Total Capital Costs | | | | |
| Less Total Customer Contribution | | | | |
| **Total Capital Project Costs** | $34,907 | | | $34,907 |
| **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).*