Operations Project Authorization Form

Date Prepared: November 30, 2017	Project Title: **2018 Fleet Vehicle Capital Program** (FVCP)
Company: Distribution Connecticut Distribution Eastern MA Distribution Western MA Distribution New Hampshire Gas CT (Gas) Gas MA (Gas) Transmission Connecticut Transmission Eastern MA Eversource Service Co	Project ID Number: LVEHPUR CL&P VEHICLE PURCHASES 15319 Purchase Fleet Vehicles VEHPUR WMECO CAPITAL PURCHASE OF VEHICLES VEHICLES Purchase vehicles - PSNH Dist VEHPRCH YG VEHICLE PURCHASES VEHICAP NSTAR GAS VEHICLE PURCHASES CTTVEHP CT Transm Veh Purchase 2018 EMTVEHP MAE Trans Vehicle Purchases 2018 LVPNUSCO Service co vehicle purchase
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: 01/01/2018	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 $30,818,000 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.

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 2018 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.

Operations Services / Fleet Operations				
2018 Capital Budget				
Operations Vehicles Only				
State	**Program**	**Project ID**	**Project Description**	**Project Budget**
CT	Dist	LVEHPUR	CT Elec Vehicle Purchases Distrib	$9,578,000
EM	Dist	15319	MA-East Vehicle Purchases Distrib	$10,865,000
WM	Dist	VEHPUR	MA-West Vehicle Purchases Distrib	$2,023,000
NH	Dist	VEHICLES	NH Vehicle Purchases Distrib	$4,052,000
CT	Gas	VEHPRCH	CT Gas Vehicles Purchases	$1,884,000
EM	Gas	VEHICAP	MA-East Gas Vehicles Purchases	$1,884,000
N/A	Dist	LVPNUSCO	OP'S SERVICE NUSCO VEHICLE PURCHASE	$115,000
CT	Transm	CTTVEHP	CT Vehicle Purchases Transm	$195,000
EM	Transm	EMTVEHP	MA-East Vehicle Purchases Transm	$222,000
			Total	**$30,818,000**
Excludes projects < $100K (totalling $374k) which are being routed for approval individually				

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	2018	20__	20__+	Totals
Capital Additions - Direct	$ -	$ 30,510	$ -	$ -	$ 30,510
Less Customer Contribution	-	-	-	-	-
Removals net of Salvage ____%	-	-	-	-	-
Total - Direct Spending	$ -	$ 30,510	$ -	$ -	$ 30,510
Capital Additions - Indirect	-	308	-	-	308
Subtotal Request	$ -	$ 30,818	$ -	$ -	$ 30,818
AFUDC	-	-	-	-	-
Total Capital Request	$ -	$ 30,818	$ -	$ -	$ 30,818
O&M	-	-	-	-	-
Total Request	$ -	$ 30,818	$ -	$ -	$ 30,818

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	$30,510			$30,510
Other, including contingency amounts (describe)				
Total	$30,510			$30,510

Indirect Capital Costs	Year 1	Year 2	Year 3+	Total
Indirects/Overheads (including benefits)	308			308
Capitalized interest or AFUDC, if any				
Total	308			308

Total Capital Costs					
Less Total Customer Contribution					
Total Capital Project Costs	$30,818			$30,818	
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).