

Vermont Gas Systems, Inc.

FY2022 Expense Projects & Capital Investments exceeding \$100K

Approval & Spec Sheet

Date:

1/14/2021

Project Name & Owner:

Meters & ERTs - Christopher LeForce

Project & Work Order (project task) Number(s): P1387 W3811; W3812; W3813 (Meters) & P1387 W3915 (ERTS)

Submitted by & Department:

Christopher LeForce - Cost Center 3040 (Transmission Maintenance)

Project Summary & Benefit:

Meters and ERT's are purchased for residential and commercial growth in the system, replacement meters for meters being remediated annually, and meters that are pulled for the meter testing program annually. Regulators purchases are made for new and replacement meter sets. Meter manifold purchases for new residential and commercial sets as well as replacement manifolds. The meter testing and the meter remediation programs are both required by the state and ensure customers meter usage is accurate and in compliance with our general terms and conditions.

Schedule/Timing of In-Service:

October 2021 to September 2022

What type of cost?

Capital Expense

Other Notes (include business case and estimated useful life of capital purchase):

Assessment of Alternatives

We need meters and associated equipment to properly bill and feed customers natural gas. Regulatory requirement for the meter testing and remediation programs. Lowering number of meters for these programs would take changing the requirements and new customer growth would have to be scaled back to lower number of meters purchased for this group.

BUDGET (add lines as needed)

Vendor	Product/Service	Type Of Known & Measurable Documentation Provided	Label on Documentation Found	Capital Spend	FY2022 Expenses	Total
Various	Meters, Regulators, Manifolds	Quantity = Projected Customer Growth, Meter Remediation & Testing. Cost = 3 year historical average cost per meter.	FY2022 Budget Meter & ERT.xlsx	\$ 554,297	\$	554,297
Itron	ERTs	Quantity = Projected Customer Growth, Meter Remediation & Testing. Cost = 3 year historical average cost per meter.	FY2022 Budget Meter & ERT.xlsx	\$ 208,948	\$	208,948
Internal Components of Budget (if applicable):						
VGS labor	Labor to build/install XXXXX			\$ -		
VGS Overhead	VGS Overhead - Benefits, TR, DO (XX.X%)			\$ -		
VGS - Administrative (Meters, Regulators, Manifolds)	VGS administrative overhead (36.79%)			\$ 203,935	\$	203,935
VGS - Administrative (ERTs)	VGS administrative overhead (36.79%)			\$ 76,875	\$	76,875
					\$	-
PROJECT TOTALS				\$ 1,044,055	\$ -	\$ 1,044,055
Contingency (0%)				\$ -	\$ -	\$ -
PROJECT TOTAL, INCLUDING CONTINGENCY				\$ 1,044,055	\$ -	\$ 1,044,055

Prior to Spend/Contract Commitment

All projects over \$100,000 must be presented and approved by the Project Steering Committee

Subsequent approval, if required based upon the criteria below:

If the project RE-forecast is greater than 15% or \$25,000 (unless otherwise assigned) over the original budget and/or the schedule has shifted into a new fiscal year, the project must be presented to the VP, of that area for additional approval.

If the re-forecast is greater than \$250,000 the project must be presented to the VP of Finance for additional approval

Threshold if otherwise assigned

Updated Forecast Project Total:

\$0

Variance > \$25,000

-1,044,055

Variance > 15%

-100%

Schedule:

Vice President (as applicable)

VP, Finance (as applicable)