Operations Project Authorization Form

Date Prepared: November 30, 2018	Project Title: **2019 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 Transmission Western MA Transmission New Hampshire 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 LVPNUSCO Service co vehicle purchase VEHPRCH YG VEHICLE PURCHASES VEHICAP NSTAR GAS VEHICLE PURCHASES CTTVEHP CT Transm Veh Purchase 2019 EMTVEHP MAE Trans Vehicle Purchases 2019 WMTVEHP MAW Trans Vehicle Purchases 2019 NHTVEHP NH Trans Vehicle Purchases 2019
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: 01/01/2019	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 $34,078,128 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 2019 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.

As New England's clean energy catalyst, Eversource will lead by example and minimize the environmental footprint of its vehicle fleet. JEMS (jobsite energy management system) is expanding the program to include 39 MH55 and 8 41M trouble trucks in 2019. The proposed plan is to electrify 100% of Eversource's fleet of 55' and 41' material handling bucket trucks in New Hampshire over the next six years. This plan will primarily involve the purchase of new units and shifting of non-electrified models into MA and CT. This initiative will result in approximately $12.0M of incremental capital cost and $7.5M of depreciation expense.

Please note, only the projects in red font require COO approval:

Operations Services / Fleet Operations
2019 Capital Budget

State	Program	Project ID	Project Description	2019 Budget
CT	Dist	LVEHPUR	CT Elec Vehicle Purchases Distrib	$8,139,186
EM	Dist	15319	MA-East Vehicle Purchases Distrib	$6,810,441
WM	Dist	VEHPUR	MA-West Vehicle Purchases Distrib	$2,269,372
NH	Dist	VEHICLES	NH Vehicle Purchases Distrib	$7,430,180
CT	Gas	VEHPRCH	CT Gas Vehicles Purchases	$2,078,419
EM	Gas	VEHICAP	MA-East Gas Vehicles Purchases	$2,270,456
N/A	Dist	LVPNUSCO	OP'S SERVICE NUSCO VEHICLE PURCHASE	$561,911
CT	Transm	CTTVEHP	CT Vehicle Purchases Transm	$921,283
EM	Transm	EMTVEHP	MA-East Vehicle Purchases Transm	$2,000,000
WM	Transm	WMTVEHP	MA-West Vehicle Purchases Transm	$34,680
NH	Transm	NHTVEHP	NH Vehicle Purchases Transm	$1,312,200
CT	Tools	GECNCLP	CT Transportation Tools	$95,000
EM	Tools	MAETOOLS	MA-East Tools/Equip.-Transportation	$95,000
WM	Tools	MAWTOOLS	MA-West Tools/Equip.-Transportation	$20,000
NH	Tools	NHTOOLS	NH-Tools/Equipment-Transportation	$40,000
		Total Fleet		**$34,078,128**

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	20__	20__+	Totals
Capital Additions - Direct	$ -	$ 33,737	$ -	$ -	$ 33,737
Less Customer Contribution	-	-	-	-	-
Removals net of Salvage ____%	-	-	-	-	-
Total - Direct Spending	$ -	$ 33,737	$ -	$ -	$ 33,737
Capital Additions - Indirect	-	341	-	-	341
Subtotal Request	$ -	$ 34,078	$ -	$ -	$ 34,078
AFUDC	-	-	-	-	-
Total Capital Request	$ -	$ 34,078	$ -	$ -	$ 34,078
O&M	-	-	-	-	-
Total Request	$ -	$ 34,078	$ -	$ -	$ 34,078

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	$33,737			$33,737
Other, including contingency amounts (describe)				
Total	$33,737			$33,737

Indirect Capital Costs	Year 1	Year 2	Year 3+	Total
Indirects/Overheads (including benefits)	341			341
Capitalized interest or AFUDC, if any				
Total	341			341

Total Capital Costs				
Less Total Customer Contribution				
Total Capital Project Costs	$34,078			$34,078
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).