

## Vermont Gas Systems, Inc.

FY2023 Expense Projects &amp; Capital Investments exceeding \$100K

## Approval &amp; Spec Sheet

Date:

12/2/2021

Project Name &amp; Owner:

Distribution Reinforcement Project

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

Submitted by &amp; Department:

Adam Gero - Construction 3010

Project Summary &amp; Benefit:

The VGS transmission system is 55+ years old and incorporates several gate stations and MLV's. VGS has several integrity projects in the coming years that will require the replacement of main line valves, pressure tests, ILI's, and gate station rebuilds. To facilitate our integrity work and reduce overall costs, distribution reinforcement projects are planned to allow gate station removal over rebuilds and in lieu of stopper fittings for ILI and pressure tests. The use of distribution reinforcement will also reduce the risk around single feed systems and support reductions in methane emissions by reducing purging processes and reduce potential releases from gate station regulators and relief valves.

Schedule/Timing of In-Service:

Construction season 2023. April-September

What type of cost?

 Capital  Expense

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

Useful life for new distribution pipe is 50+ years.

Assessment of Alternatives

The alternative would include incurring higher capital costs to continue to maintain and eventually replace gate stations, incur higher capital costs for stopper fittings which would be needed to successfully complete ILI and pressure tests, and incur high capital costs for replacement of Main Line Valves. The cumulation of these higher capital costs would result in expenditures that far exceed the cost of this reinforcement project.

## BUDGET (add lines as needed)

Vendor	Product/Service	Type Of Known & Measurable Documentation Provided	Label on Documentation Found within Backup Folder	FY2021 Capital Spend	Expenses	Total
NEU, or other dist. contractor	Install approximately 2,000 feet of 4" main at \$69.21	Average Cost per Foot for PE	"2020 Cost per Foot.pdf"	\$138,420.00		\$138,420.00
NEU, or other dist. contractor	Install approximately 1,658 feet of 6" main at \$97.45/ft	Average Cost per Foot for PE	"2020 Cost per Foot.pdf"	\$161,580.00		\$161,580.00
<b>Internal Components of Budget:</b>				\$0.00		\$0.00
<b>PROJECT TOTALS</b>				<b>\$300,000</b>	<b>\$0</b>	<b>\$300,000</b>
<b>Contingency (%)</b>				<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>PROJECT TOTAL, INCLUDING CONTINGENCY</b>				<b>\$300,000</b>	<b>\$0</b>	<b>\$300,000</b>

## 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 &gt; \$25,000

Variance &gt; 15%

Updated Forecast Project Total:

\$300,000

0

0%

Schedule:

Vice President (as applicable)

VP, Finance (as applicable)