

Project Development: Natural Gas Infrastructure Projects Serving LDC Customers in Connecticut

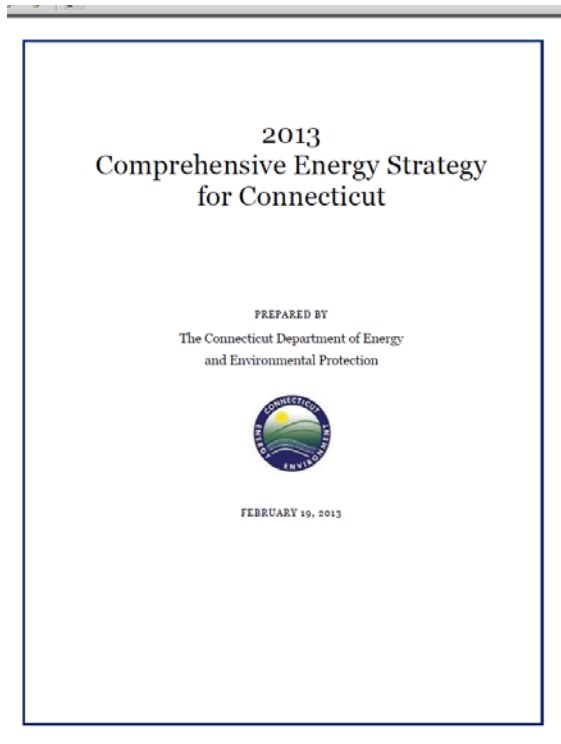
Christopher Luca, Program Manager, Gas Expansion, Eversource
Gregg Therrien, Director, Construction, CNG/SCG

Connecticut Power & Energy Society

April 13, 2016



2013 Comprehensive Energy Strategy “CES”



Executive Summary:

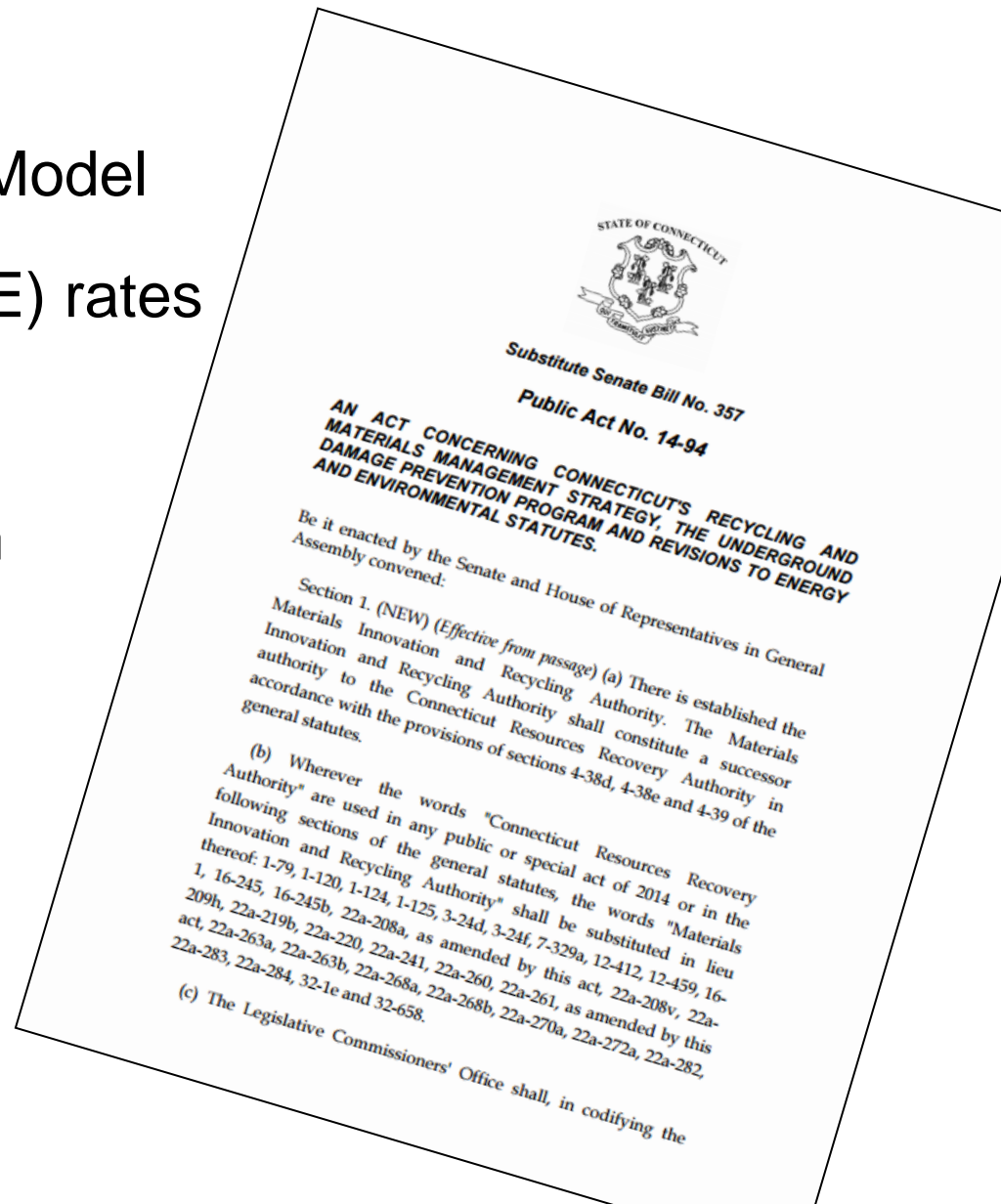
- Covers all fuels in all sectors with a planning horizon out to 2050
- Advances the Governor’s agenda of moving Connecticut towards a cheaper, cleaner and more reliable energy future

- Energy efficiency
- Industrial energy needs
- Electricity supply including renewable power
- Natural gas
- Transportation

Chapter 4

Public Act 14-94

- 25-Year Hurdle Rate Model
- System Expansion (SE) rates
- SER rate mechanism
- Allocation of Non-Firm Margin (“NFM”) for expansion projects



LDC Expansion Plan Settlement Agreement

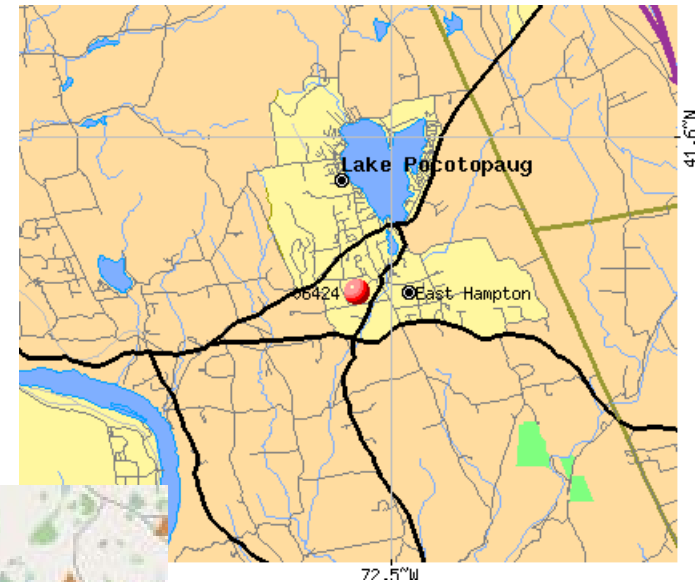
- Agreement details the “rules of the road” for gas expansion through May 2017
 - Defines “Portfolio” projects
 - Pre-construction requirements (customer commitments)
 - Application of NFM
 - Compliance/Regulatory oversight
 - Checklist for cost reduction strategies

Project Development and Execution

Neighborhoods



Franchise Expansion



2-Mile Radius Portfolios

Customer Demand Drives the Strategy

- **Neighborhood and Community Expansions**
 - Neighborhood champion(s) generate excitement and help secure necessary revenue requirements
 - Community expansions include a mix of residential and small commercial
- **Franchise Expansions**
 - Municipal leaders drive expansion in new towns or unserved areas of town
 - Key anchor load businesses
- **Two-Mile Radius Portfolios**
 - Company research leads to proactive, targeted sales approach

Customer Demand Drives the Strategy

Project Summary:

Eversource Franchise Expansion in Wilton,
Connecticut



Wilton: Project Development

- Community Engagement – Conducted community meetings to educate stakeholders about the process of project development and the benefits of bringing natural gas to their community
- Identified the most economical route focused on the Town's desired customer base (schools, downtown business district, etc.)
- Conducted comprehensive engineering and design studies of the proposed route, along with detailed estimates using a competitive bidding process



Wilton: Project Development

- Negotiated a Project Development Agreement that serves as the “umbrella agreement” with the Town
- Town required specific timelines around construction to take advantage of the time that schools were not in session and community activities were minimal
- Through strong and collaborative support from the First Selectman, the Final Project Development Agreement was presented, approved and signed by the Wilton Board of Selectmen on July 7, 2014



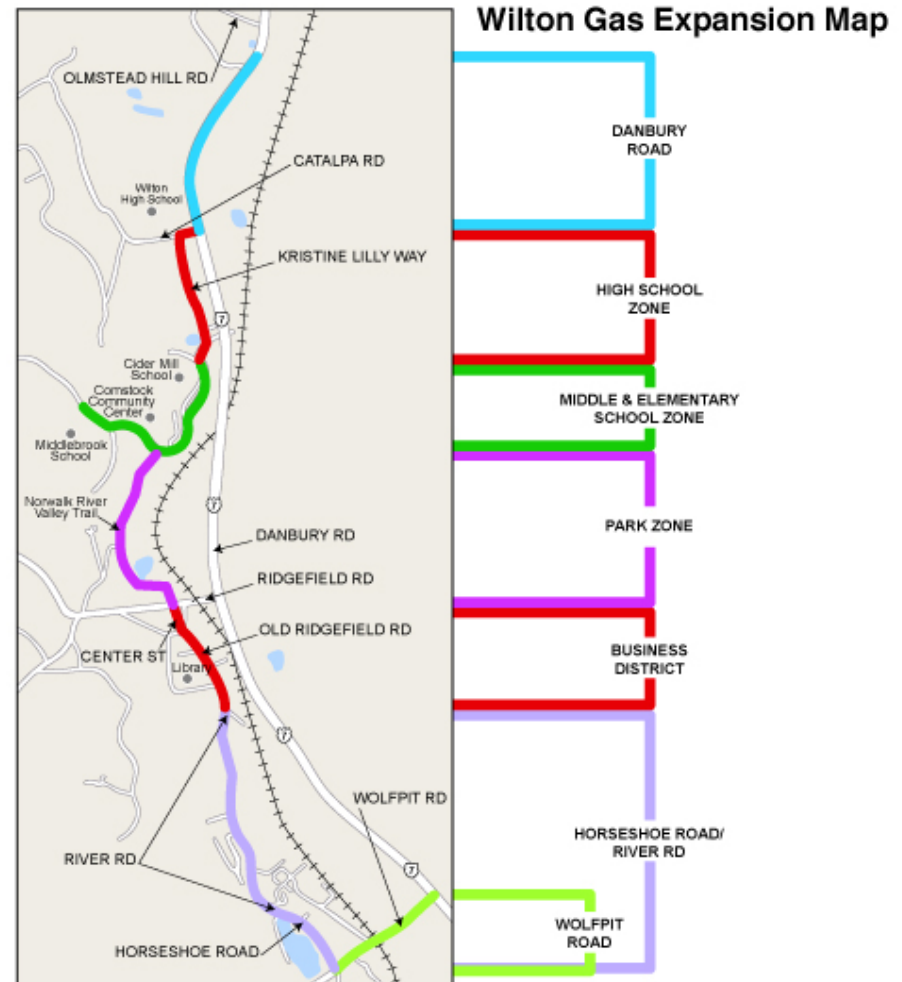
Historic Wilton Pipe Signing Event

August 4, 2014



Wilton: Project Management

- Assigned a dedicated team to the Town of Wilton
 - Communications
 - Community Relations
 - Construction
 - Engineering
 - Marketing & Sales
- Identified segments of the route to meet the Town's timing requirements
- Acquired major permits and a variety of necessary land-use agreements
- Developed a strategy to communicate the project plan



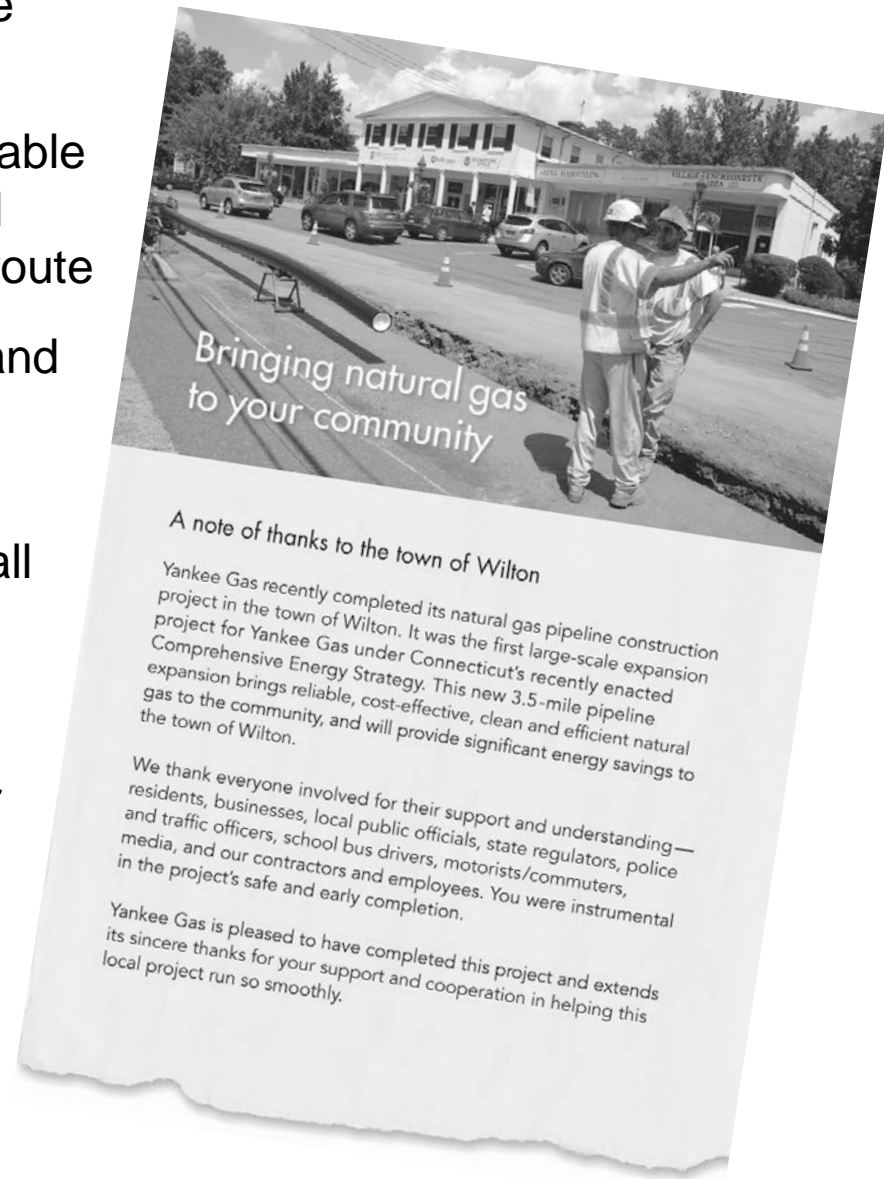
Wilton: Project Management

- Construction on the 3.6-mile gas pipeline project began August 1, 2014
- On October 24, 2014, three crews from two different contractors completed installation
 - 18,150 feet of 8-inch plastic pipe
 - Comstock Brook Crossing
 - 1,100 feet of 8-inch steel pipe
 - Norwalk River Bridge Crossing
 - Metro-North Bridge Crossing
 - 16 service laterals
- Utilized a soil screening operation as part of the State of Connecticut's Beneficial Reuse Determination policy (BUD)
- Successful penetration into a new community has led to additional expansion within the Wilton community
 - An additional 3,100 feet of pipe to the Miller-Driscoll School and 8 residential homes



Wilton: Communication Plan

- Developed a webpage dedicated to the Wilton Gas Expansion Project
- Communicated the project route, timetable and company contact information to all residences and businesses along the route
- Utilized road signs, local publications and social media to notify commuters of potential traffic delays
- Placed a project route map in Town Hall
- Provided weekly construction updates
- Upon project completion, issued a “Thank You” ad in the local newspaper
- Developed a Gas Safety Program for communities new to natural gas



Challenges and Opportunities

- Consumer Demand
 - Achieving required threshold
 - Attaining project economic requirements
- Environmental
 - Wetlands
 - Natural Barriers
 - Soil Management Policies
- Construction Costs
 - Extensive restoration requirements from State and local authorities
 - Extensive traffic control requirements



