

Exhibit VGS-JSH-3.01

Vermont Gas Systems, Inc.

FY2023 Expense Projects & Capital Investments exceeding \$100K

Approval & Spec Sheet

Date:

1/3/2022

Project Name & Owner:

Winooski Gate Boiler Replacement, Steve Miner

Project & Work Order (project task) Number(s):

Project 2333

Submitted by & Department:

Christopher LeForce, Transmission Maintenance

Project Summary & Benefit:

The project is to install a new gas heating system at the Nason Street Gate Station in St. Albans. The current system (Gas fired water bath line heater) is approximately 22 years old and is in need of replacement. The line heater was reused from its previous location at Beebe Road. Also in an effort to make the equipment more efficient, it caused the capacity to be reduced, so the system works a lot harder. The system is used throughout the entire year to heat the gas coming into the gate station. This is also a station that almost 100% of the gas flows constantly. When gas is regulated down in pressure, it loses 7 degrees F. of temperature per 100 psi. At Nason Street Gate, the gas can be regulated down as much as 300 psi, which would cause a temperature drop of 21 degrees F. The gas typically is delivered to the VGS system at 40 degrees F. Without heat, the gas would be below the freezing temperature and can cause damage and issues to the operation of the equipment at the gate station and beyond. The gas is heated before regulation to avoid any freezing issues. The new system will be a gas fired hydronic system, basically using boilers and a heat exchanger. The system will be more efficient (use less gas) and provide some additional redundancy because multiple boilers will be installed.

Schedule/Timing of In-Service:

Start ordering materials and equipment in the Summer of 2022. Install in early Summer 2023. In service late Summer 2023

What type of cost?

Capital Expense

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

Useful life of the entire system, except for the boilers will be approximately 30 years. The boiler will have a useful life of 15-20 years, depending on the type of boiler purchased. The higher efficiency boilers will be on the lower end, which is what we plan to purchase.

There are no real alternatives to this project other than to use other types of gas heating systems and equipment. The heating equipment is needed, as explained above. An assessment of the alternatives are contained in the document titled "VGS Nason Street Phase 1 Report 2021 1008.PDF". It was the decision of Operations to pursue the Gas-Fired Hydronic option because of its efficiency and cost.

Assessment of Alternatives

BUDGET (add lines as needed)

Vendor	Product/Service	Type Of Known & Measurable Documentation Provided	Label on Documentation Found	FY2023 Capital Spend	FY2023 Expenses	Total
Trimont Engineering	Engineering - Phase I Design	Proposal	VGS Nason Street Phase 1	\$21,200.00	\$21,200.00	
Trimont Engineering	Engineering - Phase II Design	Phase I Report	VGS Nason Street Phase 1	\$83,000.00	\$83,000.00	
Misc. Suppliers	Materials - Equipment	Phase I Report	VGS Nason Street Phase 1	\$323,700.00	\$323,700.00	
Misc. Suppliers	Materials - Piping	Phase I Report	VGS Nason Street Phase 1	\$82,606.00	\$82,606.00	
Misc. Suppliers	Materials - Rooms	Phase I Report	VGS Nason Street Phase 1	\$222,613.00	\$222,613.00	
TBD Contractor	Construction - Piping	Phase I Report	VGS Nason Street Phase 1	\$572,035.00	\$572,035.00	
TBD Contractor	Construction - Rooms	Phase I Report	VGS Nason Street Phase 1	\$127,657.00	\$127,657.00	
Trimont Engineering	As-built/Const. Support	Phase I Report	VGS Nason Street Phase 1	\$41,500.00	\$41,500.00	
SFB and others	Legal & Permitting	Phase I Report	VGS Nason Street Phase 1	\$40,000.00	\$40,000.00	
Internal Components of Budget (if applicable):						
VGS labor	Labor to build/install XXXXXX			\$26,149.20	\$26,149.20	
VGS Overhead	VGS Overhead - Benefits, TR, DO (59.73%)			\$15,618.92	\$15,618.92	
VGS - Administrative	VGS administrative overhead (34.19%)			\$526,683.34	\$526,683.34	
PROJECT TOTALS						
Contingency (25%)	Used 25% since only have a feasibility/phase I design.			\$2,082,762	\$0	\$2,082,762
PROJECT TOTAL, INCLUDING CONTINGENCY				\$520,691	\$0	\$520,691
				\$2,603,453	\$0	\$2,603,453

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

Variance > \$25,000	Variance > 15%
0	0%

Updated Forecast Project Total:

\$2,603,453

Schedule:

Vice President (as applicable)

VP, Finance (as applicable)