

Vermont Gas Systems, Inc.
 FY2022 Expense Projects & Capital Investments exceeding \$100K
 Approval & Spec Sheet
 Date: _____

12/5/2020

Project Name & Owner: In Footprint Main & Service Installation - Adam Gero Project & Work Order (project task) Number(s): _____ TBD

Submitted by & Department: Adam Gero - 3010 Construction

Project Summary & Benefit: This project represents the Installations of 6", 4" & 2" distribution mains, and 3/4" service lines in existing footprint (IFP) to support marketing 2022 turn on projections of 761.

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):
 In Footprint Distribution main and services based on the projected customer growth target of 761 turn ons that equals 572 services. The main footage is estimated based on historical services to main footage ratios and adjusted for any anomalies and considering construction capacity. See "FY22 Construction Calcs" sheet in the "FY@ Capex Budget" workbook for further explanation. The resulting main footage is 38,946 feet total in footprint. The costs per foot were completed using an analysis which resulted in estimating 2022 unit costs based on taking the most recent year's historical data (2019) and adjusting for the 2022 overhead rate and applying 3 years of inflation at 2% year over year. See 2019 Cost per Foot Final for detail.

Assessment of Alternatives
 In-footprint installation of distribution lines is required in order to bring new customers on-line. VGS evaluates alternative vendors available to perform the work by issuing a request for proposals and assessing a variety of criteria including cost efficiency, contractor performance, scheduling and other factors.

BUDGET (add lines as needed)

Vendor	Product/Service	Type Of Known & Measurable Documentation Provided	Label on Documentation Found within Backup Folder	Capital Spend	FY2022 Expenses	Total
Contractor (TBD)	6" Main Installation 4,985 feet	Averages, Trends & Construction Schedule	FY Capex Budget, sheet "FY22 Construction Calcs"	\$453,784.55		\$453,784.55
Contractor (TBD)	4" Main Installation 7,945 feet	Averages, Trends & Construction Schedule	FY Capex Budget, sheet "FY22 Construction Calcs"	\$560,996.45		\$560,996.45
Contractor (TBD)	2" Main Installation 26,016 feet	Averages, Trends & Construction Schedule	FY Capex Budget, sheet "FY22 Construction Calcs"	\$1,284,963.00		\$1,284,963.00
Total In footprint main				\$2,299,744.00		\$2,299,744.00
Contractor (TBD)	3/4" Service Installation: 48,700 feet (572 services)	Averages, Trends & Construction Schedule	FY Capex Budget, sheet "FY22 Construction Calcs"	\$2,218,211.25		\$2,218,211.25
Total In footprint services				\$2,218,211.25		\$2,218,211.25
Internal Components of Budget:						\$0.00
						\$0.00
PROJECT TOTALS				\$4,517,955	\$0	\$4,517,955
Contingency				\$0	\$0	\$0
PROJECT TOTAL, INCLUDING CONTINGENCY				\$4,517,955	\$0	\$4,517,955

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:	_____ \$4,517,955	Variance > \$25,000	Variance > 15%
		0	0%

Schedule: _____

Vice President (as applicable) _____

VP, Finance (as applicable) _____