

# Capital Process and Approval Overview

January 7, 2025

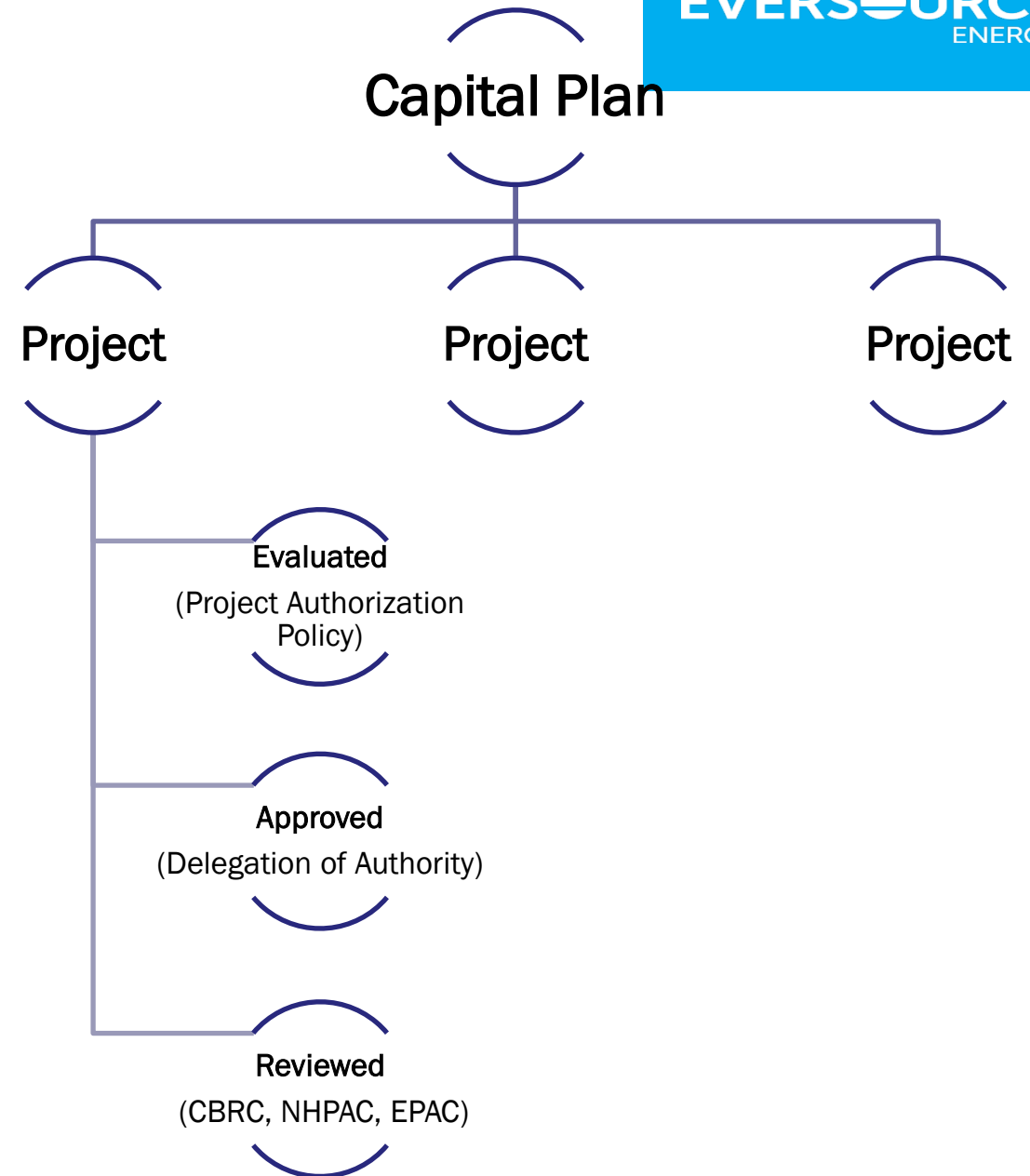
Jim Devereaux  
Leanne Landry

## Agenda

- Overview Capital Approval Process
- Budget/Long Range Planning Process
- Project Approval Process
- Project Lifecycle Overview
- Financial Controls

## Overview of Capital Approval Process

- Comprehensive annual and long-range planning process which serves as the foundation for the **Capital Plan**
- All projects **evaluated** in accordance with the **Project Authorization Policy**
  - Outlines project scope, justification, timeline, risks, alternatives and estimated cost
- All projects **approved** in accordance with the **Delegation of Authority Policy**
  - System automated processes route projects for approval in accordance with policy based on project cost
- Monthly cross-functional **reviews** of capital plan projects and drivers
  - **CBRC** (Capital Budget Review Committee)
  - **NH PAC** (Project Approval Committee)
  - **EPAC** (Eversource Project Approval Committee)



## Timeline:

- 5-year Long Range Plan (LRP) drives Annual Budget – Spring of each year
- Annual Budget for following year established – Fall of each year

## Objectives:

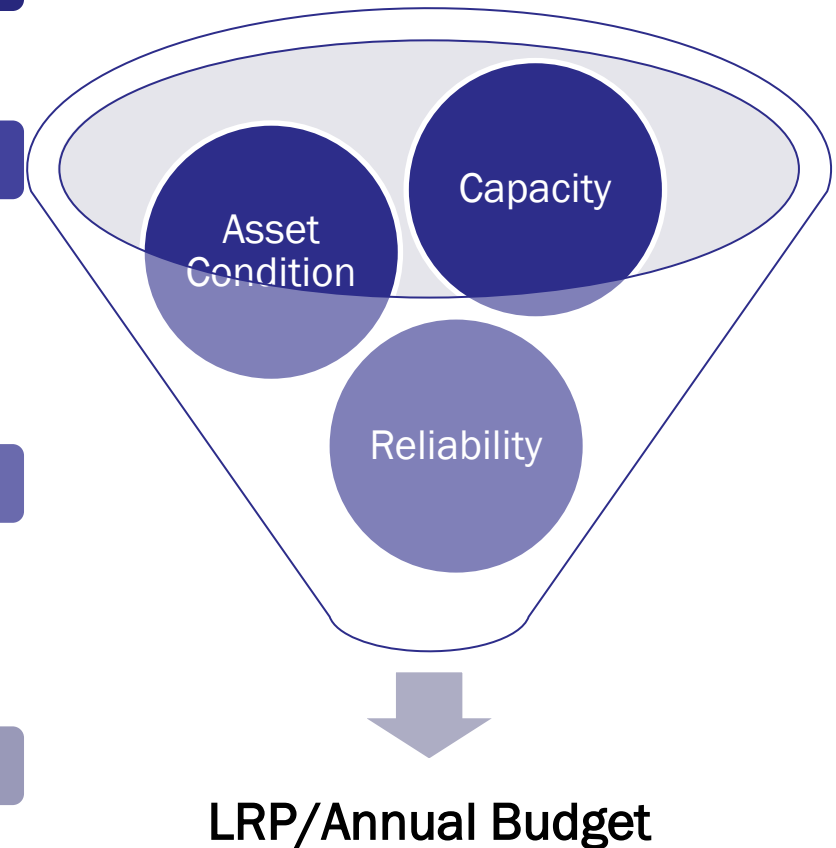
- Collaborative process where sponsors and stakeholders provide input into the budget priorities
- Budget process strives to meet critical customer and system needs while addressing strategic objectives
- Broad participation in each step of the process

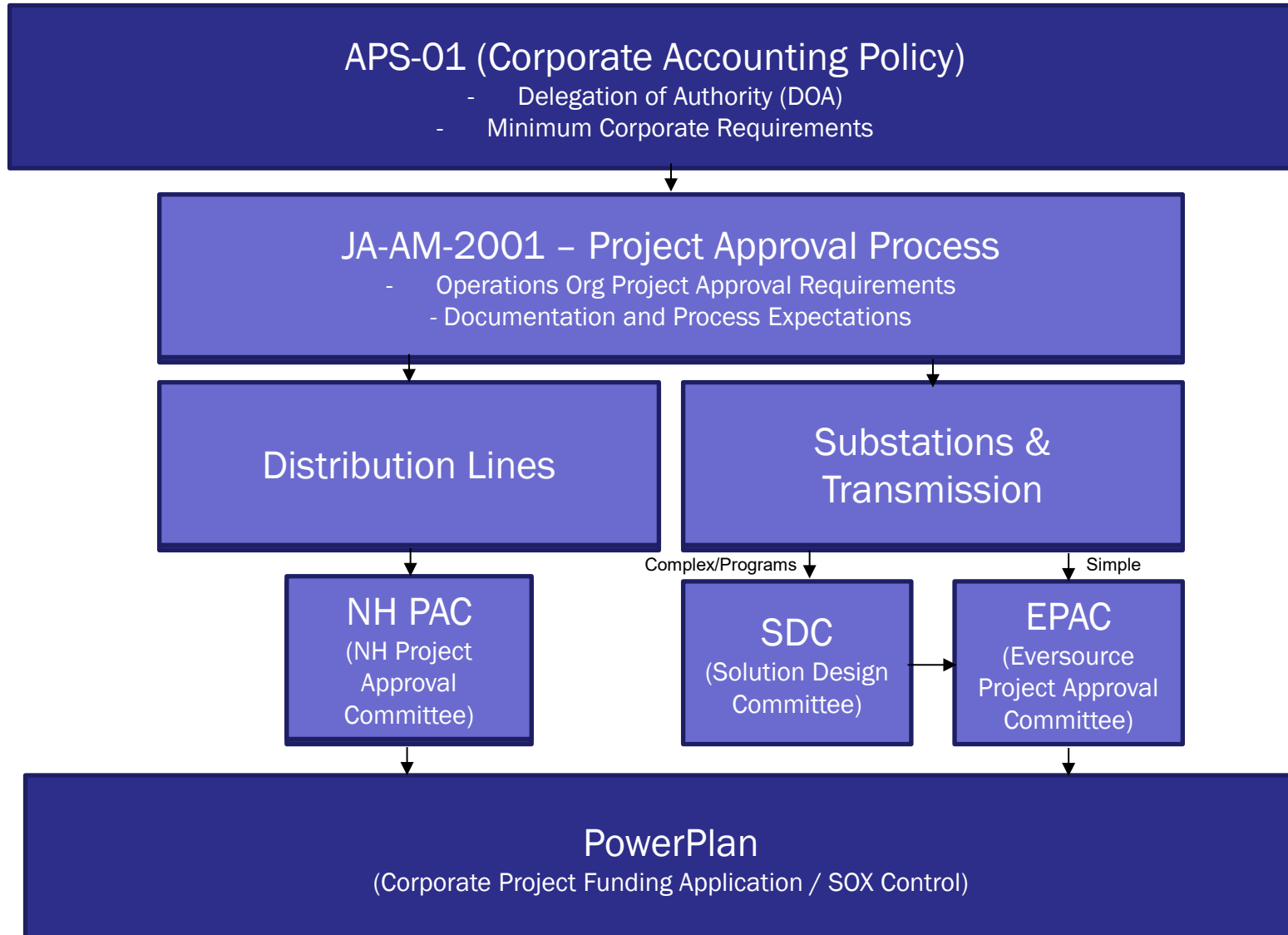
## Portfolio:

- Project sponsors and stakeholders provide updates to projects underway/under construction
- New proposed projects and programs are added
- Projects and programs are prioritized based on need and cost

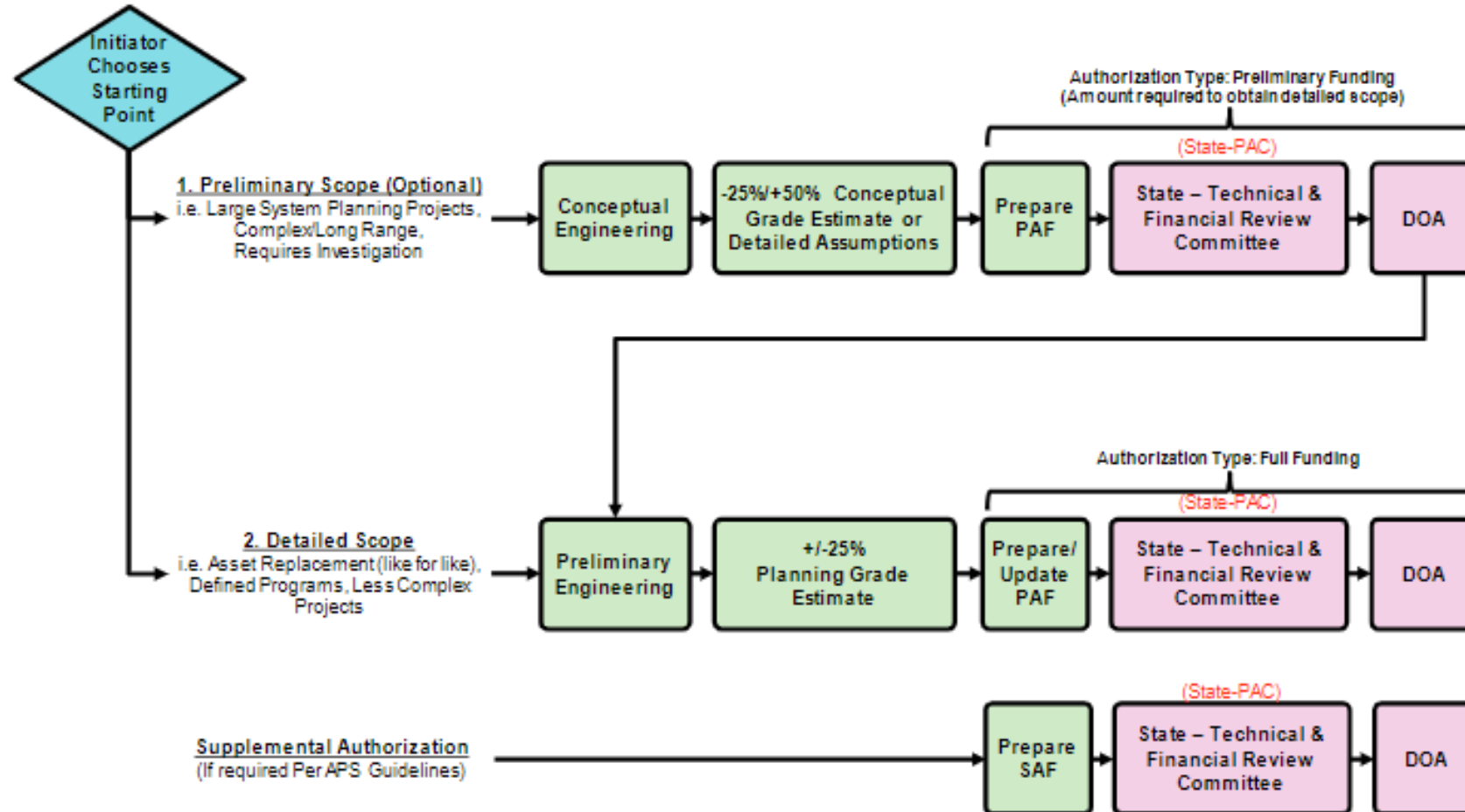
## Review/Approval:

- Plan approved by Senior Management
- Projects/Programs seek technical and financial approval
- Budget is reviewed/approved with NH Leadership and Executive Leadership
- Once approved, projects are executed in alignment with the annual budget
- Capital plan reviewed monthly at Capital Budget Review Committee (CBRC) Meeting



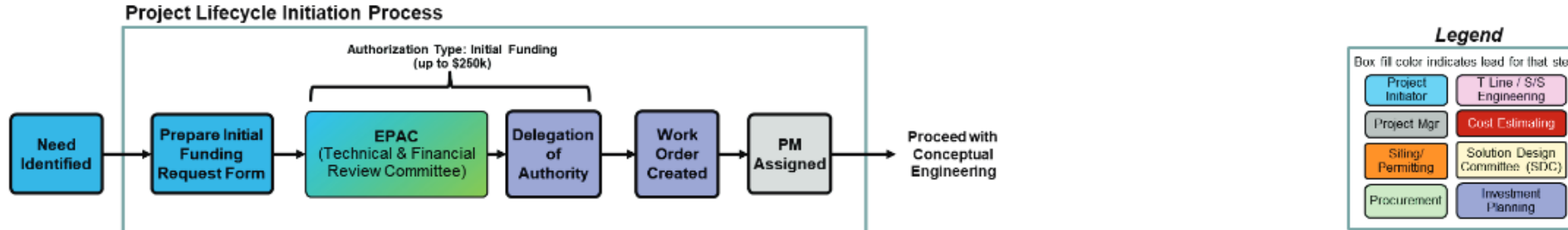


## Attachment F, Distribution Project Approval Process Flow Chart

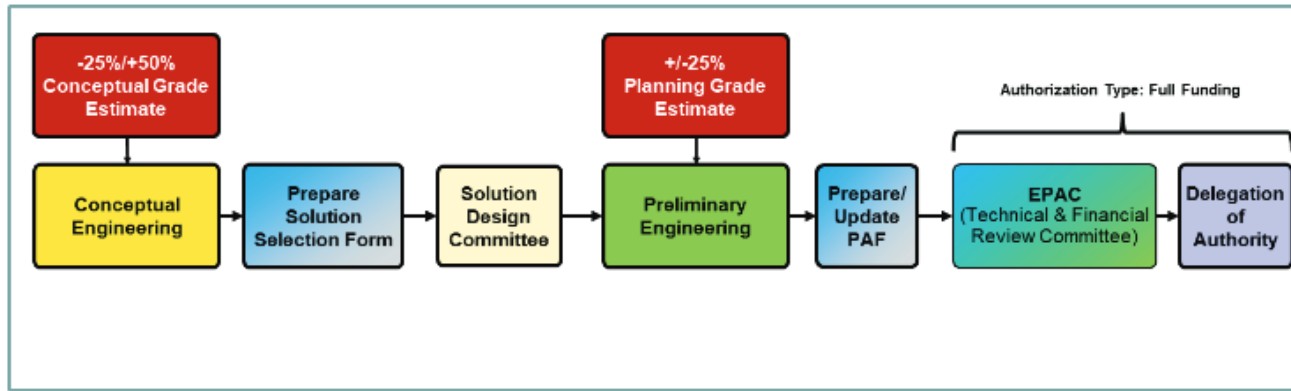


Capital Project Approval Process - JA-AM-2001-A, Rev. 7

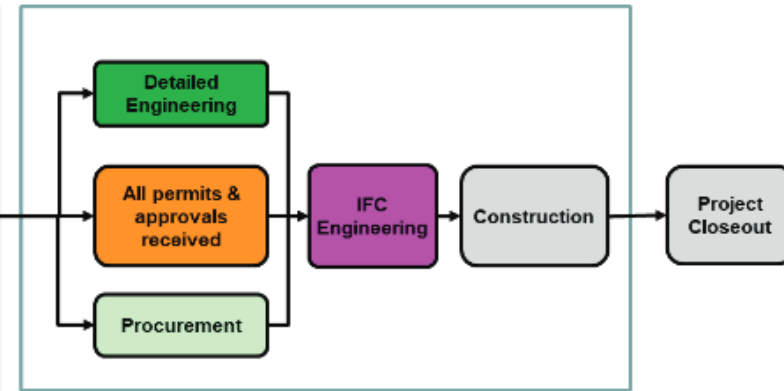
## Attachment D, Transmission and Substation Project Approval Process Flow Charts



### Project Lifecycle Process - Conceptual Engineering through Project Approval:

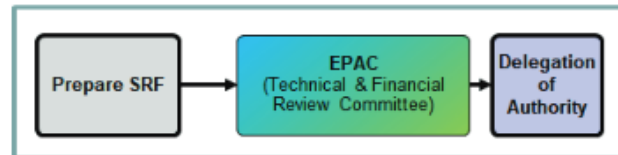


### Project Execution:



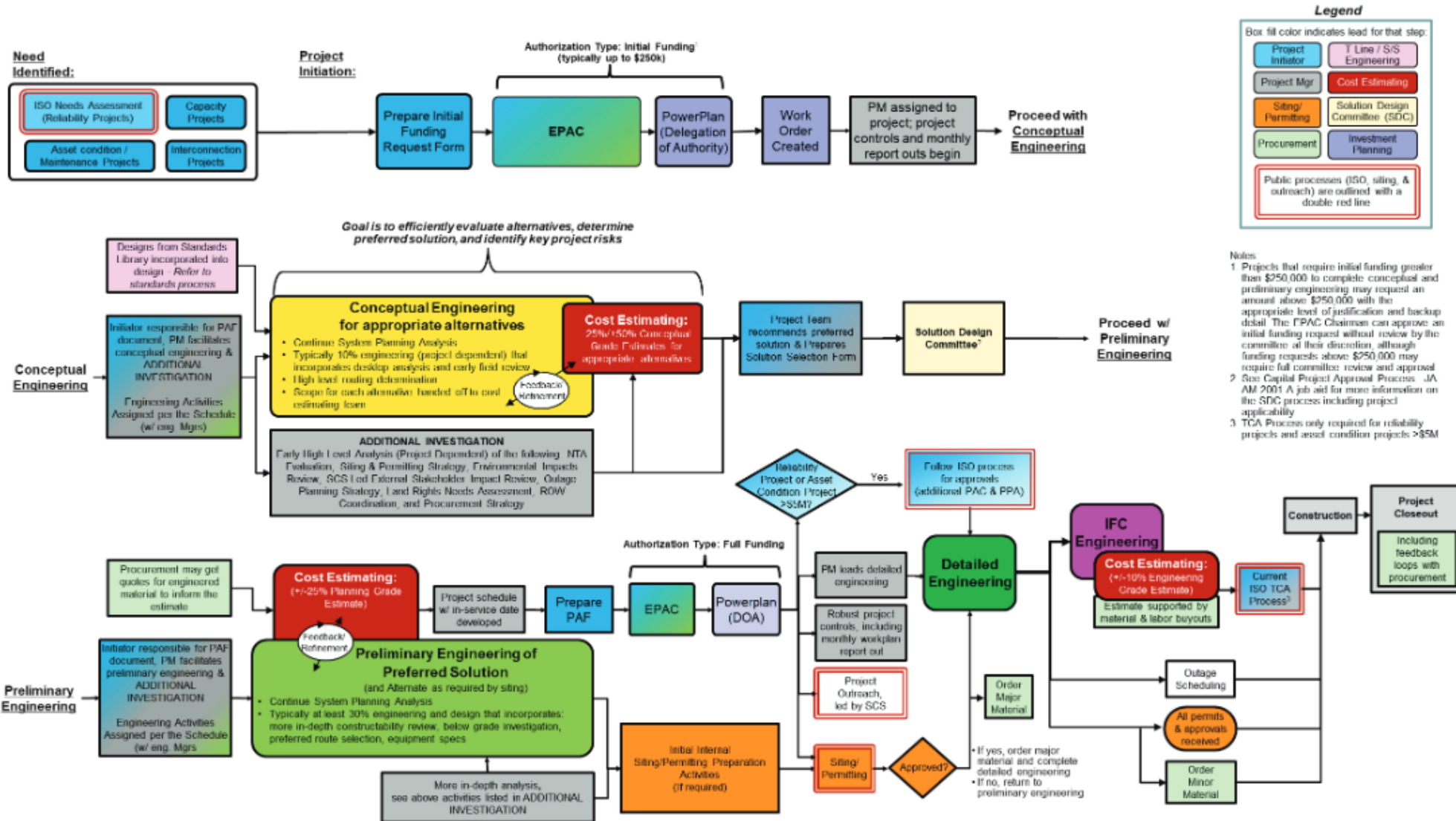
### Supplemental Authorization Process

(if required per APS guidelines)



# Project Lifecycle Process

Attachment E, Transmission and Substation Project Approval Process Detailed Flow Chart



**Legend**

Box fill color indicates lead for that step:

Project Initiator	I Line / S/S Engineering
Project Mgr	Cost Estimating
Siting/Permitting	Solution Design Committee (SDC)
Procurement	Investment Planning

Public processes (ISO, siting, & outreach) are outlined with a double red line

- Notes:**
- Projects that require initial funding greater than \$250,000 to complete conceptual and preliminary engineering may request an amount above \$250,000 with the appropriate level of justification and backup detail. The EPAC Chairman can approve an initial funding request without review by the committee at their discretion, although funding requests above \$250,000 may require full committee review and approval.
  - See Capital Project Approval Process - JA-AM-2001-A job aid for more information on the SDC process including project applicability.
  - TCA Process only required for reliability projects and asset condition projects >\$5M.



## BUDGET PROGRAM SUMMARY As of YTD September 2024

		2024	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD	YEP	FY 2024	Variance	
		BUDGET	2024	2024	2024	2024	2024	2024	2024	2024	2024	2024	2024	2024	2024		Target		
<b>DISTRIBUTION</b>																			
	BUDGET	21,065.8	5.6	1,002.6	1,072.5	1,616.8	1,383.3	2,137.8	2,048.1	1,585.5	2,215.6	2,455.3	2,771.3	2,771.4	13,067.8				
	PROJECTION	38,653.1	2,374.9	4,270.0	3,192.2	2,139.6	2,306.4	1,983.9	3,388.8	3,939.3	5,473.1	3,068.4	3,068.4	3,068.4					
NEW CUSTOMER	ACTUAL		2,374.9	4,270.0	3,192.2	2,139.6	2,306.4	1,983.9	3,388.8	3,939.3	5,473.1	0.0	0.0	0.0	29,068.2	38,653.1	34,925.4	3,727.7	
	VARIANCE		2,369.3	3,267.4	2,119.6	522.8	923.0	-153.9	1,340.8	2,353.9	3,257.6	0.0	0.0	0.0	16,000.4	17,587.3			
	BUDGET	52,820.0	2,618.6	4,293.9	3,901.3	4,285.1	4,841.5	4,760.0	4,313.8	3,512.1	3,882.2	5,852.5	5,910.7	4,648.3	36,408.5				
	PROJECTION	81,945.5	4,880.2	6,709.9	5,200.9	3,848.6	5,212.7	8,149.3	9,492.7	6,129.8	12,446.6	5,417.9	5,851.0	8,758.2					
BASIC BUSINESS	ACTUAL		4,880.2	6,709.9	5,200.9	3,848.6	5,212.7	8,149.3	9,492.7	6,129.8	12,446.6	0.0	0.0	0.0	62,070.8	81,945.5	71,975.5	9,970.0	
	VARIANCE		2,261.6	2,416.0	1,299.6	-436.5	371.2	3,389.3	5,178.9	2,617.7	8,564.5	0.0	0.0	0.0	25,662.3	29,125.5			
	BUDGET	127,108.3	6,464.4	10,790.4	9,987.8	9,859.1	8,887.5	25,950.8	8,879.0	8,204.2	9,523.4	10,547.9	7,793.0	10,221.0	98,546.5				
	PROJECTION	69,342.1	3,373.5	2,710.0	2,772.3	3,778.6	5,797.5	4,046.2	6,133.4	3,461.3	11,243.6	9,790.5	10,908.5	10,606.7					
RELIABILITY	ACTUAL		3,373.5	2,710.0	2,772.3	3,778.6	5,797.5	4,046.2	6,133.4	3,461.3	11,243.6	0.0	0.0	0.0	43,316.4	69,342.1	86,940.1	-17,598.0	
	VARIANCE		-3,090.9	-8,080.4	-7,215.5	-6,080.5	-3,089.9	-21,904.6	-2,745.6	-4,742.9	1,720.2	0.0	0.0	0.0	-55,230.1	-57,766.3			
	BUDGET	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0				
	PROJECTION	-6.8	-6.2	-0.2	0.0	0.1	0.0	0.0	-0.5	0.0	0.0	0.0	0.0	0.0					
REGULATORY COMMITMENTS	ACTUAL		-6.2	-0.2	0.0	0.1	0.0	0.0	-0.5	0.0	0.0	0.0	0.0	0.0	-6.8	-6.8	-6.8	0.0	
	VARIANCE		-6.2	-0.2	0.0	0.1	0.0	0.0	-0.5	0.0	0.0	0.0	0.0	0.0	-6.8	-6.8			
	BUDGET	9,957.9	176.1	243.6	344.2	1,327.7	1,286.4	1,232.5	1,156.7	980.0	773.3	813.9	763.8	859.7	7,520.4				
	PROJECTION	24,799.1	1,408.9	1,480.9	1,033.5	1,288.8	1,144.1	1,758.2	712.0	1,093.4	463.4	3,784.7	3,963.1	6,003.5					
PEAK LOAD / CAPACITY	ACTUAL		1,408.9	1,480.9	1,033.5	1,288.8	1,144.1	1,758.2	712.0	1,093.4	463.4	0.0	0.0	0.0	10,383.2	24,799.1	24,536.2	262.9	
	VARIANCE		1,232.8	1,237.4	689.3	-38.9	-142.3	525.7	-444.7	113.4	-309.9	0.0	0.0	0.0	2,862.8	14,841.2			
	BUDGET	210,952.0	9,264.7	16,330.4	15,305.8	17,088.7	16,398.8	34,081.0	16,397.6	14,281.8	16,394.5	19,669.6	17,238.8	18,500.3	155,543.3				
	PROJECTION	214,733.0	12,031.3	15,170.7	12,198.8	11,055.8	14,460.7	15,937.6	19,726.4	14,623.9	29,626.8	22,061.4	23,791.1	28,436.8					
NH OPERATIONS DISTRIBUTION	ACTUAL		12,031.3	15,170.7	12,198.8	11,055.8	14,460.7	15,937.6	19,726.4	14,623.9	29,626.8	0.0	0.0	0.0	144,831.9	214,733.0	218,370.4	-3,637.4	
	VARIANCE		2,766.6	-1,159.8	-3,107.0	-6,032.9	-1,938.1	-18,143.4	3,328.8	342.0	13,232.3	0.0	0.0	0.0	-10,711.3	3,781.0			



# Questions?