

## **GAS PROGRAM INDIVIDUAL PROJECT SUBMITTAL FORMS**

Redacted



**First Year of 5-Year Budget Period:** **2025**

**Budget Group:** Gas  
**Current Life-Cycle Phase:** 2 Design

**Project/Program Name:** AH Line Valve Replacements

Work Order #: -

**Funding Project Description:** MAJORS-GAS TRANSMISSION

**Funding Project Number:** 2-2212-00-18

Is this a Specific Project, Program or Blanket? **Program**

**Target Schedule - Start:** 1/1/2025

**In-Service:** 12/31/2029

**Indicate and summarize any other work orders associated with the overall project, including those of other budget categories:**

**Describe the project objective and scope of work:**

Remove and replace the existing gas transmission line valves on the 10" steel AH Line. New installations shall allow for passage of internal inspection tools and be easily operable by field crews.

**Describe specific scope exclusions, assumptions and constraints:**

Outage duration on the transmission main must be minimized. Assumes available parcel/property for installation.

**What other options were considered to the proposed project to meet the objective?**

None, in order to allow for the passage of internal inspection tools and be easily operable by a mechanic, the valves must be replaced.

### Why was the proposed project scope chosen over other alternatives?

N/A

## C. JUSTIFICATION

**Load Based/Infrastructure:** Infrastructure  
**Discretion Level:** Maintain System Standards

**Growth/Sustaining/Retirement:** Transmission Sustaining  
**Investment Type:** Infrastructure  
**Is there an Innovation Component?** No

**Needs Assessment:** Infrastructure

If need is Safety, Regulatory or Compliance have we considered options, validated the need and challenged the value? N/A

**Describe the justification for this project.** If helpful you may include planning studies or other pertinent documents as attachments.

Central Hudson performs an annual inspection of all gas transmission line valves. The replacement schedule for line valves may change in priority due to the annual inspection findings. AH Line valves have been identified for scheduled replacement due to service design as well as age.

**Describe any quantifiable benefits (such as monetary benefits/business case, operational cost savings, cost avoidance, etc.)**

Increasing the safety and reliability of the gas transmission system by replacing aging infrastructure and implementing new functionality.

For the following strategic alignment questions, reference CHG&E's current Strategic Outlook document:

[CLICK HERE](#)

Which **Strategic Theme** does project most align with?

Operational Excellence

Which **Strategic Objective** does project most align with?

Improve system performance and resilience

Which **Strategic Initiative** does project most align with?

Business & Operations Modernization/Transformation

Which **Team Goal** does project most align with?

PSC Gas Safety

**Technology Strategic Alignment (CATS-4220, 4222, 4230, 4235, 44):**

Select all that apply

**Have you taken into account potential environmental impacts that would need to be considered for cost and schedule estimates** Yes

\* Environmental impacts must be taken into consideration to the extent that you are able considering current phase, maturity of scope and knowledge of field conditions.

**Do you anticipate the project to require significant jurisdictional approvals?** (select all that apply)

No

### **ESG (Environmental, Social and Governance) and Sustainability:**

Complete the ESG Checklist on the separate worksheet (tab). Results of your answers will be automatically shown below:

**Checklist Fully Completed:** Yes **Environmental Component:** Yes

**Social Component:** Yes

**Governance Component:** Yes

**Is complete Sustainability status achieved by this project?\*** Yes

\* Sustainability status is achieved for the project if the ESG checklist shows that there is at least one component each for environmental, social and governance.

**What is the relative urgency of this project?** Moderate *Recommend commencement within next 24-months.*

**Was this project included in a prior 5-year forecast?** Yes

**If No, why should this project be completed instead of a planned project?**

N/A

**Why do we need to complete this project in the period requested?**

Central Hudson performs an annual inspection of all gas transmission line valves. The replacement schedule for line valves may change in priority due to the annual inspection findings. AH Line valves have been identified for scheduled replacement due to service design as well as age. Also to meet the TIMP compliance targets, these projects must be completed.

**What are the risks and consequences of not completing this project?**

Failure or inoperability of a line valve, leading to safety concerns and/or regulatory liabilities and violations.

**Is this Project in Central Hudson's current approved rate case?** Yes

Approved as a Program.

**Is this Project tied to a regulatory requirement?** Yes

Internal inspection of pipelines per TIMP Plan.

**Does this Project result in cost avoidance, cost savings, or additional revenue for Central Hudson?** No

**Does this Project enhance Central Hudson's customer experience or service delivery?** No

**Does this Project reduce risk, debt, or vulnerabilities (i.e. technology, cybersecurity, legal, infrastructure, etc.)?** Yes

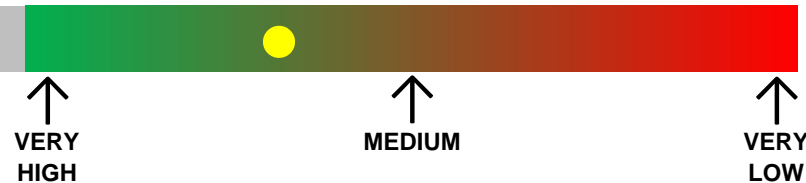
Allows for future remote operability.

**Does this Project improve or enhance safety for Central Hudson employees, contractors or the public?** Yes

Allows for future remote operability.

**Prioritization Ranking\***

\* Prioritization Ranking is intended to be high level and is not intended to differentiate between projects with the same prioritization question responses.





## D. COST ESTIMATE

Capital Estimate Summary		Year 1 = 1st year of the 5-year budget plan		All future year cost estimates should include applicable adjustments for inflation.					
		TOTAL	Prior Years Actuals + Projections	Year 1 2025	Year 2 2026	Year 3 2027	Year 4 2028	Year 5 2029	Future Years
<b>\$6,681,000</b>									
A D D I T I O N S	Labor (Weekly Payroll)	0							
	Labor (Monthly Payroll)	0							
	Stock Materials	0							
	A/P Non-Stock Material	0							
	A/P Contractors & Other	5,850,000		650,000	650,000	1,950,000	1,300,000	1,300,000	
	Inflation	403,000		14,000	27,000	122,000	107,000	133,000	
	AFUDC*	236,000		23,000	23,000	85,000	63,000	42,000	
	Journal Vouchers (JVs)	0		---	---	---	---	---	
	CIAC Payments CREDIT	0							
	Joint Utility Payments CREDIT	0							
<b>TOTAL ADDITIONS:</b>		<b>6,489,000</b>	<b>0</b>	<b>687,000</b>	<b>700,000</b>	<b>2,157,000</b>	<b>1,470,000</b>	<b>1,475,000</b>	<b>0</b>
R E M O V E M E N T S	Labor (Weekly Payroll)	0							
	Labor (Monthly Payroll)	0							
	A/P Non-Labor (dumpsters, etc.)	0							
	A/P Contractors	192,000		20,000	21,000	64,000	43,000	44,000	
	Overheads	0							
	Journal Vouchers (JVs)	0		---	---	---	---	---	
	Salvage CREDIT	0							
	CIAC Payments CREDIT	0							
	Joint Utility Payments CREDIT	0							
<b>TOTAL REMOVALS:</b>		<b>192,000</b>	<b>0</b>	<b>20,000</b>	<b>21,000</b>	<b>64,000</b>	<b>43,000</b>	<b>44,000</b>	<b>0</b>
* AFUDC may require adjustment after Finance Department review.									
<b>Expense \$ (if applicable):</b>		<b>0</b>							
<b>Current Approved Rate Case Funding (\$):</b>		n/a*	n/a*	n/a*	n/a*				

\* Not applicable for 2025-2029 budget process when rate case funding not yet confirmed.

**Budget Status:** Included in current PSC-approved budget plan under a PROGRAM

**Cost Estimate Level:** Conceptual

**Cost Estimate Confidence:** (that final cost will be within +/-30% of the estimate): High Confidence

No further estimate range is required.

**Cost Estimate Range:** Minimum (\$): 4,676,700 Maximum (\$): 8,685,300

No explanation on confidence level required.

← Formulas give standard ranges per estimate level, but may be overwritten if desired.

**Basis for estimate:** Historical Data + Job Specific Adjustments; Historical Proforma Pricing

(select all that apply)

Is there documentation that shows how your conceptual or preliminary-level cost estimate was derived?

Yes

## E. ADDITIONAL INFORMATION

If there is any additional information that you would like to add that is not covered elsewhere in this form, you may add it here (optional):

Used actual labor and material costs for completing project of similar scope on the same property the year prior. Used historical pricing for piping, equipment, and peripherals.

# Memo

## Central Hudson Gas & Electric

To: Joseph Koberger  
 From: Steven Spehalski  
 Date: 4/11/2024  
 Re: AH Line Valve Replacement Program – Funding Project 2-2212-00-18

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The AH Line Valve Replacement Program is a capital budget program within Central Hudson's (CHGE) Category 22 – Gas Transmission budget category. This memo provides continued support for the program included in the capital budget portfolio for 2025 and beyond at the requested funding amounts.

### Program History and Description:

Central Hudson's TP (Tuxedo-Poughkeepsie) Line Valve Replacement Program began in 2003 and was completed in 2015. This program's main objective was to improve the reliability and operability of the valves by raising the original below-grade line valves to an above-grade configuration, while also modernizing and standardizing the valve materials to full port ball valves. The AH (Albany-Highland) Line Valves are the next set of line valves within CHGE's transmission system requiring replacement and modernization. The AH Line Valve program began in 2015 upon conclusion of the TP Line Valve Replacement Program. In similar manner, the AH Line Valve Replacement Program aims to increase safety and reliability of the gas transmission system while also maintaining important functions paramount to adherence to the Pipeline Integrity program put into practice in 2005. The valves being replaced have reached or are near the end of their useful life as many of them are of original construction vintage, dating back to over 65 years. Through this program's progression, the use of robotic inspection technology has been realized to provide better integrity evaluation.

Newly installed line valves will not only prepare the assembly for robotic inline inspection tool launches but also for remote operated valve (ROV) capabilities. The replacement valves are trunnion mounted ball valves with gear reduction operators, allowing for easier operability than the existing plug valves. This allows the operator to be easily and efficiently retrofitted with a remote-controlled actuator. These adaptations to aging infrastructure are necessary for the continuous improvement of the safety and reliability of our gas transmission system and compliance with future regulations.

Currently, there are twenty-three (23) valves on the AH Line, twenty-one (21) of which were originally designated for replacement in the program. To date, eleven (11) of the identified valves have been replaced and currently there are ten (10) valves remaining in the program.

Valve	Scheduled	Completed
AH1	2030	--
AH2	2026	--
AH3	2028	--
AH4	2028	--
AH5	2027	--
AH6	2027	--
AH6A	N/A	N/A
AH7	2027	--
AH8	--	2017
AH9	2025	--
AH10	--	2021

AH10A	N/A	N/A
AH11	--	2023
AH12	--	2023
AH13	--	2023
AH14	--	2023
AH15	2029	--
AH16	2029	--
AH17	--	2020
AH18	--	2019
AH19	--	2015
AH20	--	2015
AH21	--	2017

#### Project Prioritization:

After each annual inspection of transmission line valves, feedback from Gas Operations may solicit a re-prioritization of replacement projects. Pipeline Integrity feedback is also considered as there are other factors such as robotic pig launching schedules and remote operation necessities, which will also affect the schedule.

#### Project Expenditures and Budget:

Each line valve replacement project within the program aligns with the Category 22 capital budget plan by accounting for ROV funding line item and valve replacement funding line item from the 5-year forecast. These two budget items are added together to obtain the total project cost for a single line valve replacement. Using historical data from previous projects and adjusting for inflation, the following pro-forma cost estimates are used for the capital budget. It should be noted that the pro-forma cost estimate is lower than the current capital budget plan request for a given sample project. This is because the pro-forma is based on historic projects, and historically the cost of the ROV actuator installation was not included since the program, rather it was intended as a "make ready" for ROV as opposed to a full implementation of ROV. Moving forward 2025 and beyond, this scope is included in the project estimates and the full ROV actuator functionality will be completed as a goal of this ongoing line valve replacement program.

Project	WO#	Year	Total Cost	2024 Cost w/ Inflation*	Average	Proforma	Notes
AH10	6417A	2020	\$733,244.00	\$871,413.06			
AH18	7687A	2018	\$316,512.00	\$387,521.79			
AH17	7685A	2019	\$409,027.00	\$492,421.46			
					\$757,070.59	<b>\$760,000.00</b>	Rounded to nearest \$10K
AH12-13-14	7982A	2023	\$1,310,000.00	\$1,340,130.00			
AH11	3462A	2023	\$560,803.00	\$573,701.47			
TP4A	3493A	2023	\$857,513.00	\$877,235.80			

Steven Spehalski



Section Engineer, Gas Engineering  
Transmission, Regulator Stations, and Production



**Submission Date:** January 12, 2024

**First Year of 5-Year Budget Period:** **2025**

**Business Sponsor:** B. Peak

**Budget Category:** **22**

**Prepared By:** S. Spehalski

**Budget Group:** Gas

**Current Life-Cycle Phase:** 2 Design

## A. GENERAL

**Project/Program Name:** Class Location Line Valves

**Work Order #:**     -

**Funding Project Description:** MAJORS-GAS TRANSMISSION

**Funding Project Number:** 2-2212-00-18

**Is this a Specific Project, Program or Blanket?** Program

**Target Schedule - Start:** 1/1/2024

**In-Service:** 12/31/2026

**Indicate and summarize any other work orders associated with the overall project, including those of other budget categories:**

**Describe the project objective and scope of work:**

Install additional transmission line valves.

**Describe specific scope exclusions, assumptions and constraints:**

Outage duration on the transmission main must be kept to a minimum.

## B. ALTERNATIVES

**What other options were considered to the proposed project to meet the objective?**

Reclassification/assessment of High Consequence Areas along the pipe corridor in order to make existing valve spacing acceptable. But this was not successful.

**Why was the proposed project scope chosen over other alternatives?**

N/A

### C. JUSTIFICATION

<b>Load Based/Infrastructure:</b>	Infrastructure
<b>Discretion Level:</b>	Non-Discretionary

**Growth/Sustaining/Retirement:** Transmission Sustaining  
**Investment Type:** Compliance  
**Is there an Innovation Component?** No

**Needs Assessment:** Regulatory

If need is Safety, Regulatory or Compliance have we considered options, validated the need and challenged the value? N/A

**Describe the justification for this project. If helpful you may include planning studies or other pertinent documents as attachments.**

Additional line valves must be installed in accordance with NYCRR 255.179(a) requirements.

<https://centralhudson.sharepoint.com/:w:/r/sites/GasMech/Budgets/Capital/5%20Year%20Forecast/2024->

2028%20Capital%20Budget/supporting%20docs/Class%203%20Location%20Valve%20Spacing%20Beyond%202%20Miles%20Memo%20(12-8-

**Describe any quantifiable benefits (such as monetary benefits/business case, operational cost savings, cost avoidance, etc.)**

Increasing the safety and reliability of the gas transmission system by installing additional mainline isolation valves and implementing new functionality.

*For the following strategic alignment questions, reference CHG&E's current Strategic Outlook document:*

[CLICK HERE](#)

Which ***Strategic Theme*** does project most align with? Operational Excellence

Which **Strategic Objective** does project most align with? Improve system performance and resilience

Which **Strategic Initiative** does project most align with? Business & Operations Modernization/Transformation

Which Team Goal does project most align with?

### Technology Strategic Alignment (CATS-4220, 4222, 4230, 4235, 44):

**Select all that apply**

**Have you taken into account potential environmental impacts that would need to be considered for cost and schedule estimates** Yes

\* Environmental impacts must be taken into consideration to the extent that you are able considering current phase, maturity of scope and knowledge of field conditions.

**Do you anticipate the project to require significant jurisdictional approvals?** *(select all that apply)*

No

### **ESG (Environmental, Social and Governance) and Sustainability:**

Complete the ESG Checklist on the separate worksheet (tab). Results of your answers will be automatically shown below:

**Checklist Fully Completed:** Yes      **Environmental Component:** Yes

**Social Component:** Yes

**Governance Component:** Yes

Is complete Sustainability status achieved by this project? **Yes**

*\* Sustainability status is achieved for the project if the ESG checklist shows that there is at least one component each for environmental, social and governance.*

**What is the relative urgency of this project?** Immediate *Already in-progress or recommend commencement within next 12-months.*

**Was this project included in a prior 5-year forecast?**

Yes

**If No, why should this project be completed instead of a planned project?**

N/A

**Why do we need to complete this project in the period requested?**

Compliance with TIMP program.

**What are the risks and consequences of not completing this project?**

N/A

**Is this Project in Central Hudson's current approved rate case?**

No

**Is this Project tied to a regulatory requirement?**

Yes

Line valve spacing requirements

**Does this Project result in cost avoidance, cost savings, or additional revenue for Central Hudson?**

No

**Does this Project enhance Central Hudson's customer experience or service delivery?**

No

**Does this Project reduce risk, debt, or vulnerabilities (i.e. technology, cybersecurity, legal, infrastructure, etc.)?**

No

**Does this Project improve or enhance safety for Central Hudson employees, contractors or the public?**

Yes

Decreased intervals between line valves in the event of an emergency.

**Prioritization Ranking\***

\* Prioritization Ranking is intended to be high level and is not intended to differentiate between projects with the same prioritization question responses.



## D. COST ESTIMATE

Capital Estimate Summary		Year 1 = 1st year of the 5-year budget plan		All future year cost estimates should include applicable adjustments for inflation.					
		TOTAL	Prior Years Actuals + Projections	Year 1 2025	Year 2 2026	Year 3 2027	Year 4 2028	Year 5 2029	Future Years
<b>\$1,428,000</b>									
A D D I T I O N S	Labor (Weekly Payroll)	0							
	Labor (Monthly Payroll)	0							
	Stock Materials	0							
	A/P Non-Stock Material	0							
	A/P Contractors & Other	1,300,000		650,000	650,000				
	Inflation	41,000		14,000	27,000				
	AFUDC*	46,000		23,000	23,000				
	Journal Vouchers (JVs)	0		---	---	---	---	---	
	CIAC Payments CREDIT	0							
	Joint Utility Payments CREDIT	0							
<b>TOTAL ADDITIONS:</b>		<b>1,387,000</b>	<b>0</b>	<b>687,000</b>	<b>700,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
R E M O V E M E N T S	Labor (Weekly Payroll)	0							
	Labor (Monthly Payroll)	0							
	A/P Non-Labor (dumpsters, etc.)	0							
	A/P Contractors	41,000	0	20,000	21,000				
	Overheads	0							
	Journal Vouchers (JVs)	0		---	---	---	---	---	
	Salvage CREDIT	0							
	CIAC Payments CREDIT	0							
	Joint Utility Payments CREDIT	0							
<b>TOTAL REMOVALS:</b>		<b>41,000</b>	<b>0</b>	<b>20,000</b>	<b>21,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
* AFUDC may require adjustment after Finance Department review.									
<b>Expense \$ (if applicable):</b>		<b>0</b>							
<b>Current Approved Rate Case Funding (\$):</b>		n/a*	n/a*	n/a*	n/a*				

\* Not applicable for 2025-2029 budget process when  
rate case funding not yet confirmed.



**Budget Status:** Not included in current PSC-approved budget plan

**Cost Estimate Level:** Preliminary

**Cost Estimate Confidence:** (that final cost will be within +/-20% of the estimate): High Confidence

*No further estimate range is required.*

**Cost Estimate Range:** Minimum (\$): 1,142,400 Maximum (\$): 1,713,600

**No explanation on confidence level required.**

← *Formulas give standard ranges per estimate level, but may be overwritten if desired.*

**Basis for estimate:** Historical Data + Job Specific Adjustments

*(select all that apply)*

**Is there documentation that shows how your conceptual or preliminary-level cost estimate was derived?**

Yes

## E. ADDITIONAL INFORMATION

**If there is any additional information that you would like to add that is not covered elsewhere in this form, you may add it here (optional):**

Used actual labor and material costs for completing project of similar scope on the same property the year prior. Used historical pricing for piping, equipment, and peripherals.

**Submission Date:** January 12, 2024

**First Year of 5-Year Budget Period:** 2025

**Business Sponsor:** B. Peak

**Budget Category:** 22

**Prepared By:** S. Spehalski

**Budget Group:** Gas

**Current Life-Cycle Phase:** 2 Design

## A. GENERAL

**Project/Program Name:** Gate Station PLC Replacement

**Work Order #:**     -

**Funding Project Description:** MAJORS-GAS TRANSMISSION

**Funding Project Number:** 2-2212-00-18

**Is this a Specific Project, Program or Blanket?** Program

**Target Schedule - Start:** 1/1/2025

**In-Service:** 12/31/2029

**Indicate and summarize any other work orders associated with the overall project, including those of other budget categories:**

**Describe the project objective and scope of work:**

Replace the existing PLC/RTU SCADA systems at each gate station.

**Describe specific scope exclusions, assumptions and constraints:**

Assumption - outage at the gate station is available during the proposed construction window.

## B. ALTERNATIVES

**What other options were considered to the proposed project to meet the objective?**

Obtain new old stock replacement parts. This method was dismissed since it would only prolong the project and increase risk.

**Why was the proposed project scope chosen over other alternatives?**

Lowest risk option.

## C. JUSTIFICATION

**Load Based/Infrastructure:** Infrastructure  
**Discretion Level:** Maintain System Standards

**Growth/Sustaining/Retirement:** Transmission Sustaining  
**Investment Type:** Infrastructure  
**Is there an Innovation Component?** No

**Needs Assessment:** Infrastructure

If need is Safety, Regulatory or Compliance have we considered options, validated the need and challenged the value? N/A

**Describe the justification for this project.** If helpful you may include planning studies or other pertinent documents as attachments.

The current control systems at the gate stations are now obsolete and unsupported by the manufacturer. There are no spare parts available. In order to maintain reliability of the gas transmission system, they must be replaced with fully supported units.

**Describe any quantifiable benefits (such as monetary benefits/business case, operational cost savings, cost avoidance, etc.)**

Increasing the safety and reliability of the gas transmission system by replacing aging infrastructure and implementing new functionality.

For the following strategic alignment questions, reference CHG&E's current Strategic Outlook document:

[CLICK HERE](#)

Which **Strategic Theme** does project most align with?

Operational Excellence

Which **Strategic Objective** does project most align with?

Improve system performance and resilience

Which **Strategic Initiative** does project most align with?

Business & Operations Modernization/Transformation

Which **Team Goal** does project most align with?

PSC Gas Safety

**Technology Strategic Alignment (CATS-4220, 4222, 4230, 4235, 44):**

Select all that apply

**Have you taken into account potential environmental impacts that would need to be considered for cost and schedule estimates** Yes

\* Environmental impacts must be taken into consideration to the extent that you are able considering current phase, maturity of scope and knowledge of field conditions.

**Do you anticipate the project to require significant jurisdictional approvals?** (select all that apply)

No

### **ESG (Environmental, Social and Governance) and Sustainability:**

Complete the ESG Checklist on the separate worksheet (tab). Results of your answers will be automatically shown below:

**Checklist Fully Completed:** Yes **Environmental Component:** Yes

**Social Component:** Yes

**Governance Component:** Yes

**Is complete Sustainability status achieved by this project?\*** Yes

\* Sustainability status is achieved for the project if the ESG checklist shows that there is at least one component each for environmental, social and governance.

**What is the relative urgency of this project?** Immediate *Already in-progress or recommend commencement within next 12-months.*

**Was this project included in a prior 5-year forecast?** Yes

**If No, why should this project be completed instead of a planned project?**

N/A

**Why do we need to complete this project in the period requested?**

To reduce the risk of losing remote control functionality of 1 or more gate stations due to component failure.

**What are the risks and consequences of not completing this project?**

Increased risk of losing functionality of the gate station.

**Is this Project in Central Hudson's current approved rate case?** No

**Is this Project tied to a regulatory requirement?** No

**Does this Project result in cost avoidance, cost savings, or additional revenue for Central Hudson?** No

**Does this Project enhance Central Hudson's customer experience or service delivery?** No

**Does this Project reduce risk, debt, or vulnerabilities (i.e. technology, cybersecurity, legal, infrastructure, etc.)?** Yes

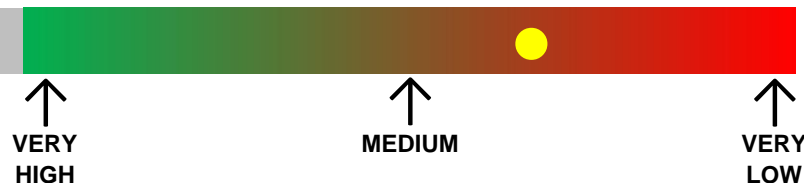
Reduced risk of loss of supply.

**Does this Project improve or enhance safety for Central Hudson employees, contractors or the public?** Yes

Reduced risk of loss of supply.

Prioritization Ranking\*

\* Prioritization Ranking is intended to be high level and is not intended to differentiate between projects with the same prioritization question responses.



## D. COST ESTIMATE

Capital Estimate Summary		Year 1 = 1st year of the 5-year budget plan		All future year cost estimates should include applicable adjustments for inflation.					
		TOTAL	Prior Years Actuals + Projections	Year 1 2025	Year 2 2026	Year 3 2027	Year 4 2028	Year 5 2029	Future Years
<b>\$3,448,000</b>									
A D D I T I O N S	Labor (Weekly Payroll)	0							
	Labor (Monthly Payroll)	0							
	Stock Materials	0							
	A/P Non-Stock Material	3,000,000		500,000	500,000	500,000	500,000	1,000,000	
	A/P Contractors & Other	207,000		11,000	22,000	31,000	41,000	102,000	
	Inflation	113,000		18,000	17,000	22,000	24,000	32,000	
	AFUDC*	0							
	Journal Vouchers (JVs)	0		---	---	---	---	---	---
	CIAC Payments CREDIT	0							
	Joint Utility Payments CREDIT	0							
<b>TOTAL ADDITIONS:</b>		<b>3,320,000</b>	<b>0</b>	<b>529,000</b>	<b>539,000</b>	<b>553,000</b>	<b>565,000</b>	<b>1,134,000</b>	<b>0</b>
R E M O V E M E N T S	Labor (Weekly Payroll)	0							
	Labor (Monthly Payroll)	0							
	A/P Non-Labor (dumpsters, etc.)	0							
	A/P Contractors	128,000		20,000	21,000	21,000	22,000	44,000	
	Overheads	0							
	Journal Vouchers (JVs)	0		---	---	---	---	---	---
	Salvage CREDIT	0							
	CIAC Payments CREDIT	0							
	Joint Utility Payments CREDIT	0							
	<b>TOTAL REMOVALS:</b>		<b>128,000</b>	<b>0</b>	<b>20,000</b>	<b>21,000</b>	<b>21,000</b>	<b>22,000</b>	<b>44,000</b>
* AFUDC may require adjustment after Finance Department review.									
<b>Expense \$ (if applicable):</b>		<b>0</b>							
<b>Current Approved Rate Case Funding (\$):</b>		n/a*	n/a*	n/a*	n/a*				

\* Not applicable for 2025-2029 budget process when  
rate case funding not yet confirmed.

**Budget Status:** Not included in current PSC-approved budget plan

**Cost Estimate Level:** Preliminary

**Cost Estimate Confidence:** (that final cost will be within +/-20% of the estimate): High Confidence

*No further estimate range is required.*

**Cost Estimate Range:** Minimum (\$): 2,758,400 Maximum (\$): 4,137,600

**No explanation on confidence level required.**

← *Formulas give standard ranges per estimate level, but may be overwritten if desired.*

**Basis for estimate:** Historical Data + Job Specific Adjustments; Vendor Generated Cost Estimate  
*(select all that apply)*

Is there documentation that shows how your conceptual or preliminary-level cost estimate was derived?

No

## E. ADDITIONAL INFORMATION

If there is any additional information that you would like to add that is not covered elsewhere in this form, you may add it here (optional):  
 During the planning process, met with vendors who provided high level estimates for their solutions. Used pro-forma pricing for labor and ancillary materials.





**First Year of 5-Year Budget Period:** **2025**

**Budget Category:** \_22

## A. GENERAL

Work Order #: -

**Funding Project Number:** 2-2212-00-18

**Target Schedule - Start:** 7/1/2025      **In-Service:** 12/31/2026

**Indicate and summarize any other work orders associated with the overall project, including those of other budget categories:**

Replace the existing piping, valves, and peripherals that function as the interconnect between the TP and MP gas transmission systems. The new installation shall add functionality and system reliability by allowing the supply to the Poughkeepsie Receival Regulator Station to be sourced from either the TP or MP system. The new project shall incorporate a new R5-24 control valve, PLC/RTU electronics, and an overpressure protection monitor valve.

Assumption - replacement of the Poughkeepsie Receiving Regulator station has been completed prior to beginning this project. Constraint - as this project is directly on the route of gas capacity delivery to electric generators and is the main source of capacity for the City of Poughkeepsie, the outage duration must be minimized.

## B. ALTERNATIVES

Partial replacements, such as piping only, or equipment only. Deferment of the electrical/PLC/RTU work was considered. Also replacement in kind versus the recommended upgrades to provide for operational flexibility.

This interconnect is located at a critical location in the gas transmission system on the East side of the Hudson River Crossing of the TP Line, the interconnect with the MP line, and at the source of gas for the City of Poughkeepsie's three distribution systems. The proposed scope was chosen because of the criticality of the station, the need to minimize outage duration (multiple year projects), and also to improve safety and reliability by

## C. JUSTIFICATION

**Load Based/Infrastructure:** Infrastructure  
**Discretion Level:** Maintain System Standards

**Growth/Sustaining/Retirement:** Transmission Sustaining  
**Investment Type:** Infrastructure  
**Is there an Innovation Component?** No

**Needs Assessment:** Infrastructure

If need is Safety, Regulatory or Compliance have we considered options, validated the need and challenged the value? N/A

**Describe the justification for this project. If helpful you may include planning studies or other pertinent documents as attachments.**

The MP-TP gas transmission interconnect is a primary source of gas capacity for the PN, PMP, and PLP gas distribution systems. The existing piping and equipment is antiquated, some with over 70yrs in service. The replacement of this infrastructure will increase reliability while adding additional operational flexibility by allowing the three distribution systems to be fed from either the TP or the MP transmission system.

**Describe any quantifiable benefits (such as monetary benefits/business case, operational cost savings, cost avoidance, etc.)**

Increasing the safety and reliability of the gas transmission system by replacing aging infrastructure and implementing new functionality.

For the following strategic alignment questions, reference CHG&E's current Strategic Outlook document:

[CLICK HERE](#)

Which **Strategic Theme** does project most align with?

Operational Excellence

Which **Strategic Objective** does project most align with?

Improve system performance and resilience

Which **Strategic Initiative** does project most align with?

Business & Operations Modernization/Transformation

Which **Team Goal** does project most align with?

PSC Gas Safety

**Technology Strategic Alignment (CATS-4220, 4222, 4230, 4235, 44):**

Select all that apply

**Have you taken into account potential environmental impacts that would need to be considered for cost and schedule estimates** Yes

\* Environmental impacts must be taken into consideration to the extent that you are able considering current phase, maturity of scope and knowledge of field conditions.

**Do you anticipate the project to require significant jurisdictional approvals? (select all that apply)**

No

### **ESG (Environmental, Social and Governance) and Sustainability:**

Complete the ESG Checklist on the separate worksheet (tab). Results of your answers will be automatically shown below:

**Checklist Fully Completed:** Yes **Environmental Component:** Yes

**Social Component:** Yes

**Governance Component:** Yes

**Is complete Sustainability status achieved by this project?\*** Yes

\* Sustainability status is achieved for the project if the ESG checklist shows that there is at least one component each for environmental, social and governance.



**What is the relative urgency of this project?** Moderate *Recommend commencement within next 24-months.*

**Was this project included in a prior 5-year forecast?** Yes

**If No, why should this project be completed instead of a planned project?**

N/A

**Why do we need to complete this project in the period requested?**

To minimize impacts to the transmission system and also to maximize the capability of the newly constructed Poughkeepsie Receiving Regulator Station the year prior.

**What are the risks and consequences of not completing this project?**

Increased risk of losing functionality of the remote operated valve that controls the flow of gas between MP and TP, due to the obsolescence of some of the PLC/RTU components that are recommended to be replaced during this project.

**Is this Project in Central Hudson's current approved rate case?** No

**Is this Project tied to a regulatory requirement?** Yes

Overpressure monitor valves required to be installed. Currently do not exist.

**Does this Project result in cost avoidance, cost savings, or additional revenue for Central Hudson?** No

**Does this Project enhance Central Hudson's customer experience or service delivery?** No

**Does this Project reduce risk, debt, or vulnerabilities (i.e. technology, cybersecurity, legal, infrastructure, etc.)?** Yes

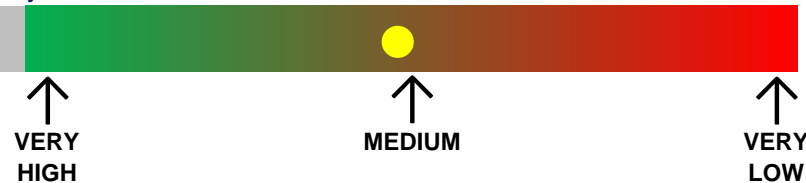
Overpressure monitor valves required to be installed. Currently do not exist.

**Does this Project improve or enhance safety for Central Hudson employees, contractors or the public?** Yes

Overpressure monitor valves required to be installed. Currently do not exist.

**Prioritization Ranking\***

\* Prioritization Ranking is intended to be high level and is not intended to differentiate between projects with the same prioritization question responses.



## D. COST ESTIMATE

Capital Estimate Summary		Year 1 = 1st year of the 5-year budget plan		All future year cost estimates should include applicable adjustments for inflation.					
		TOTAL	Prior Years Actuals + Projections	Year 1 2025	Year 2 2026	Year 3 2027	Year 4 2028	Year 5 2029	Future Years
<b>\$2,409,000</b>									
A D D I T I O N S	Labor (Weekly Payroll)	0							
	Labor (Monthly Payroll)	0							
	Stock Materials	0							
	A/P Non-Stock Material	0							
	A/P Contractors & Other	2,190,000		300,000	700,000	1,190,000			
	Inflation	111,000		6,000	30,000	75,000			
	AFUDC*	87,000		11,000	24,000	52,000			
	Journal Vouchers (JVs)	0		---	---	---	---	---	
	CIAC Payments CREDIT	0							
	Joint Utility Payments CREDIT	0							
<b>TOTAL ADDITIONS:</b>		<b>2,388,000</b>	<b>0</b>	<b>317,000</b>	<b>754,000</b>	<b>1,317,000</b>	<b>0</b>	<b>0</b>	<b>0</b>
R E M O V E M E N T S	Labor (Weekly Payroll)	0							
	Labor (Monthly Payroll)	0							
	A/P Non-Labor (dumpsters, etc.)	0							
	A/P Contractors	21,000			21,000				
	Overheads	0							
	Journal Vouchers (JVs)	0		---	---	---	---	---	
	Salvage CREDIT	0							
	CIAC Payments CREDIT	0							
	Joint Utility Payments CREDIT	0							
<b>TOTAL REMOVALS:</b>		<b>21,000</b>	<b>0</b>	<b>0</b>	<b>21,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
* AFUDC may require adjustment after Finance Department review.									
<b>Expense \$ (if applicable):</b>		<b>0</b>							
<b>Current Approved Rate Case Funding (\$):</b>		n/a*	n/a*	n/a*	n/a*				

\* Not applicable for 2025-2029 budget process when  
rate case funding not yet confirmed.

**Budget Status:** Not included in current PSC-approved budget plan

**Cost Estimate Level:** Preliminary

**Cost Estimate Confidence:** (that final cost will be within +/-20% of the estimate): High Confidence

*No further estimate range is required.*

**Cost Estimate Range:** Minimum (\$): 1,927,200 Maximum (\$): 2,890,800

**No explanation on confidence level required.**

← *Formulas give standard ranges per estimate level, but may be overwritten if desired.*

**Basis for estimate:** Historical Data + Job Specific Adjustments; Historical Proforma Pricing

*(select all that apply)*

**Is there documentation that shows how your conceptual or preliminary-level cost estimate was derived?**

Yes

## E. ADDITIONAL INFORMATION

**If there is any additional information that you would like to add that is not covered elsewhere in this form, you may add it here (optional):**

Used actual labor and material costs for completing project of similar scope on the same property the year prior. Used historical pricing for piping, equipment, and peripherals.

**Submission Date:** January 12, 2024

**First Year of 5-Year Budget Period:** **2025**

**Business Sponsor:** B. Peak  
**Prepared By:** S. Spehalski

**Budget Category:** **22**

**Budget Group:** Gas  
**Current Life-Cycle Phase:** 2 Design

## A. GENERAL

**Project/Program Name:** Remote Operated Valves  
**Funding Project Description:** MAJORS-GAS TRANSMISSION  
**Is this a Specific Project, Program or Blanket?** Program

**Work Order #:**     -   
**Funding Project Number:** 2-2212-00-18  
**Target Schedule - Start:** 1/1/2025 **In-Service:** 12/31/2029

**Indicate and summarize any other work orders associated with the overall project, including those of other budget categories:**

**Describe the project objective and scope of work:**

Install remotely operated gear operators on gas transmission main line valves.

**Describe specific scope exclusions, assumptions and constraints:**

Assumption - the valves being installed will accept a remotely capable gear operator.

## B. ALTERNATIVES

**What other options were considered to the proposed project to meet the objective?**

Remote operation of valves requires hardware and software installation, no alternatives were explored.

**Why was the proposed project scope chosen over other alternatives?**

N/A

## C. JUSTIFICATION

**Load Based/Infrastructure:** Infrastructure  
**Discretion Level:** Maintain System Standards

**Growth/Sustaining/Retirement:** Transmission Sustaining  
**Investment Type:** Infrastructure  
**Is there an Innovation Component?** No

**Needs Assessment:** Infrastructure

If need is Safety, Regulatory or Compliance have we considered options, validated the need and challenged the value? N/A

**Describe the justification for this project. If helpful you may include planning studies or other pertinent documents as attachments.**

Due to recommendations and changes set forth in PHMSA-2013-0255 that necessitated amendments to 49CFR192 and 195, Central Hudson will incorporate these capabilities into current and future main line valve projects. These installations will reduce the response time to a potential incident on the transmission line and will bring the pipelines into current industry standards of operation.

**Describe any quantifiable benefits (such as monetary benefits/business case, operational cost savings, cost avoidance, etc.)**

Increasing the safety and reliability of the gas transmission system by replacing aging infrastructure and implementing new functionality.

For the following strategic alignment questions, reference CHG&E's current Strategic Outlook document:

[CLICK HERE](#)

Which **Strategic Theme** does project most align with?

Operational Excellence

Which **Strategic Objective** does project most align with?

Improve system performance and resilience

Which **Strategic Initiative** does project most align with?

Business & Operations Modernization/Transformation

Which **Team Goal** does project most align with?

PSC Gas Safety

**Technology Strategic Alignment (CATS-4220, 4222, 4230, 4235, 44):**

Select all that apply

**Have you taken into account potential environmental impacts that would need to be considered for cost and schedule estimates** Yes

\* Environmental impacts must be taken into consideration to the extent that you are able considering current phase, maturity of scope and knowledge of field conditions.

**Do you anticipate the project to require significant jurisdictional approvals? (select all that apply)**

No

### **ESG (Environmental, Social and Governance) and Sustainability:**

Complete the ESG Checklist on the separate worksheet (tab). Results of your answers will be automatically shown below:

**Checklist Fully Completed:** Yes **Environmental Component:** Yes

**Social Component:** Yes

**Governance Component:** Yes

**Is complete Sustainability status achieved by this project?\*** Yes

\* Sustainability status is achieved for the project if the ESG checklist shows that there is at least one component each for environmental, social and governance.

**What is the relative urgency of this project?** Moderate *Recommend commencement within next 24-months.*

**Was this project included in a prior 5-year forecast?** Yes

**If No, why should this project be completed instead of a planned project?**

N/A

**Why do we need to complete this project in the period requested?**

To minimize impacts to the transmission system and also to maximize the capability of the newly constructed transmission line valves.

**What are the risks and consequences of not completing this project?**

Increased risk of longer response to incidents.

**Is this Project in Central Hudson's current approved rate case?**

Yes

Approved as part of a Program.

**Is this Project tied to a regulatory requirement?**

Yes

PHMSA-2013-0255

**Does this Project result in cost avoidance, cost savings, or additional revenue for Central Hudson?**

No

**Does this Project enhance Central Hudson's customer experience or service delivery?**

No

**Does this Project reduce risk, debt, or vulnerabilities (i.e. technology, cybersecurity, legal, infrastructure, etc.)?**

Yes

Remote operability.

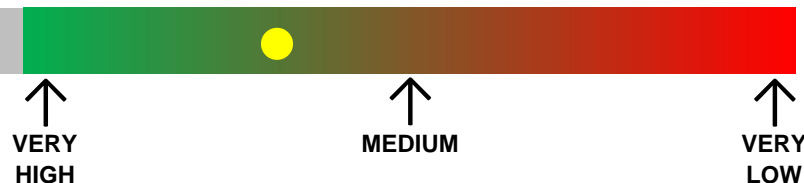
**Does this Project improve or enhance safety for Central Hudson employees, contractors or the public?**

Yes

Remote operability.

**Prioritization Ranking\***

\* Prioritization Ranking is intended to be high level and is not intended to differentiate between projects with the same prioritization question responses.





## D. COST ESTIMATE

Capital Estimate Summary		Year 1 = 1st year of the 5-year budget plan		All future year cost estimates should include applicable adjustments for inflation.					
\$3,229,000		TOTAL	Prior Years Actuals + Projections	Year 1 2025	Year 2 2026	Year 3 2027	Year 4 2028	Year 5 2029	Future Years
A D D I T I O N S	Labor (Weekly Payroll)	0							
	Labor (Monthly Payroll)	0							
	Stock Materials	0							
	A/P Non-Stock Material	0							
	A/P Contractors & Other	2,715,000		362,000	362,000	543,000	724,000	724,000	
	Inflation	191,000		8,000	15,000	34,000	60,000	74,000	
	AFUDC*	108,000		13,000	13,000	24,000	35,000	23,000	
	Journal Vouchers (JVs)	0		---	---	---	---	---	---
	CIAC Payments CREDIT	0							
	Joint Utility Payments CREDIT	0							
<b>TOTAL ADDITIONS:</b>		<b>3,014,000</b>	<b>0</b>	<b>383,000</b>	<b>390,000</b>	<b>601,000</b>	<b>819,000</b>	<b>821,000</b>	<b>0</b>
R E M O V E M E N T S	Labor (Weekly Payroll)	0							
	Labor (Monthly Payroll)	0							
	A/P Non-Labor (dumpsters, etc.)	0							
	A/P Contractors	215,000		20,000	21,000	43,000	65,000	66,000	
	Overheads	0							
	Journal Vouchers (JVs)	0		---	---	---	---	---	---
	Salvage CREDIT	0							
	CIAC Payments CREDIT	0							
	Joint Utility Payments CREDIT	0							
<b>TOTAL REMOVALS:</b>		<b>215,000</b>	<b>0</b>	<b>20,000</b>	<b>21,000</b>	<b>43,000</b>	<b>65,000</b>	<b>66,000</b>	<b>0</b>
* AFUDC may require adjustment after Finance Department review.									
<b>Expense \$ (if applicable):</b>		<b>0</b>							
<b>Current Approved Rate Case Funding (\$):</b>		n/a*	n/a*	n/a*	n/a*				

\* Not applicable for 2025-2029 budget process when  
rate case funding not yet confirmed.

**Budget Status:** Included in current PSC-approved budget plan under a PROGRAM

**Cost Estimate Level:** Preliminary

**Cost Estimate Confidence:** (that final cost will be within +/-20% of the estimate): High Confidence

*No further estimate range is required.*

**Cost Estimate Range:** Minimum (\$): 2,583,200 Maximum (\$): 3,874,800

**No explanation on confidence level required.**

← *Formulas give standard ranges per estimate level, but may be overwritten if desired.*

**Basis for estimate:** Historical Data + Job Specific Adjustments

*(select all that apply)*

**Is there documentation that shows how your conceptual or preliminary-level cost estimate was derived?**

Yes

## E. ADDITIONAL INFORMATION

**If there is any additional information that you would like to add that is not covered elsewhere in this form, you may add it here (optional):**

Used actual labor and material costs for completing project of similar scope on the same property the year prior. Used historical pricing for piping, equipment, and peripherals.





**First Year of 5-Year Budget Period:** **2025**

**Budget Category:** \_22

**Current Life-Cycle Phase:** 1 Planning

Project/Program Name: <b>TP Line Identified Segment Replacements (1,2,3,4,5.1,5.2,6,7,8,9)</b>		Work Order #:		<div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> </div>	
Funding Project Description: <b>MAJORS-GAS TRANSMISSION</b>		Funding Project Number:		2-2212-00-18	
Is this a Specific Project, Program or Blanket? <b>Specific</b>		Target Schedule - Start:		1/1/2024	
		In-Service:		6/30/2035	

**Indicate and summarize any other work orders associated with the overall project, including those of other budget categories:**

**Describe the project objective and scope of work:**

Replace all identified segments of the 10" steel TP Gas Transmission main over multiple projects in order to comply with the requirements of 49 CFR 192.624. Please reference "Plan to Address Testing/Replacement Requirements of 49 CFR 192.624" document.

**Describe specific scope exclusions, assumptions and constraints:**

In order to minimize customer impact, this project will be done in two steps. Step 1 would be to replace Segment 5.1 in 2024 and 2025. Step 2 would be to replace Segment 5.2 and 6 in 2026. Additional detailed scoping and schedule to be determined to project commencement.

## B. ALTERNATIVES

**What other options were considered to the proposed project to meet the objective?**

Previously, a plan was put forward to re-pressure test the existing mains rather than replace them. Since that time, for various reasons, this proposal has been dismissed in favor of full replacement.

## Why was the proposed project scope chosen over other alternatives?

Overall, replacement is the much more realistic and feasible option. Not only does it make project planning and logistics easier, but also decreases downtime, eliminates derating, avoids unknown cost and risk associated with pre/post assessments and pressure testing, and satisfies all material and pressure requirements (traceable, verifiable, and complete records for all newly installed pipe). For these reasons, method 4 (replacement) will be

## C. JUSTIFICATION

**Load Based/Infrastructure:** Infrastructure  
**Discretion Level:** Non-Discretionary

**Growth/Sustaining/Retirement:** Transmission Sustaining  
**Investment Type:** Compliance  
**Is there an Innovation Component?** No

**Needs Assessment:** Regulatory

If need is Safety, Regulatory or Compliance have we considered options, validated the need and challenged the value? Yes

**Describe the justification for this project.** If helpful you may include planning studies or other pertinent documents as attachments.

Modifications to CFR 49 192.624 require that Central Hudson replace approximately 1.791 miles of its gas transmission system prior to July 2, 2035.

[https://centralhudson.sharepoint.com/:b:/r/sites/GasMech/Budgets/Capital/5%20Year%20Forecast/2024-](https://centralhudson.sharepoint.com/:b:/r/sites/GasMech/Budgets/Capital/5%20Year%20Forecast/2024-2028%20Capital%20Budget/supporting%20docs/Plan%20to%20Replace%20Transmission%20Lines%20in%20Accordance%20with%2049CFR192.62)

[2028%20Capital%20Budget/supporting%20docs/Plan%20to%20Replace%20Transmission%20Lines%20in%20Accordance%20with%2049CFR192.62](https://centralhudson.sharepoint.com/:b:/r/sites/GasMech/Budgets/Capital/5%20Year%20Forecast/2024-2028%20Capital%20Budget/supporting%20docs/Plan%20to%20Replace%20Transmission%20Lines%20in%20Accordance%20with%2049CFR192.62)

**Describe any quantifiable benefits (such as monetary benefits/business case, operational cost savings, cost avoidance, etc.)**

Increasing the safety and reliability of the gas transmission system by replacing aging infrastructure. Increasing safety by moving customers to distribution main.

For the following strategic alignment questions, reference CHG&E's current Strategic Outlook document:

[CLICK HERE](#)

Which **Strategic Theme** does project most align with?

Operational Excellence

Which **Strategic Objective** does project most align with?

Improve productivity and efficiency

Which **Strategic Initiative** does project most align with?

Business & Operations Modernization/Transformation

Which **Team Goal** does project most align with?

PSC Gas Safety

**Technology Strategic Alignment (CATS-4220, 4222, 4230, 4235, 44):**

Select all that apply

**Have you taken into account potential environmental impacts that would need to be considered for cost and schedule estimates** Yes

\* Environmental impacts must be taken into consideration to the extent that you are able considering current phase, maturity of scope and knowledge of field conditions.

**Do you anticipate the project to require significant jurisdictional approvals?** (select all that apply)

Miscellaneous (wetlands; highway; SWPPP); Local municipality (1)

### **ESG (Environmental, Social and Governance) and Sustainability:**

Complete the ESG Checklist on the separate worksheet (tab). Results of your answers will be automatically shown below:

**Checklist Fully Completed:** Yes **Environmental Component:** Yes

**Social Component:** Yes

**Governance Component:** Yes

**Is complete Sustainability status achieved by this project?\*** Yes

\* Sustainability status is achieved for the project if the ESG checklist shows that there is at least one component each for environmental, social and governance.

**What is the relative urgency of this project?** Immediate *Already in-progress or recommend commencement within next 12-months.*

**Was this project included in a prior 5-year forecast?** No

**If No, why should this project be completed instead of a planned project?**

Compliance requirements.

**Why do we need to complete this project in the period requested?**

Code requires 50% of the total identified footage to be replaced by July 3, 2028.

**What are the risks and consequences of not completing this project?**

Compliance violations.

**Is this Project in Central Hudson's current approved rate case?** No

**Is this Project tied to a regulatory requirement?** Yes

CFR 49 192.624

**Does this Project result in cost avoidance, cost savings, or additional revenue for Central Hudson?** No

**Does this Project enhance Central Hudson's customer experience or service delivery?** No

**Does this Project reduce risk, debt, or vulnerabilities (i.e. technology, cybersecurity, legal, infrastructure, etc.)?** No

**Does this Project improve or enhance safety for Central Hudson employees, contractors or the public?** No

**Prioritization Ranking\***

\* Prioritization Ranking is intended to be high level and is not intended to differentiate between projects with the same prioritization question responses.



## D. COST ESTIMATE

Capital Estimate Summary		Year 1 = 1st year of the 5-year budget plan		All future year cost estimates should include applicable adjustments for inflation.					
\$10,388,000		TOTAL	Prior Years Actuals + Projections	Year 1 2025	Year 2 2026	Year 3 2027	Year 4 2028	Year 5 2029	Future Years
A D D I T I O N S	Labor (Weekly Payroll)	0							
	Labor (Monthly Payroll)	0							
	Stock Materials	0							
	A/P Non-Stock Material	0							
	A/P Contractors & Other	9,450,000		2,900,000	3,200,000	950,000	1,400,000	1,000,000	
	Inflation	476,000		62,000	137,000	59,000	116,000	102,000	
	AFUDC*	356,000		104,000	111,000	42,000	67,000	32,000	
	Journal Vouchers (JVs)	0		---	---	---	---	---	---
	CIAC Payments CREDIT	0							
	Joint Utility Payments CREDIT	0							
<b>TOTAL ADDITIONS:</b>		<b>10,282,000</b>	<b>0</b>	<b>3,066,000</b>	<b>3,448,000</b>	<b>1,051,000</b>	<b>1,583,000</b>	<b>1,134,000</b>	<b>0</b>
R E M O V E M E N T S	Labor (Weekly Payroll)	0							
	Labor (Monthly Payroll)	0							
	A/P Non-Labor (dumpsters, etc.)	0							
	A/P Contractors	106,000		20,000	21,000	21,000	22,000	22,000	
	Overheads	0							
	Journal Vouchers (JVs)	0		---	---	---	---	---	---
	Salvage CREDIT	0							
	CIAC Payments CREDIT	0							
	Joint Utility Payments CREDIT	0							
	<b>TOTAL REMOVALS:</b>		<b>106,000</b>	<b>0</b>	<b>20,000</b>	<b>21,000</b>	<b>21,000</b>	<b>22,000</b>	<b>22,000</b>
* AFUDC may require adjustment after Finance Department review.									
Expense \$ (if applicable):		0							
Current Approved Rate Case Funding (\$):		n/a*	n/a*	n/a*	n/a*				

\* Not applicable for 2025-2029 budget process when  
rate case funding not yet confirmed.

**Budget Status:** Not included in current PSC-approved budget plan

**Cost Estimate Level:** Conceptual

**Cost Estimate Confidence:** (that final cost will be within +/-30% of the estimate): High Confidence

No further estimate range is required.

**Cost Estimate Range:** Minimum (\$): 7,271,600 Maximum (\$): 13,504,400

No explanation on confidence level required.

← Formulas give standard ranges per estimate level, but may be overwritten if desired.

**Basis for estimate:** Historical Proforma Pricing; Historical Data + Job Specific Adjustments  
(select all that apply)

Is there documentation that shows how your conceptual or preliminary-level cost estimate was derived?

Yes

## E. ADDITIONAL INFORMATION

If there is any additional information that you would like to add that is not covered elsewhere in this form, you may add it here (optional):

[https://centralhudson.sharepoint.com/:b:/r/sites/GasMech/Budgets/Capital/5%20Year%20Forecast/2024-2028%20Capital%20Budget/supporting%20docs/Plan%20to%20Replace%20Transmission%20Lines%20in%20Accordance%20with%2049CFR192.624%20\(1\).pdf?csf=1&web=1&e=R3jqC5](https://centralhudson.sharepoint.com/:b:/r/sites/GasMech/Budgets/Capital/5%20Year%20Forecast/2024-2028%20Capital%20Budget/supporting%20docs/Plan%20to%20Replace%20Transmission%20Lines%20in%20Accordance%20with%2049CFR192.624%20(1).pdf?csf=1&web=1&e=R3jqC5)

**Submission Date:** January 12, 2024

**First Year of 5-Year Budget Period:** **2025**

**Business Sponsor:** B. Peak

**Budget Category:** **23**

**Prepared By:** S. Spehalski

**Budget Group:** Gas

**Current Life-Cycle Phase:** 1 Planning

## A. GENERAL

**Project/Program Name:** Middlehope Regulator Station Rebuild

**Work Order #:**      -

**Funding Project Description:** MAJORS - GAS REGULATOR STATIONS

**Funding Project Number:** 2-2312-00-18

**Is this a Specific Project, Program or Blanket?** Specific

**Target Schedule - Start:** 1/1/2029

**In-Service:** 12/31/2029

**Indicate and summarize any other work orders associated with the overall project, including those of other budget categories:**

**Describe the project objective and scope of work:**

Replace the Middlehope Regulator Station.

**Describe specific scope exclusions, assumptions and constraints:**

Assumes there is adequate property/parcel for construction.

## B. ALTERNATIVES

**What other options were considered to the proposed project to meet the objective?**

Partial rebuild and/or relocation was considered.

**Why was the proposed project scope chosen over other alternatives?**

Due to the criticality of the station to the reliability of the system, the station shall be fully replaced.



## C. JUSTIFICATION

**Load Based/Infrastructure:** Infrastructure  
**Discretion Level:** Maintain System Standards

**Growth/Sustaining/Retirement:** Distribution Sustaining  
**Investment Type:** Infrastructure  
**Is there an Innovation Component?** No

**Needs Assessment:** Infrastructure

**If need is Safety, Regulatory or Compliance have we considered options, validated the need and challenged the value?** N/A

**Describe the justification for this project. If helpful you may include planning studies or other pertinent documents as attachments.**

As the only feed from the TP 512# system into the MHP 80# system, the replacement of this station is paramount to the reliability of the system. The station piping and peripherals are degraded and the equipment is non-standard, antiquated and obsolete. It shall be rebuilt as a dual run, monitor station to allow for increased overpressure protection and brought up to current standards and communications.

**Describe any quantifiable benefits (such as monetary benefits/business case, operational cost savings, cost avoidance, etc.)**

Increasing the safety and reliability of the gas system by replacing aging infrastructure and implementing new functionality.

*For the following strategic alignment questions, reference CHG&E's current Strategic Outlook document:*

[CLICK HERE](#)

**Which Strategic Theme does project most align with?** Operational Excellence

**Which Strategic Objective does project most align with?** Improve system performance and resilience

**Which Strategic Initiative does project most align with?** Business & Operations Modernization/Transformation

**Which Team Goal does project most align with?** PSC Gas Safety

**Technology Strategic Alignment (CATS-4220, 4222, 4230, 4235, 44):**

*Select all that apply*

**Have you taken into account potential environmental impacts that would need to be considered for cost and schedule estimates?** N/A

*\* Environmental impacts must be taken into consideration to the extent that you are able considering current phase, maturity of scope and knowledge of field conditions.*

**Do you anticipate the project to require significant jurisdictional approvals? (select all that apply)**

Local municipality (1)

### **ESG (Environmental, Social and Governance) and Sustainability:**

Complete the ESG Checklist on the separate worksheet (tab). Results of your answers will be automatically shown below:

**Checklist Fully Completed:** Yes **Environmental Component:** Yes

**Social Component:** Yes

**Governance Component:** Yes

**Is complete Sustainability status achieved by this project?\*** Yes

*\* Sustainability status is achieved for the project if the ESG checklist shows that there is at least one component each for environmental, social and governance.*

**What is the relative urgency of this project?** Moderate *Recommend commencement within next 24-months.*

**Was this project included in a prior 5-year forecast?** Yes

**If No, why should this project be completed instead of a planned project?**

N/A

**Why do we need to complete this project in the period requested?**

To minimize the risk to the system.

**What are the risks and consequences of not completing this project?**

Poor pressure control, equipment failure, increased costs of maintenance.

**Is this Project in Central Hudson's current approved rate case?**

No

**Is this Project tied to a regulatory requirement?**

No

**Does this Project result in cost avoidance, cost savings, or additional revenue for Central Hudson?**

No

**Does this Project enhance Central Hudson's customer experience or service delivery?**

Yes

Increase in reliability of gas supply.

**Does this Project reduce risk, debt, or vulnerabilities (i.e. technology, cybersecurity, legal, infrastructure, etc.)?**

Yes

Reduced Infrastructure risk.

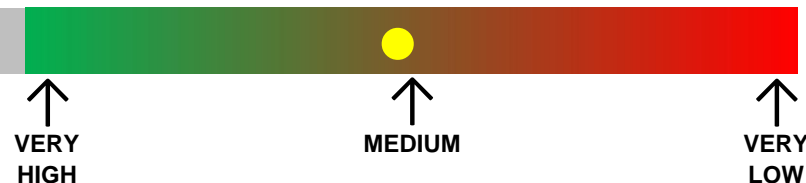
**Does this Project improve or enhance safety for Central Hudson employees, contractors or the public?**

Yes

Reduced Infrastructure risk.

Prioritization Ranking\*

\* Prioritization Ranking is intended to be high level and is not intended to differentiate between projects with the same prioritization question responses.





## D. COST ESTIMATE

Capital Estimate Summary		Year 1 = 1st year of the 5-year budget plan		All future year cost estimates should include applicable adjustments for inflation.					
		TOTAL	Prior Years Actuals + Projections	Year 1 2025	Year 2 2026	Year 3 2027	Year 4 2028	Year 5 2029	Future Years
<b>\$1,034,000</b>									
A D D I T I O N S	Labor (Weekly Payroll)	0							
	Labor (Monthly Payroll)	0							
	Stock Materials	0							
	A/P Non-Stock Material	0							
	A/P Contractors & Other	900,000	0					900,000	
	Inflation	92,000						92,000	
	AFUDC*	20,000						20,000	
	Journal Vouchers (JVs)	0		---	---	---	---	---	
	CIAC Payments CREDIT	0							
	Joint Utility Payments CREDIT	0							
<b>TOTAL ADDITIONS:</b>		<b>1,012,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,012,000</b>	<b>0</b>
R E M O V E M E N T S	Labor (Weekly Payroll)	0							
	Labor (Monthly Payroll)	0							
	A/P Non-Labor (dumpsters, etc.)	0							
	A/P Contractors	22,000	0					22,000	
	Overheads	0							
	Journal Vouchers (JVs)	0		---	---	---	---	---	
	Salvage CREDIT	0							
	CIAC Payments CREDIT	0							
	Joint Utility Payments CREDIT	0							
<b>TOTAL REMOVALS:</b>		<b>22,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>22,000</b>	<b>0</b>
* AFUDC may require adjustment after Finance Department review.									
<b>Expense \$ (if applicable):</b>		<b>0</b>							
<b>Current Approved Rate Case Funding (\$):</b>		n/a*	n/a*	n/a*	n/a*				

\* Not applicable for 2025-2029 budget process when  
rate case funding not yet confirmed.

**Budget Status:** Not included in current PSC-approved budget plan

**Cost Estimate Level:** Preliminary

**Cost Estimate Confidence:** (that final cost will be within +/-20% of the estimate): High Confidence

*No further estimate range is required.*

**Cost Estimate Range:** Minimum (\$): 827,200 Maximum (\$): 1,240,800

**No explanation on confidence level required.**

← *Formulas give standard ranges per estimate level, but may be overwritten if desired.*

**Basis for estimate:** Historical Data + Job Specific Adjustments

*(select all that apply)*

Is there documentation that shows how your conceptual or preliminary-level cost estimate was derived?

Yes

## E. ADDITIONAL INFORMATION

If there is any additional information that you would like to add that is not covered elsewhere in this form, you may add it here (optional):

Recent project completion of similar scope and schedule offers relatively reliable insight into costs.

**Submission Date:** January 12, 2024

**First Year of 5-Year Budget Period:** 2025

**Business Sponsor:** B. Peak

**Budget Category:** 23

**Prepared By:** S. Spehalski

**Budget Group:** Gas

**Current Life-Cycle Phase:** 1 Planning

## A. GENERAL

**Project/Program Name:** North Cornwall Regulator Station Rebuild

**Work Order #:**     -

**Funding Project Description:** MAJORS - GAS REGULATOR STATIONS

**Funding Project Number:** 2-2312-00-18

**Is this a Specific Project, Program or Blanket?** Specific

**Target Schedule - Start:** 1/1/2026

**In-Service:** 12/31/2026

**Indicate and summarize any other work orders associated with the overall project, including those of other budget categories:**

**Describe the project objective and scope of work:**

Replace the North Cornwall Regulator Station.

**Describe specific scope exclusions, assumptions and constraints:**

Assumes there is adequate property/parcel for construction.

## B. ALTERNATIVES

**What other options were considered to the proposed project to meet the objective?**

Partial rebuild was considered.

**Why was the proposed project scope chosen over other alternatives?**

Due to the criticality of the station to the reliability of the system, the station shall be fully replaced.

## C. JUSTIFICATION

**Load Based/Infrastructure:** Infrastructure      **Growth/Sustaining/Retirement:** Distribution Sustaining  
**Discretion Level:** Maintain System Standards      **Investment Type:** Infrastructure  
**Is there an Innovation Component?** No

**Needs Assessment:** Infrastructure

**If need is Safety, Regulatory or Compliance have we considered options, validated the need and challenged the value?** N/A

**Describe the justification for this project. If helpful you may include planning studies or other pertinent documents as attachments.**

As a main feed from the TPC512# into the WP120# system and the CW30# system, the replacement of this station is paramount to the reliability of the distribution system. The station piping and peripherals are degraded and corroded and the equipment is antiquated and obsolete. Many components of the station monthly and annual inspections are reporting to be increasingly difficult to fix such as stiffening of valves etc. It shall be

**Describe any quantifiable benefits (such as monetary benefits/business case, operational cost savings, cost avoidance, etc.)**

Increasing the safety and reliability of the gas system by replacing aging infrastructure and implementing new functionality.

*For the following strategic alignment questions, reference CHG&E's current Strategic Outlook document:*

[CLICK HERE](#)

**Which Strategic Theme does project most align with?**

Operational Excellence

**Which Strategic Objective does project most align with?**

Improve system performance and resilience

**Which Strategic Initiative does project most align with?**

Business & Operations Modernization/Transformation

**Which Team Goal does project most align with?**

PSC Gas Safety

**Technology Strategic Alignment (CATS-4220, 4222, 4230, 4235, 44):**

*Select all that apply*

**Have you taken into account potential environmental impacts that would need to be considered for cost and schedule estimates?** N/A

*\* Environmental impacts must be taken into consideration to the extent that you are able considering current phase, maturity of scope and knowledge of field conditions.*

**Do you anticipate the project to require significant jurisdictional approvals? (select all that apply)**

Local municipality (1)

### **ESG (Environmental, Social and Governance) and Sustainability:**

Complete the ESG Checklist on the separate worksheet (tab). Results of your answers will be automatically shown below:

**Checklist Fully Completed:** Yes      **Environmental Component:** Yes

**Social Component:** Yes

**Governance Component:** Yes

**Is complete Sustainability status achieved by this project?\*** Yes

*\* Sustainability status is achieved for the project if the ESG checklist shows that there is at least one component each for environmental, social and governance.*

**What is the relative urgency of this project?** Moderate *Recommend commencement within next 24-months.*

**Was this project included in a prior 5-year forecast?** Yes

**If No, why should this project be completed instead of a planned project?**

N/A

**Why do we need to complete this project in the period requested?**

To minimize the risk to the system.

**What are the risks and consequences of not completing this project?**

Poor pressure control, equipment failure, increase costs of maintenance.

**Is this Project in Central Hudson's current approved rate case?**

specific project

Yes

**Is this Project tied to a regulatory requirement?**

No

**Does this Project result in cost avoidance, cost savings, or additional revenue for Central Hudson?**

reduced maintenance costs.

Yes

**Does this Project enhance Central Hudson's customer experience or service delivery?**

No

**Does this Project reduce risk, debt, or vulnerabilities (i.e. technology, cybersecurity, legal, infrastructure, etc.)?**

No

**Does this Project improve or enhance safety for Central Hudson employees, contractors or the public?**

No

**Prioritization Ranking\***

\* Prioritization Ranking is intended to be high level and is not intended to differentiate between projects with the same prioritization question responses.





## D. COST ESTIMATE

Capital Estimate Summary		Year 1 = 1st year of the 5-year budget plan		All future year cost estimates should include applicable adjustments for inflation.					
\$1,267,000		TOTAL	Prior Years Actuals + Projections	Year 1 2025	Year 2 2026	Year 3 2027	Year 4 2028	Year 5 2029	Future Years
A D D I T I O N S	Labor (Weekly Payroll)	0							
	Labor (Monthly Payroll)	0							
	Stock Materials	0							
	A/P Non-Stock Material	0							
	A/P Contractors & Other	1,180,000			1,180,000				
	Inflation	50,000			50,000				
	AFUDC*	16,000			16,000				
	Journal Vouchers (JVs)	0		---	---	---	---	---	---
	CIAC Payments CREDIT	0							
	Joint Utility Payments CREDIT	0							
<b>TOTAL ADDITIONS:</b>		<b>1,246,000</b>	<b>0</b>	<b>0</b>	<b>1,246,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
R E M O V E M E N T S	Labor (Weekly Payroll)	0							
	Labor (Monthly Payroll)	0							
	A/P Non-Labor (dumpsters, etc.)	0							
	A/P Contractors	21,000			21,000				
	Overheads	0							
	Journal Vouchers (JVs)	0		---	---	---	---	---	---
	Salvage CREDIT	0							
	CIAC Payments CREDIT	0							
	Joint Utility Payments CREDIT	0							
<b>TOTAL REMOVALS:</b>		<b>21,000</b>	<b>0</b>	<b>0</b>	<b>21,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
* AFUDC may require adjustment after Finance Department review.									
<b>Expense \$ (if applicable):</b>		<b>0</b>							
<b>Current Approved Rate Case Funding (\$):</b>		n/a*	n/a*	n/a*	n/a*				

\* Not applicable for 2025-2029 budget process when rate case funding not yet confirmed.



**Budget Status:** Included in current PSC-approved budget plan as a SPECIFIC PROJECT

**Cost Estimate Level:** Preliminary

**Cost Estimate Confidence:** (that final cost will be within +/-20% of the estimate): High Confidence

*No further estimate range is required.*

**Cost Estimate Range:** Minimum (\$): 1,013,600 Maximum (\$): 1,520,400

**No explanation on confidence level required.**

← *Formulas give standard ranges per estimate level, but may be overwritten if desired.*

**Basis for estimate:** Historical Data + Job Specific Adjustments

*(select all that apply)*

Is there documentation that shows how your conceptual or preliminary-level cost estimate was derived?

Yes

## E. ADDITIONAL INFORMATION

If there is any additional information that you would like to add that is not covered elsewhere in this form, you may add it here (optional):

Recent project completion of similar scope and schedule offers relatively reliable insight into costs.

**Submission Date:** January 12, 2024

**First Year of 5-Year Budget Period:** 2025

**Business Sponsor:** B. Peak  
**Prepared By:** S. Spehalski

**Budget Category:** 23

**Budget Group:** Gas  
**Current Life-Cycle Phase:** 1 Planning

## A. GENERAL

**Project/Program Name:** Pressure Control Improvements

**Work Order #:**     -

**Funding Project Description:** MINORS - GAS REGULATOR STATIONS

**Funding Project Number:** 2-2311-00-18

**Is this a Specific Project, Program or Blanket?** Program

**Target Schedule - Start:** 1/1/2025

**In-Service:** 12/31/2029

**Indicate and summarize any other work orders associated with the overall project, including those of other budget categories:**

### Describe the project objective and scope of work:

Possible solutions vary greatly as each situation is unique. Common solutions have been to adjust the regulator's travel stop, cage, or throttle plate. A different model of regulator might be required as different models of regulators are better suited to control in some situations than others. Sense lines might need to be lengthened to a non-turbulent zone. Sense line sizes might need to be increased. A filter may need to be installed to remove grit, fines, and liquids affecting diaphragm performance.

### Describe specific scope exclusions, assumptions and constraints:

The performance of all natural gas regulator stations is constantly being monitored. Should a station be exhibiting signs of great outlet pressure variations and field technicians cannot correct the problem, the station's capacity load is analyzed, equipment selection is studied and possible solutions are evaluated.

## B. ALTERNATIVES

**What other options were considered to the proposed project to meet the objective?**

Depending on the situation, alternatives are numerous.

**Why was the proposed project scope chosen over other alternatives?**

Most cost effective and reliable solution is chosen for each situation/location.

### C. JUSTIFICATION

<b>Load Based/Infrastructure:</b>	Infrastructure
<b>Discretion Level:</b>	Maintain System Standards

**Growth/Sustaining/Retirement:** Distribution Sustaining  
**Investment Type:** Infrastructure  
**Is there an Innovation Component?** No

**Needs Assessment:** Infrastructure

If need is Safety, Regulatory or Compliance have we considered options, validated the need and challenged the value? N/A

**Describe the justification for this project. If helpful you may include planning studies or other pertinent documents as attachments.**  
NYCRR 255 Code requires the operator to keep delivery pressures stable and maintain system pressures within certain limits. In order to accomplish this, capital improvements sometimes need to be made to the station. Each situation is unique and is assessed independently to others.

**Describe any quantifiable benefits (such as monetary benefits/business case, operational cost savings, cost avoidance, etc.)**

Avoidance of maintenance cost of an unreliable or poor performing piece of equipment.

For the following strategic alignment questions, reference CHG&E's current Strategic Outlook document: [CLICK HERE](#)

Which <b><u>Strategic Theme</u></b> does project most align with?	Operational Excellence
Which <b><u>Strategic Objective</u></b> does project most align with?	Improve system performance and resilience
Which <b><u>Strategic Initiative</u></b> does project most align with?	Business & Operations Modernization/Transformation
Which <b><u>Team Goal</u></b> does project most align with?	PSC Gas Safety

### Technology Strategic Alignment (CATS-4220, 4222, 4230, 4235, 44):

**Select all that apply**

**Have you taken into account potential environmental impacts that would need to be considered for cost and schedule estimates?** N/A

*\* Environmental impacts must be taken into consideration to the extent that you are able considering current phase, maturity of scope and knowledge of field conditions.*

**Do you anticipate the project to require significant jurisdictional approvals?** *(select all that apply)*

No

### **ESG (Environmental, Social and Governance) and Sustainability:**

Complete the ESG Checklist on the separate worksheet (tab). Results of your answers will be automatically shown below:

<b>Checklist Fully Completed:</b>	Yes	<b>Environmental Component:</b>	Yes
		<b>Social Component:</b>	Yes
		<b>Governance Component:</b>	No

Is complete Sustainability status achieved by this project? **No**

*\* Sustainability status is achieved for the project if the ESG checklist shows that there is at least one component each for environmental, social and governance.*

**What is the relative urgency of this project?** *Moderate Recommend commencement within next 24-months.*

**Was this project included in a prior 5-year forecast?** *Yes*

**If No, why should this project be completed instead of a planned project?**

*N/A*

**Why do we need to complete this project in the period requested?**

*To maintain system reliability and code compliance at poor performing stations.*

**What are the risks and consequences of not completing this project?**

*Risk of slower response to incidents, risk of compliance violations, inability to analyze system performance.*

**Is this Project in Central Hudson's current approved rate case?**

*Yes*

*Program*

**Is this Project tied to a regulatory requirement?**

*Yes*

*Maintaining adequate delivery pressures.*

**Does this Project result in cost avoidance, cost savings, or additional revenue for Central Hudson?**

*Yes*

*Reduced maintenance costs.*

**Does this Project enhance Central Hudson's customer experience or service delivery?**

*Yes*

*More stable pressure output.*

**Does this Project reduce risk, debt, or vulnerabilities (i.e. technology, cybersecurity, legal, infrastructure, etc.)?**

*Yes*

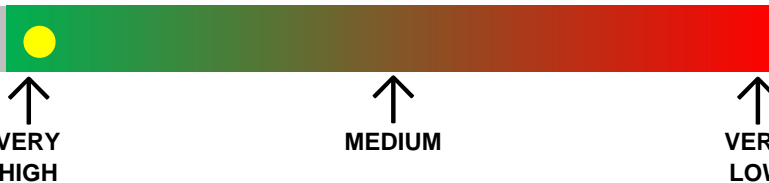
*Reduced risk of over or under pressurizations.*

**Does this Project improve or enhance safety for Central Hudson employees, contractors or the public?**

*Yes*

*Reduced risk of over or under pressurizations.*

**Prioritization Ranking\***



\* Prioritization Ranking is intended to be high level and is not intended to differentiate between projects with the same prioritization question responses.

## D. COST ESTIMATE

Capital Estimate Summary		Year 1 = 1st year of the 5-year budget plan		All future year cost estimates should include applicable adjustments for inflation.					
		TOTAL	Prior Years Actuals + Projections	Year 1 2025	Year 2 2026	Year 3 2027	Year 4 2028	Year 5 2029	Future Years
<b>\$1,063,000</b>									
A D D I T I O N S	Labor (Weekly Payroll)	0							
	Labor (Monthly Payroll)	0							
	Stock Materials	0							
	A/P Non-Stock Material	0							
	A/P Contractors & Other	990,000	0	270,000	270,000	150,000	150,000	150,000	
	Inflation	55,000		6,000	11,000	9,000	13,000	16,000	
	AFUDC*	18,000		3,000	4,000	4,000	4,000	3,000	
	Journal Vouchers (JVs)	0		---	---	---	---	---	---
	CIAC Payments CREDIT	0							
	Joint Utility Payments CREDIT	0							
<b>TOTAL ADDITIONS:</b>		<b>1,063,000</b>	<b>0</b>	<b>279,000</b>	<b>285,000</b>	<b>163,000</b>	<b>167,000</b>	<b>169,000</b>	<b>0</b>
R E M O V E M E N T S	Labor (Weekly Payroll)	0							
	Labor (Monthly Payroll)	0							
	A/P Non-Labor (dumpsters, etc.)	0							
	A/P Contractors	0							
	Overheads	0							
	Journal Vouchers (JVs)	0		---	---	---	---	---	---
	Salvage CREDIT	0							
	CIAC Payments CREDIT	0							
	Joint Utility Payments CREDIT	0							
<b>TOTAL REMOVALS:</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
* AFUDC may require adjustment after Finance Department review.									
<b>Expense \$ (if applicable):</b>		<b>0</b>							
<b>Current Approved Rate Case Funding (\$):</b>		n/a*	n/a*	n/a*	n/a*				

\* Not applicable for 2025-2029 budget process when  
rate case funding not yet confirmed.

**Budget Status:** Included in current PSC-approved budget plan under a PROGRAM

**Cost Estimate Level:** Preliminary

**Cost Estimate Confidence:** (that final cost will be within +/-20% of the estimate): High Confidence

*No further estimate range is required.*

**Cost Estimate Range:** Minimum (\$): 850,400 Maximum (\$): 1,275,600

**No explanation on confidence level required.**

← Formulas give standard ranges per estimate level, but may be overwritten if desired.

**Basis for estimate:** Historical Data + Job Specific Adjustments

*(select all that apply)*

Is there documentation that shows how your conceptual or preliminary-level cost estimate was derived?

No

## E. ADDITIONAL INFORMATION

If there is any additional information that you would like to add that is not covered elsewhere in this form, you may add it here (optional):  
 Historic data from different situations and issues throughout the service territory on varying types of equipment. Some projects are small, others are more significant and costly.



**Submission Date:** January 12, 2024

**First Year of 5-Year Budget Period:** **2025**

**Business Sponsor:** B. Peak

**Budget Category:** **23**

**Prepared By:** S. Spehalski

**Budget Group:** Gas

**Current Life-Cycle Phase:** 1 Planning

## A. GENERAL

**Project/Program Name:** Pressure Recording Chart Replacements

**Work Order #:**      -

**Funding Project Description:** MINORS - GAS REGULATOR STATIONS

**Funding Project Number:** 2-2311-00-18

**Is this a Specific Project, Program or Blanket?** Program

**Target Schedule - Start:** 1/1/2025

**In-Service:** 12/31/2029

**Indicate and summarize any other work orders associated with the overall project, including those of other budget categories:**

**Describe the project objective and scope of work:**

Install electronic pressure recording charts at gas regulator stations to replace unreliable, unsupported, or outdated units.

**Describe specific scope exclusions, assumptions and constraints:**

Does not include funding for gate station SCADA or regulator station SCADA electronic installations.

## B. ALTERNATIVES

**What other options were considered to the proposed project to meet the objective?**

None. Code required.

**Why was the proposed project scope chosen over other alternatives?**

Most cost effective and reliable solution.

## C. JUSTIFICATION

**Load Based/Infrastructure:** Infrastructure  
**Discretion Level:** Maintain System Standards

**Growth/Sustaining/Retirement:** Distribution Sustaining  
**Investment Type:** Infrastructure  
**Is there an Innovation Component?** No

**Needs Assessment:** Infrastructure

If need is Safety, Regulatory or Compliance have we considered options, validated the need and challenged the value? N/A

**Describe the justification for this project.** If helpful you may include planning studies or other pertinent documents as attachments.

Required by code, recording charts must be installed at each pressure control station where one or more pressure control stations contribute to the load of a single system. For a low pressure system, a pressure recording must be installed at any point where the lowest pressure may occur. Charts must be compatible with Central Hudson's Network Strategy or cellular communication. Verizon is terminating many phone line connections each

**Describe any quantifiable benefits (such as monetary benefits/business case, operational cost savings, cost avoidance, etc.)**

Avoid the cost of multiple repairs to a single unit by simply replacing with a more robust, newer unit.

For the following strategic alignment questions, reference CHG&E's current Strategic Outlook document:

[CLICK HERE](#)

Which **Strategic Theme** does project most align with? Operational Excellence

Which **Strategic Objective** does project most align with? Improve system performance and resilience

Which **Strategic Initiative** does project most align with? Business & Operations Modernization/Transformation

Which **Team Goal** does project most align with? PSC Gas Safety

**Technology Strategic Alignment (CATS-4220, 4222, 4230, 4235, 44):**

Select all that apply

**Have you taken into account potential environmental impacts that would need to be considered for cost and schedule estimates?** N/A

\* Environmental impacts must be taken into consideration to the extent that you are able considering current phase, maturity of scope and knowledge of field conditions.

**Do you anticipate the project to require significant jurisdictional approvals?** (select all that apply)

No

### **ESG (Environmental, Social and Governance) and Sustainability:**

Complete the ESG Checklist on the separate worksheet (tab). Results of your answers will be automatically shown below:

**Checklist Fully Completed:** Yes **Environmental Component:** Yes

**Social Component:** Yes

**Governance Component:** No

**Is complete Sustainability status achieved by this project?\*** No

\* Sustainability status is achieved for the project if the ESG checklist shows that there is at least one component each for environmental, social and governance.

**What is the relative urgency of this project?** Immediate *Already in-progress or recommend commencement within next 12-months.*

**Was this project included in a prior 5-year forecast?** Yes

**If No, why should this project be completed instead of a planned project?**

N/A

**Why do we need to complete this project in the period requested?**

Due to the termination of connections by Verizon and others, we must stay ahead of their schedule in order to maintain compliance with code.

**What are the risks and consequences of not completing this project?**

Risk of slower response to incidents, risk of compliance violations, inability to analyze system performance.

**Is this Project in Central Hudson's current approved rate case?** Yes

Program

**Is this Project tied to a regulatory requirement?** Yes

NYCRR 255

**Does this Project result in cost avoidance, cost savings, or additional revenue for Central Hudson?** Yes

Reduced maintenance costs.

**Does this Project enhance Central Hudson's customer experience or service delivery?** Yes

Ensures proper delivery pressure is monitored.

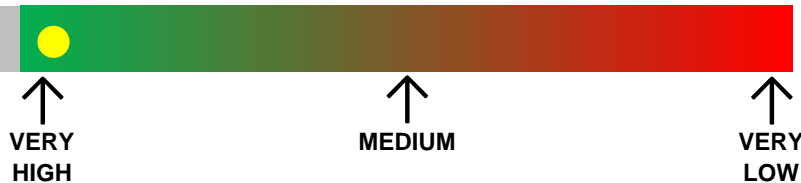
**Does this Project reduce risk, debt, or vulnerabilities (i.e. technology, cybersecurity, legal, infrastructure, etc.)?** Yes

Ensures proper delivery pressure is monitored.

**Does this Project improve or enhance safety for Central Hudson employees, contractors or the public?** Yes

Ensures proper delivery pressure is monitored.

Prioritization Ranking\*



\* Prioritization Ranking is intended to be high level and is not intended to differentiate between projects with the same prioritization question responses.

## D. COST ESTIMATE

Capital Estimate Summary		Year 1 = 1st year of the 5-year budget plan		All future year cost estimates should include applicable adjustments for inflation.					
		TOTAL	Prior Years Actuals + Projections	Year 1 2025	Year 2 2026	Year 3 2027	Year 4 2028	Year 5 2029	Future Years
<b>\$1,131,000</b>									
A D D I T I O N S	Labor (Weekly Payroll)	0							
	Labor (Monthly Payroll)	0							
	Stock Materials	0							
	A/P Non-Stock Material	0							
	A/P Contractors & Other	950,000	0	200,000	200,000	200,000	200,000	150,000	
	Inflation	57,000		4,000	8,000	12,000	17,000	16,000	
	AFUDC*	18,000	0	2,000	3,000	5,000	5,000	3,000	
	Journal Vouchers (JVs)	0		---	---	---	---	---	---
	CIAC Payments CREDIT	0							
	Joint Utility Payments CREDIT	0							
<b>TOTAL ADDITIONS:</b>		<b>1,025,000</b>	<b>0</b>	<b>206,000</b>	<b>211,000</b>	<b>217,000</b>	<b>222,000</b>	<b>169,000</b>	<b>0</b>
R E M O V E M E N T S	Labor (Weekly Payroll)	0							
	Labor (Monthly Payroll)	0							
	A/P Non-Labor (dumpsters, etc.)	0							
	A/P Contractors	106,000	0	20,000	21,000	21,000	22,000	22,000	
	Overheads	0							
	Journal Vouchers (JVs)	0		---	---	---	---	---	---
	Salvage CREDIT	0							
	CIAC Payments CREDIT	0							
	Joint Utility Payments CREDIT	0							
<b>TOTAL REMOVALS:</b>		<b>106,000</b>	<b>0</b>	<b>20,000</b>	<b>21,000</b>	<b>21,000</b>	<b>22,000</b>	<b>22,000</b>	<b>0</b>
* AFUDC may require adjustment after Finance Department review.									
<b>Expense \$ (if applicable):</b>		<b>0</b>							
<b>Current Approved Rate Case Funding (\$):</b>		n/a*	n/a*	n/a*	n/a*				

\* Not applicable for 2025-2029 budget process when  
rate case funding not yet confirmed.

**Budget Status:** Included in current PSC-approved budget plan under a PROGRAM

**Cost Estimate Level:** Preliminary

**Cost Estimate Confidence:** (that final cost will be within +/-20% of the estimate): High Confidence

*No further estimate range is required.*

**Cost Estimate Range:** Minimum (\$): 904,800 Maximum (\$): 1,357,200

**No explanation on confidence level required.**

← *Formulas give standard ranges per estimate level, but may be overwritten if desired.*

**Basis for estimate:** Contractor/Vendor Bids For Certain Work

*(select all that apply)*

Is there documentation that shows how your conceptual or preliminary-level cost estimate was derived?

No

## E. ADDITIONAL INFORMATION

If there is any additional information that you would like to add that is not covered elsewhere in this form, you may add it here (optional):

Historical pricing for same work scope in the year prior.



**Budget Group:** Gas  
**Current Life-Cycle Phase:** 1 Planning



## C. JUSTIFICATION

**Load Based/Infrastructure:** Infrastructure  
**Discretion Level:** Maintain System Standards

**Growth/Sustaining/Retirement:** Transmission Sustaining  
**Investment Type:** Infrastructure  
**Is there an Innovation Component?** No

**Needs Assessment:** Infrastructure

If need is Safety, Regulatory or Compliance have we considered options, validated the need and challenged the value? N/A

**Describe the justification for this project.** If helpful you may include planning studies or other pertinent documents as attachments.

Installing a coating system in order to extend the useful life of the asset would prolong its service life and avoid the cost of a replacement. There are precedents of this type of installation being approved by regulators as capital investments.

**Describe any quantifiable benefits (such as monetary benefits/business case, operational cost savings, cost avoidance, etc.)**

Cost avoidance and delay of a replacement project.

*For the following strategic alignment questions, reference CHG&E's current Strategic Outlook document:*

[CLICK HERE](#)

Which **Strategic Theme** does project most align with?

Operational Excellence

Which **Strategic Objective** does project most align with?

Improve productivity and efficiency

Which **Strategic Initiative** does project most align with?

Business & Operations Modernization/Transformation

Which **Team Goal** does project most align with?

PSC Gas Safety

**Technology Strategic Alignment (CATS-4220, 4222, 4230, 4235, 44):**

*Select all that apply*

**Have you taken into account potential environmental impacts that would need to be considered for cost and schedule estimates?** N/A

*\* Environmental impacts must be taken into consideration to the extent that you are able considering current phase, maturity of scope and knowledge of field conditions.*

**Do you anticipate the project to require significant jurisdictional approvals?** (select all that apply)

No

### **ESG (Environmental, Social and Governance) and Sustainability:**

Complete the ESG Checklist on the separate worksheet (tab). Results of your answers will be automatically shown below:

**Checklist Fully Completed:** Yes      **Environmental Component:** Yes

**Social Component:** Yes

**Governance Component:** No

**Is complete Sustainability status achieved by this project?\*** No

*\* Sustainability status is achieved for the project if the ESG checklist shows that there is at least one component each for environmental, social and governance.*

**What is the relative urgency of this project?** Moderate *Recommend commencement within next 24-months.*  
**Was this project included in a prior 5-year forecast?** No  
**If No, why should this project be completed instead of a planned project?**  
 This program would offset planned projects and allow for significant cost savings to direct funding to other initiatives.

**Why do we need to complete this project in the period requested?**  
 Due to the age of existing infrastructure, the coatings program is needed in order to avoid imminent and costly replacement projects.

**What are the risks and consequences of not completing this project?**  
 Continued deterioration of above grade transmission assets, higher cost of replacement and repair.

**Is this Project in Central Hudson's current approved rate case?** No

**Is this Project tied to a regulatory requirement?** No

**Does this Project result in cost avoidance, cost savings, or additional revenue for Central Hudson?** Yes  
 Reduced capital costs.

**Does this Project enhance Central Hudson's customer experience or service delivery?** No

**Does this Project reduce risk, debt, or vulnerabilities (i.e. technology, cybersecurity, legal, infrastructure, etc.)?** No

**Does this Project improve or enhance safety for Central Hudson employees, contractors or the public?** No



## D. COST ESTIMATE

Capital Estimate Summary		Year 1 = 1st year of the 5-year budget plan		All future year cost estimates should include applicable adjustments for inflation.					
\$1,353,000		TOTAL	Prior Years Actuals + Projections	Year 1 2025	Year 2 2026	Year 3 2027	Year 4 2028	Year 5 2029	Future Years
A D D I T I O N S	Labor (Weekly Payroll)	0							
	Labor (Monthly Payroll)	0							
	Stock Materials	0							
	A/P Non-Stock Material	0							
	A/P Contractors & Other	1,250,000	0	250,000	250,000	250,000	250,000	250,000	
	Inflation	78,000		5,000	11,000	16,000	21,000	25,000	
	AFUDC*	25,000		3,000	3,000	6,000	7,000	6,000	
	Journal Vouchers (JVs)	0		---	---	---	---	---	---
	CIAC Payments CREDIT	0							
	Joint Utility Payments CREDIT	0							
<b>TOTAL ADDITIONS:</b>		<b>1,353,000</b>	<b>0</b>	<b>258,000</b>	<b>264,000</b>	<b>272,000</b>	<b>278,000</b>	<b>281,000</b>	<b>0</b>
R E M O V E M E N T S	Labor (Weekly Payroll)	0							
	Labor (Monthly Payroll)	0							
	A/P Non-Labor (dumpsters, etc.)	0							
	A/P Contractors	0							
	Overheads	0							
	Journal Vouchers (JVs)	0		---	---	---	---	---	---
	Salvage CREDIT	0							
	CIAC Payments CREDIT	0							
	Joint Utility Payments CREDIT	0							
<b>TOTAL REMOVALS:</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

\* AFUDC may require adjustment after Finance Department review.

<b>Expense \$ (if applicable):</b>	0							
<b>Current Approved Rate Case Funding (\$):</b>	n/a*	n/a*	n/a*	n/a*				

\* Not applicable for 2025-2029 budget process when rate case funding not yet confirmed.

**Budget Status:** Not included in current PSC-approved budget plan

**Cost Estimate Level:** Preliminary

**Cost Estimate Confidence:** (that final cost will be within +/-20% of the estimate): High Confidence

*No further estimate range is required.*

**Cost Estimate Range:** Minimum (\$): 1,082,400 Maximum (\$): 1,623,600

**No explanation on confidence level required.**

← *Formulas give standard ranges per estimate level, but may be overwritten if desired.*

**Basis for estimate:** Contractor/Vendor Bids For Certain Work

*(select all that apply)*

Is there documentation that shows how your conceptual or preliminary-level cost estimate was derived?

No

## E. ADDITIONAL INFORMATION

If there is any additional information that you would like to add that is not covered elsewhere in this form, you may add it here (optional):

Prices were obtained from capable contractors for a typical sized transmission regulator station.



**Budget Group:** Gas  
**Current Life-Cycle Phase:** 1 Planning

## C. JUSTIFICATION

**Load Based/Infrastructure:** Infrastructure  
**Discretion Level:** Maintain System Standards

**Growth/Sustaining/Retirement:** Distribution Sustaining  
**Investment Type:** Infrastructure  
**Is there an Innovation Component?** No

**Needs Assessment:** Infrastructure

If need is Safety, Regulatory or Compliance have we considered options, validated the need and challenged the value? N/A

**Describe the justification for this project.** If helpful you may include planning studies or other pertinent documents as attachments.

As a main feed from the AH618# into the CS/SB40# system, the replacement of this station is paramount to the reliability of the distribution system. The station piping and peripherals are degraded and corroded and the equipment is antiquated and obsolete. Many components of the station monthly and annual inspections are reporting to be increasingly difficult to fix such as stiffening of valves etc. It shall be rebuilt as a dual run, monitor station to

**Describe any quantifiable benefits (such as monetary benefits/business case, operational cost savings, cost avoidance, etc.)**

Increasing the safety and reliability of the gas system by replacing aging infrastructure and implementing new functionality.

For the following strategic alignment questions, reference CHG&E's current Strategic Outlook document:

[CLICK HERE](#)

Which **Strategic Theme** does project most align with? Operational Excellence

Which **Strategic Objective** does project most align with? Improve system performance and resilience

Which **Strategic Initiative** does project most align with? Business & Operations Modernization/Transformation

Which **Team Goal** does project most align with? PSC Gas Safety

**Technology Strategic Alignment (CATS-4220, 4222, 4230, 4235, 44):**

Select all that apply

**Have you taken into account potential environmental impacts that would need to be considered for cost and schedule estimates?** N/A

\* Environmental impacts must be taken into consideration to the extent that you are able considering current phase, maturity of scope and knowledge of field conditions.

**Do you anticipate the project to require significant jurisdictional approvals?** (select all that apply)

Local municipality (1)

### **ESG (Environmental, Social and Governance) and Sustainability:**

Complete the ESG Checklist on the separate worksheet (tab). Results of your answers will be automatically shown below:

**Checklist Fully Completed:** Yes **Environmental Component:** Yes

**Social Component:** Yes

**Governance Component:** Yes

**Is complete Sustainability status achieved by this project?\*** Yes

\* Sustainability status is achieved for the project if the ESG checklist shows that there is at least one component each for environmental, social and governance.



**What is the relative urgency of this project?** Moderate *Recommend commencement within next 24-months.*

**Was this project included in a prior 5-year forecast?** Yes

**If No, why should this project be completed instead of a planned project?**

N/A

**Why do we need to complete this project in the period requested?**

To minimize the risk to the system.

**What are the risks and consequences of not completing this project?**

Poor pressure control, equipment failure, increase costs of maintenance.

**Is this Project in Central Hudson's current approved rate case?** No

**Is this Project tied to a regulatory requirement?** No

**Does this Project result in cost avoidance, cost savings, or additional revenue for Central Hudson?** No

**Does this Project enhance Central Hudson's customer experience or service delivery?** No

**Does this Project reduce risk, debt, or vulnerabilities (i.e. technology, cybersecurity, legal, infrastructure, etc.)?** Yes

Reduced Infrastructure risk

**Does this Project improve or enhance safety for Central Hudson employees, contractors or the public?** Yes

Reduced Infrastructure risk



## D. COST ESTIMATE

Capital Estimate Summary		Year 1 = 1st year of the 5-year budget plan		All future year cost estimates should include applicable adjustments for inflation.					
\$1,349,000		TOTAL	Prior Years Actuals + Projections	Year 1 2025	Year 2 2026	Year 3 2027	Year 4 2028	Year 5 2029	Future Years
A D D I T I O N S	Labor (Weekly Payroll)	0							
	Labor (Monthly Payroll)	0							
	Stock Materials	0							
	A/P Non-Stock Material	0							
	A/P Contractors & Other	1,180,000						1,180,000	
	Inflation	120,000						120,000	
	AFUDC*	27,000						27,000	
	Journal Vouchers (JVs)	0		---	---	---	---	---	---
	CIAC Payments CREDIT	0							
	Joint Utility Payments CREDIT	0							
<b>TOTAL ADDITIONS:</b>		<b>1,327,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,327,000</b>	<b>0</b>
R E M O V E M E N T S	Labor (Weekly Payroll)	0							
	Labor (Monthly Payroll)	0							
	A/P Non-Labor (dumpsters, etc.)	0							
	A/P Contractors	22,000						22,000	
	Overheads	0							
	Journal Vouchers (JVs)	0		---	---	---	---	---	---
	Salvage CREDIT	0							
	CIAC Payments CREDIT	0							
	Joint Utility Payments CREDIT	0							
<b>TOTAL REMOVALS:</b>		<b>22,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>22,000</b>	<b>0</b>
* AFUDC may require adjustment after Finance Department review.									
<b>Expense \$ (if applicable):</b>		<b>0</b>							
<b>Current Approved Rate Case Funding (\$):</b>		n/a*	n/a*	n/a*	n/a*				

\* Not applicable for 2025-2029 budget process when rate case funding not yet confirmed.

**Budget Status:** Included in current PSC-approved budget plan as a SPECIFIC PROJECT

**Cost Estimate Level:** Preliminary

**Cost Estimate Confidence:** (that final cost will be within +/-20% of the estimate): High Confidence

*No further estimate range is required.*

**Cost Estimate Range:** Minimum (\$): 1,079,200 Maximum (\$): 1,618,800

**No explanation on confidence level required.**

← Formulas give standard ranges per estimate level, but may be overwritten if desired.

**Basis for estimate:** Historical Data + Job Specific Adjustments

*(select all that apply)*

Is there documentation that shows how your conceptual or preliminary-level cost estimate was derived?

Yes

## E. ADDITIONAL INFORMATION

If there is any additional information that you would like to add that is not covered elsewhere in this form, you may add it here (optional):

Recent project completion of similar scope and schedule offers relatively reliable insight into costs.

**Submission Date:** January 12, 2024

**First Year of 5-Year Budget Period:** **2025**

**Business Sponsor:** B. Peak  
**Prepared By:** S. Spehalski

**Budget Category:** **23**

**Budget Group:** Gas  
**Current Life-Cycle Phase:** 1 Planning

## A. GENERAL

**Project/Program Name:** Violet Avenue Regulator Station Rebuild

**Work Order #:**

**Funding Project Description:** MAJORS - GAS REGULATOR STATIONS

**Funding Project Number:** 2-2312-00-18

**Is this a Specific Project, Program or Blanket?** Specific

**Target Schedule - Start:** 1/1/2027

**In-Service:** 12/31/2027

**Indicate and summarize any other work orders associated with the overall project, including those of other budget categories:**

**Describe the project objective and scope of work:**

Replace the Violet Avenue Regulator Station.

**Describe specific scope exclusions, assumptions and constraints:**

Assumes there is adequate property/parcel for construction.

## B. ALTERNATIVES

**What other options were considered to the proposed project to meet the objective?**

Partial rebuild and/or relocation was considered.

**Why was the proposed project scope chosen over other alternatives?**

Due to the criticality of the station to the reliability of the system, the station shall be fully replaced.

## C. JUSTIFICATION

**Load Based/Infrastructure:** Infrastructure  
**Discretion Level:** Maintain System Standards

**Growth/Sustaining/Retirement:** Distribution Sustaining  
**Investment Type:** Infrastructure  
**Is there an Innovation Component?** No

**Needs Assessment:** Infrastructure

If need is Safety, Regulatory or Compliance have we considered options, validated the need and challenged the value? N/A

**Describe the justification for this project. If helpful you may include planning studies or other pertinent documents as attachments.**

As a main feed from the MP750# into the HV 120# system, the replacement of this station is paramount to the reliability of the system. The station piping and peripherals are degraded and the equipment is antiquated and obsolete. There have been numerous repairs necessary on old valves and equipment in recent years. It shall be rebuilt as a dual run, monitor station to allow for increased overpressure protection and brought up to current

**Describe any quantifiable benefits (such as monetary benefits/business case, operational cost savings, cost avoidance, etc.)**

Increasing the safety and reliability of the gas system by replacing aging infrastructure and implementing new functionality.

For the following strategic alignment questions, reference CHG&E's current Strategic Outlook document:

[CLICK HERE](#)

Which **Strategic Theme** does project most align with? Operational Excellence

Which **Strategic Objective** does project most align with? Improve system performance and resilience

Which **Strategic Initiative** does project most align with? Business & Operations Modernization/Transformation

Which **Team Goal** does project most align with? PSC Gas Safety

**Technology Strategic Alignment (CATS-4220, 4222, 4230, 4235, 44):**

Select all that apply

**Have you taken into account potential environmental impacts that would need to be considered for cost and schedule estimates?** N/A

*\* Environmental impacts must be taken into consideration to the extent that you are able considering current phase, maturity of scope and knowledge of field conditions.*

**Do you anticipate the project to require significant jurisdictional approvals? (select all that apply)**

Local municipality (1)

### **ESG (Environmental, Social and Governance) and Sustainability:**

Complete the ESG Checklist on the separate worksheet (tab). Results of your answers will be automatically shown below:

**Checklist Fully Completed:** Yes **Environmental Component:** Yes

**Social Component:** Yes

**Governance Component:** Yes

**Is complete Sustainability status achieved by this project?\*** Yes

*\* Sustainability status is achieved for the project if the ESG checklist shows that there is at least one component each for environmental, social and governance.*

**What is the relative urgency of this project?** Moderate *Recommend commencement within next 24-months.*  
**Was this project included in a prior 5-year forecast?** No  
**If No, why should this project be completed instead of a planned project?**  
 This is considered a planned project that replaces an unidentified project that was previously approved in the 5 year forecast.

**Why do we need to complete this project in the period requested?**  
 To minimize the risk to the system.

**What are the risks and consequences of not completing this project?**  
 Poor pressure control, equipment failure, increase costs of maintenance.

**Is this Project in Central Hudson's current approved rate case?** No  
**Is this Project tied to a regulatory requirement?** No  
**Does this Project result in cost avoidance, cost savings, or additional revenue for Central Hudson?** No  
**Does this Project enhance Central Hudson's customer experience or service delivery?** No  
**Does this Project reduce risk, debt, or vulnerabilities (i.e. technology, cybersecurity, legal, infrastructure, etc.)?** Yes  
*Reduced infrastructure risk.*  
**Does this Project improve or enhance safety for Central Hudson employees, contractors or the public?** Yes  
*Reduced infrastructure risk.*





## D. COST ESTIMATE

Capital Estimate Summary		Year 1 = 1st year of the 5-year budget plan		All future year cost estimates should include applicable adjustments for inflation.					
\$1,303,000		TOTAL	Prior Years Actuals + Projections	Year 1 2025	Year 2 2026	Year 3 2027	Year 4 2028	Year 5 2029	Future Years
A D D I T I O N S	Labor (Weekly Payroll)	0							
	Labor (Monthly Payroll)	0							
	Stock Materials	0							
	A/P Non-Stock Material	0							
	A/P Contractors & Other	1,180,000				1,180,000			
	Inflation	74,000				74,000			
	AFUDC*	28,000				28,000			
	Journal Vouchers (JVs)	0		---	---	---	---	---	---
	CIAC Payments CREDIT	0							
	Joint Utility Payments CREDIT	0							
<b>TOTAL ADDITIONS:</b>		<b>1,282,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,282,000</b>	<b>0</b>	<b>0</b>	<b>0</b>
R E M O V E M E N T S	Labor (Weekly Payroll)	0							
	Labor (Monthly Payroll)	0							
	A/P Non-Labor (dumpsters, etc.)	0							
	A/P Contractors	21,000				21,000			
	Overheads	0							
	Journal Vouchers (JVs)	0		---	---	---	---	---	---
	Salvage CREDIT	0							
	CIAC Payments CREDIT	0							
	Joint Utility Payments CREDIT	0							
<b>TOTAL REMOVALS:</b>		<b>21,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>21,000</b>	<b>0</b>	<b>0</b>	<b>0</b>

\* AFUDC may require adjustment after Finance Department review.

<b>Expense \$ (if applicable):</b>	0							
<b>Current Approved Rate Case Funding (\$):</b>	n/a*	n/a*	n/a*	n/a*				

\* Not applicable for 2025-2029 budget process when  
rate case funding not yet confirmed.

**Budget Status:** Not included in current PSC-approved budget plan

**Cost Estimate Level:** Preliminary

**Cost Estimate Confidence:** (that final cost will be within +/-20% of the estimate): High Confidence

*No further estimate range is required.*

**Cost Estimate Range:** Minimum (\$): 1,042,400 Maximum (\$): 1,563,600

**No explanation on confidence level required.**

← *Formulas give standard ranges per estimate level, but may be overwritten if desired.*

**Basis for estimate:** Historical Data + Job Specific Adjustments

*(select all that apply)*

Is there documentation that shows how your conceptual or preliminary-level cost estimate was derived?

Yes

## E. ADDITIONAL INFORMATION

If there is any additional information that you would like to add that is not covered elsewhere in this form, you may add it here (optional):

Recent project completion of similar scope and schedule offers relatively reliable insight into costs.

**Submission Date:** June 1, 2024

**First Year of 5-Year Budget Period:** 2025

**Business Sponsor:** E. Kiszkiel

**Budget Category:** 24

**Prepared By:** Victor Narkaj

**Budget Group:** Gas

**Current Life-Cycle Phase:** 1 Planning

## A. GENERAL

**Project/Program Name:** Category 24 Gas New Business

**Work Order #:**     -

**Funding Project Description:** Funding Project Not Yet Assigned

**Funding Project Number:** to be determined

**Is this a Specific Project, Program or Blanket?** Program

**Target Schedule - Start:** 1/1/2025

**In-Service:** 12/31/2029

**Indicate and summarize any other work orders associated with the overall project, including those of other budget categories:**

N/A

**Describe the project objective and scope of work:**

Overall Budget Planning for Category 24

**Describe specific scope exclusions, assumptions and constraints:**

All Gas New Business

## B. ALTERNATIVES

**What other options were considered to the proposed project to meet the objective?**

None. Category 24 is non-discretionary

**Why was the proposed project scope chosen over other alternatives?**

Obligation to serve is non-discretionary

## C. JUSTIFICATION

**Load Based/Infrastructure:** Load-Based  
**Discretion Level:** Non-Discretionary

**Growth/Sustaining/Retirement:** Growth Sustaining  
**Investment Type:** Growth  
**Is there an Innovation Component?** Yes

**Needs Assessment:** New Business

**If need is Safety, Regulatory or Compliance have we considered options, validated the need and challenged the value?** N/A

**Describe the justification for this project. If helpful you may include planning studies or other pertinent documents as attachments.**

The Category 24 gas new business category consists of funding to provide new gas service to non-discretionary customer requested residential and commercial projects. This includes new multi-family and Underground Residential Distribution (URD) projects, new individual residential homes, and commercial/industrial gas new business. Work orders types can be specific (>\$15,000), local work orders (<\$15,000) and limited term service work orders.

**Describe any quantifiable benefits (such as monetary benefits/business case, operational cost savings, cost avoidance, etc.)**

Monetary benefits through increased revenue.

*For the following strategic alignment questions, reference CHG&E's current Strategic Outlook document:*

[CLICK HERE](#)

**Which Strategic Theme does project most align with?** Operational Excellence  
**Which Strategic Objective does project most align with?** Improve customer experience  
**Which Strategic Initiative does project most align with?** Seamless Customer Experience  
**Which Team Goal does project most align with?** Earnings (Net Income)

**Technology Strategic Alignment (CATS-4220, 4222, 4230, 4235, 44):**

*Select all that apply*

**Have you taken into account potential environmental impacts that would need to be considered for cost and schedule estimates?** N/A

*\* Environmental impacts must be taken into consideration to the extent that you are able considering current phase, maturity of scope and knowledge of field conditions.*

**Do you anticipate the project to require significant jurisdictional approvals?** (select all that apply)

Miscellaneous (wetlands; highway; SWPPP)

### **ESG (Environmental, Social and Governance) and Sustainability:**

Complete the ESG Checklist on the separate worksheet (tab). Results of your answers will be automatically shown below:

**Checklist Fully Completed:** Yes **Environmental Component:** No

**Social Component:** No

**Governance Component:** No

**Is complete Sustainability status achieved by this project?\*** No

*\* Sustainability status is achieved for the project if the ESG checklist shows that there is at least one component each for environmental, social and governance.*

**What is the relative urgency of this project?** Immediate *Already in-progress or recommend commencement within next 12-months.*

**Was this project included in a prior 5-year forecast?** Yes

**If No, why should this project be completed instead of a planned project?**

N/A

**Why do we need to complete this project in the period requested?**

New customer service must be provided in a timely manner

**What are the risks and consequences of not completing this project?**

Customer complaints

**Is this Project in Central Hudson's current approved rate case?** Yes

**Is this Project tied to a regulatory requirement?** Yes

**Does this Project result in cost avoidance, cost savings, or additional revenue for Central Hudson?** Yes

**Does this Project enhance Central Hudson's customer experience or service delivery?** Yes

**Does this Project reduce risk, debt, or vulnerabilities (i.e. technology, cybersecurity, legal, infrastructure, etc.)?** No

**Does this Project improve or enhance safety for Central Hudson employees, contractors or the public?** Yes

**Prioritization Ranking\***

\* Prioritization Ranking is intended to be high level and is not intended to differentiate between projects with the same prioritization question responses.

↑  
VERY  
HIGH

↑  
MEDIUM

↑  
VERY  
LOW



## D. COST ESTIMATE

Capital Estimate Summary		Year 1 = 1st year of the 5-year budget plan		All future year cost estimates should include applicable adjustments for inflation.					
		TOTAL	Prior Years Actuals + Projections	Year 1 2025	Year 2 2026	Year 3 2027	Year 4 2028	Year 5 2029	Future Years
<b>\$29,415,000</b>									
ADDITIONS	Labor (Weekly Payroll)	0							
	Labor (Monthly Payroll)	0							
	Stock Materials	0							
	A/P Non-Stock Material	0							
	A/P Contractors & Other	27,111,000		11,690,000	4,258,000	3,693,000	3,553,000	3,917,000	
	Inflation	1,359,000		250,000	183,000	231,000	294,000	401,000	
	AFUDC*	497,000		353,000	48,000	36,000	36,000	24,000	
	Journal Vouchers (JVs)	0		---	---	---	---	---	---
	CIAC Payments CREDIT	0							
	Joint Utility Payments CREDIT	0							
<b>TOTAL ADDITIONS:</b>		<b>28,967,000</b>	<b>0</b>	<b>12,293,000</b>	<b>4,489,000</b>	<b>3,960,000</b>	<b>3,883,000</b>	<b>4,342,000</b>	<b>0</b>
REMOVALS	Labor (Weekly Payroll)	0							
	Labor (Monthly Payroll)	0							
	A/P Non-Labor (dumpsters, etc.)	0							
	A/P Contractors	448,000		86,000	88,000	90,000	91,000	93,000	
	Overheads	0							
	Journal Vouchers (JVs)	0		---	---	---	---	---	---
	Salvage CREDIT	0							
	CIAC Payments CREDIT	0							
	Joint Utility Payments CREDIT	0							
<b>TOTAL REMOVALS:</b>		<b>448,000</b>	<b>0</b>	<b>86,000</b>	<b>88,000</b>	<b>90,000</b>	<b>91,000</b>	<b>93,000</b>	<b>0</b>
* AFUDC may require adjustment after Finance Department review.									
<b>Expense \$ (if applicable):</b>		<b>0</b>							
<b>Current Approved Rate Case Funding (\$):</b>		n/a*	n/a*	n/a*	n/a*				

\* Not applicable for 2025-2029 budget process when rate case funding not yet confirmed.



**Budget Status:** Included in current PSC-approved budget plan under a PROGRAM

**Cost Estimate Level:** Preliminary

**Cost Estimate Confidence:** (that final cost will be within +/-20% of the estimate): High Confidence

*No further estimate range is required.*

**Cost Estimate Range:** Minimum (\$): 23,532,000 Maximum (\$): 35,298,000

**No explanation on confidence level required.**

← *Formulas give standard ranges per estimate level, but may be overwritten if desired.*

**Basis for estimate:** Historical Unit Pricing

*(select all that apply)*

Is there documentation that shows how your conceptual or preliminary-level cost estimate was derived?

No

## E. ADDITIONAL INFORMATION

If there is any additional information that you would like to add that is not covered elsewhere in this form, you may add it here (optional):  
 The Category 24 - Gas New Business budget is established using historic customer additions and spending run rates. Budget dollars are allocated to specific and blanket categories, but can be reallocated within the category as actual spending varies from projections.

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**2-241L-00-06 - GAS MAIN NEW BUSINESS - SYSTEM**

	2020	2021	2022	2023 Total	
Charges Impacted by Prevailing Wage	\$ 363,659.72	\$ 713,605.66	\$ 734,033.88	\$ 1,018,906.11	\$ 2,830,205.37
All Other Charges	\$ 1,503,208.95	\$ 632,979.61	\$ 1,312,424.91	\$ 351,825.39	\$ 3,800,438.86
Total	\$ 1,866,868.67	\$ 1,346,585.27	\$ 2,046,458.79	\$ 1,370,731.50	\$ 6,630,644.23

Percentage	19%	53%	36%	74%	43%
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**2-241L-00-06 - GAS MAIN NEW BUSINESS - SYSTEM**

	2020	2021	2022	2023 TOTAL	
Charges Impacted by Prevailing Wage	\$ 219,244.19	\$ 12,957.96	\$ 43,301.55	\$ 294,166.94	\$ 569,670.64
All Other Charges	\$ 5,419.43	\$ 41,206.83	\$ 233,251.14	\$ 134,774.09	\$ 414,651.49
Total	\$ 224,663.62	\$ 54,164.79	\$ 276,552.69	\$ 428,941.03	\$ 984,322.13

Percentage	98%	24%	16%	69%	58%
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**2-2431-00-18 GAS NB - SIMPLY BETTER - RES**

	2020	2021	2022	2023 TOTAL	
Charges Impacted by Prevailing Wage	\$ 306,804.08	\$ 258,600.20	\$ 332,933.18	\$ 167,346.91	\$ 1,065,684.37
All Other Charges	\$ (7,536.70)	\$ 114,267.87	\$ 85,113.80	\$ 119,171.74	\$ 311,016.71
Total	\$ 299,267.38	\$ 372,868.07	\$ 418,046.98	\$ 286,518.65	\$ 1,376,701.08

Percentage	103%	69%	80%	58%	77%
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**2-2411-00-18 GAS NB TRADITIONAL NEW BUSINESS**

	2020	2021	2022	2023 TOTAL	
Charges Impacted by Prevailing Wage	\$ 648,388.12	\$ 1,606,610.42	\$ 442,683.48	\$ 1,187,776.85	\$ 3,885,458.87
All Other Charges	\$ 616,625.89	\$ 1,402,062.32	\$ 1,080,076.90	\$ 800,883.69	\$ 3,899,648.80
Total	\$ 1,265,014.01	\$ 3,008,672.74	\$ 1,522,760.38	\$ 1,988,660.54	\$ 7,785,107.67

Percentage	51%	53%	29%	60%	50%
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**ALL CATEGORIES**

	2020	2021	2022	2023 Total	
Charges Impacted by Prevailing Wage	\$ 1,538,096.11	\$ 2,591,774.24	\$ 1,552,952.09	\$ 2,668,196.81	\$ 8,351,019.25
All Other Charges	\$ 2,117,717.57	\$ 2,190,516.63	\$ 2,710,866.75	\$ 1,406,654.91	\$ 8,425,755.86
Total	\$ 3,655,813.68	\$ 4,782,290.87	\$ 4,263,818.84	\$ 4,074,851.72	\$ 16,776,775.11

Percentage	42%	54%	36%	65%	50%
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**2-241L-00-06 - GAS MAIN NEW BUSINESS - SYSTEM**

	2020	2021	2022	2023 Total	
<b>No Journal Code Label (290XR charges?)</b>	<b>\$ 1,266,098.10</b>	<b>\$ 492,015.32</b>	<b>\$ 1,048,506.06</b>	<b>\$ 96,184.86</b>	<b>\$ 2,902,804.34</b>
<b>AP</b>	<b>\$ 449,165.29</b>	<b>\$ 778,253.75</b>	<b>\$ 793,030.86</b>	<b>\$ 1,115,660.15</b>	<b>\$ 3,136,110.05</b>
FLAGGING-GAS		\$ 8,973.87	\$ 3,426.52	\$ 1,682.76	\$ 14,083.15
GAS CONSTRUCTION	\$ 286,550.54	\$ 621,552.25	\$ 559,032.41	\$ 761,738.30	\$ 2,228,873.50
GAS INSPECTION	\$ 57,974.02	\$ 83,079.54	\$ 85,162.37	\$ 133,295.05	\$ 359,510.98
REPAIR & REPAVE STREETS	\$ 19,135.16		\$ 86,412.58	\$ 122,190.00	\$ 227,737.74
OTHER	\$ 85,505.57	\$ 64,648.09	\$ 58,996.98	\$ 96,754.04	\$ 305,904.68
<b>JV</b>	<b>\$ 50,453.15</b>	<b>\$ (43,303.15)</b>	<b>\$ 49,823.48</b>	<b>\$ (41,630.28)</b>	<b>\$ 15,343.20</b>
<b>MP</b>	<b>\$ 3,128.15</b>	<b>\$ 911.36</b>	<b>\$ 5,048.12</b>	<b>\$ 13,201.92</b>	<b>\$ 22,289.55</b>
<b>MS</b>	<b>\$ 93,880.33</b>	<b>\$ 83,587.99</b>	<b>\$ 107,476.93</b>	<b>\$ 106,783.16</b>	<b>\$ 391,728.41</b>
<b>WP</b>	<b>\$ 4,143.65</b>	<b>\$ 35,120.00</b>	<b>\$ 42,573.34</b>	<b>\$ 80,531.69</b>	<b>\$ 162,368.68</b>
<b>Grand Total</b>	<b>\$ 1,866,868.67</b>	<b>\$ 1,346,585.27</b>	<b>\$ 2,046,458.79</b>	<b>\$ 1,370,731.50</b>	<b>\$ 6,630,644.23</b>

	2020	2021	2022	2023 Total	
Charges Impacted by Prevailing Wage	\$ 363,659.72	\$ 713,605.66	\$ 734,033.88	\$ 1,018,906.11	\$ 2,830,205.37
All Other Charges	\$ 1,503,208.95	\$ 632,979.61	\$ 1,312,424.91	\$ 351,825.39	\$ 3,800,438.86
Total	\$ 1,866,868.67	\$ 1,346,585.27	\$ 2,046,458.79	\$ 1,370,731.50	\$ 6,630,644.23

Percentage	19%	53%	36%	74%	43%
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**2-2421-00-18 GAS NB COMMERCIAL CONVERSIONS**

	2020	2021	2022	2023	TOTAL
<b>NO JOURNAL CODE LABEL</b>	<b>\$ 14,010.00</b>		<b>\$ 110.85</b>		<b>\$ 14,120.85</b>
<b>AFUDC</b>	<b>\$ 4,697.12</b>		<b>\$ 2,102.85</b>	<b>\$ 12,728.85</b>	<b>\$ 19,528.82</b>
<b>AP</b>	<b>\$ 232,714.58</b>	<b>\$ 49,606.81</b>	<b>\$ 129,598.06</b>	<b>\$ 378,431.78</b>	<b>\$ 790,351.23</b>
EXCAVATION			\$ 11,520.25		\$ 11,520.25
FLAGGING-ELECTRIC	\$ 397.84				\$ 397.84
FLAGGING-GAS			\$ 11,133.95		\$ 11,133.95
GAS CONSTRUCTION	\$ 190,850.12	\$ 12,221.00	\$ 1,353.00	\$ 224,927.88	\$ 429,352.00
GAS INSPECTION	\$ 27,996.23	\$ 736.96	\$ 9,630.14	\$ 28,580.26	\$ 66,943.59
REPAIR & REPAVE STREETS			\$ 9,664.21	\$ 40,658.80	\$ 50,323.01
OTHER	\$ 13,470.39	\$ 36,648.85	\$ 86,296.51	\$ 84,264.84	\$ 220,680.59
<b>JV</b>	<b>\$ (54,664.73)</b>	<b>\$ (466.47)</b>	<b>\$ (7,075.00)</b>	<b>\$ (717.00)</b>	<b>\$ (62,923.20)</b>
<b>MP</b>	<b>\$ 179.13</b>	<b>\$ 1,912.78</b>	<b>\$ 50.72</b>	<b>\$ 660.47</b>	<b>\$ 2,803.10</b>
<b>MS</b>	<b>\$ 14,024.84</b>	<b>\$ 1,921.59</b>	<b>\$ 17,151.96</b>	<b>\$ 6,033.97</b>	<b>\$ 39,132.36</b>
<b>WOADJ</b>	<b>\$ 354.64</b>	<b>\$ -</b>			<b>\$ 354.64</b>
<b>WP</b>	<b>\$ 13,348.04</b>	<b>\$ 1,190.08</b>	<b>\$ 134,613.25</b>	<b>\$ 31,802.96</b>	<b>\$ 180,954.33</b>
<b>Grand Total</b>	<b>\$ 224,663.62</b>	<b>\$ 54,164.79</b>	<b>\$ 276,552.69</b>	<b>\$ 428,941.03</b>	<b>\$ 984,322.13</b>

	2020	2021	2022	2023	TOTAL
Charges Impacted by Prevailing Wage	\$ 219,244.19	\$ 12,957.96	\$ 43,301.55	\$ 294,166.94	\$ 569,670.64
All Other Charges	\$ 5,419.43	\$ 41,206.83	\$ 233,251.14	\$ 134,774.09	\$ 414,651.49
Total	\$ 224,663.62	\$ 54,164.79	\$ 276,552.69	\$ 428,941.03	\$ 984,322.13

Percentage	98%	24%	16%	69%	58%
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2-2431-00-18 GAS NB - SIMPLY BETTER - RES

	2020	2021	2022	2023	TOTAL
NO JOURNAL CODE LABEL	\$	16.30		\$	16.30
AFUDC	\$	386.25	\$ 561.43	\$	947.68
AP	\$ 349,459.35	\$ 313,944.16	\$ 423,569.56	\$ 245,118.33	\$ 1,332,091.40
EXCAVATION				\$ 8,947.76	\$ 8,947.76
FLAGGING-ELECTRIC	\$ 393.84			\$	393.84
FLAGGING-GAS	\$ 824.20	\$ 3,804.58	\$ 6,521.63	\$ 8,213.70	\$ 19,364.11
GAS CONSTRUCTION	\$ 272,474.39	\$ 206,966.19	\$ 277,614.47	\$ 123,082.63	\$ 880,137.68
GAS INSPECTION	\$ 15,952.85	\$ 26,631.38	\$ 8,347.48	\$ 2,922.91	\$ 53,854.62
REPAIR & REPAVE STREETS	\$ 17,158.80	\$ 21,198.05	\$ 40,449.60	\$ 24,179.91	\$ 102,986.36
OTHER	\$ 42,655.27	\$ 55,343.96	\$ 90,636.38	\$ 77,771.42	\$ 266,407.03
JV	\$ (99,177.73)	\$ (88,876.65)	\$ (97,925.93)	\$ (48,385.51)	\$ (334,365.82)
MP	\$ 992.86	\$ 1,672.91	\$ 296.01	\$ 1,338.73	\$ 4,300.51
MS	\$ 11,789.79	\$ 12,307.19	\$ 15,782.35	\$ 40,238.62	\$ 80,117.95
WOADJ	\$ 0.00	\$ 29,148.39	\$ (24,016.23)	\$ 12,562.75	\$ 17,694.91
WP	\$ 36,203.11	\$ 104,269.52	\$ 99,779.79	\$ 35,645.73	\$ 275,898.15
Grand Total	\$ 299,267.38	\$ 372,868.07	\$ 418,046.98	\$ 286,518.65	\$ 1,376,701.08

	2020	2021	2022	2023	TOTAL
Charges Impacted by Prevailing Wage	\$ 306,804.08	\$ 258,600.20	\$ 332,933.18	\$ 167,346.91	\$ 1,065,684.37
All Other Charges	\$ (7,536.70)	\$ 114,267.87	\$ 85,113.80	\$ 119,171.74	\$ 311,016.71
Total	\$ 299,267.38	\$ 372,868.07	\$ 418,046.98	\$ 286,518.65	\$ 1,376,701.08

Percentage	103%	69%	80%	58%	77%
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**2-2411-00-18 GAS NB TRADITIONAL NEW BUSINESS**

	2020	2021	2022	2023 TOTAL	
<b>NO JOURNAL CODE LABEL</b>	<b>\$ 1,878.45</b>	<b>\$ 176,922.64</b>	<b>\$ -</b>	<b>\$ 46,211.39</b>	<b>\$ 225,012.48</b>
<b>AFUDC</b>	<b>\$ 4,875.93</b>	<b>\$ 15,945.97</b>	<b>\$ 3,134.94</b>	<b>\$ 7,431.20</b>	<b>\$ 31,388.04</b>
<b>AP</b>	<b>\$ 884,334.52</b>	<b>\$ 2,172,741.36</b>	<b>\$ 1,109,701.11</b>	<b>\$ 1,827,939.14</b>	<b>\$ 5,994,716.13</b>
EXCAVATION	\$ 4,769.55	\$ 7,906.84	\$ 9,912.00	\$ 65,195.63	\$ 87,784.02
FLAGGING-ELECTRIC	\$ 658.84				\$ 658.84
FLAGGING-GAS	\$ 14,446.74	\$ 2,475.75	\$ 8,988.72	\$ 5,491.20	\$ 31,402.41
GAS CONSTRUCTION	\$ 544,742.86	\$ 1,349,839.07	\$ 334,420.82	\$ 917,685.47	\$ 3,146,688.22
GAS INSPECTION	\$ 60,436.83	\$ 212,977.26	\$ 42,134.27	\$ 113,424.47	\$ 428,972.83
REPAIR & REPAVE STREETS	\$ 23,333.30	\$ 33,411.50	\$ 47,227.67	\$ 85,980.08	\$ 189,952.55
OTHER	\$ 235,946.40	\$ 566,130.94	\$ 667,017.63	\$ 640,162.29	\$ 2,109,257.26
<b>JV</b>	<b>\$ (189,832.96)</b>	<b>\$ (170,256.59)</b>	<b>\$ (28,662.88)</b>	<b>\$ (450,826.64)</b>	<b>\$ (839,579.07)</b>
<b>MP</b>	<b>\$ 9,196.58</b>	<b>\$ 43,303.66</b>	<b>\$ 10,261.14</b>	<b>\$ 8,751.56</b>	<b>\$ 71,512.94</b>
<b>MS</b>	<b>\$ 139,474.64</b>	<b>\$ 218,846.86</b>	<b>\$ 111,864.42</b>	<b>\$ 166,907.52</b>	<b>\$ 637,093.44</b>
<b>WOADJ</b>	<b>\$ (65,350.01)</b>	<b>\$ 3,506.75</b>	<b>\$ 2,375.49</b>	<b>\$ 1,208.06</b>	<b>\$ (58,259.71)</b>
<b>WP</b>	<b>\$ 480,436.86</b>	<b>\$ 547,662.09</b>	<b>\$ 314,086.16</b>	<b>\$ 381,038.31</b>	<b>\$ 1,723,223.42</b>
<b>Grand Total</b>	<b>\$ 1,265,014.01</b>	<b>\$ 3,008,672.74</b>	<b>\$ 1,522,760.38</b>	<b>\$ 1,988,660.54</b>	<b>\$ 7,785,107.67</b>

	2020	2021	2022	2023 TOTAL	
<b>Charges Impacted by Prevailing Wage</b>	<b>\$ 648,388.12</b>	<b>\$ 1,606,610.42</b>	<b>\$ 442,683.48</b>	<b>\$ 1,187,776.85</b>	<b>\$ 3,885,458.87</b>
All Other Charges	\$ 616,625.89	\$ 1,402,062.32	\$ 1,080,076.90	\$ 800,883.69	\$ 3,899,648.80
Total	\$ 1,265,014.01	\$ 3,008,672.74	\$ 1,522,760.38	\$ 1,988,660.54	\$ 7,785,107.67

Percentage	51%	53%	29%	60%	50%
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**Submission Date:** April 30, 2024

**First Year of 5-Year Budget Period:** 2025

**Business Sponsor:** E. Kiskiel

**Budget Category:** 25

**Prepared By:** J. Mead

**Budget Group:** Gas  
**Current Life-Cycle Phase:** 1 Planning

## A. GENERAL

**Project/Program Name:** Gas Distribution Improvement - Locals

**Work Order #:**     -

**Funding Project Description:** GAS DI-DIST IMPROVEMENT-LOCALS

**Funding Project Number:** 2-251L-00-08

**Is this a Specific Project, Program or Blanket?** Blanket

**Target Schedule - Start:** 1/1/2024

**In-Service:** 12/31/2028

**Indicate and summarize any other work orders associated with the overall project, including those of other budget categories:**

Various local WO's that occur in the district for service and main work; planned and emergent.

**Describe the project objective and scope of work:**

Various local WO's that occur in the district for service and main work; planned and emergent.

**Describe specific scope exclusions, assumptions and constraints:**

Excludes WO exceeding \$25K in cost.

## B. ALTERNATIVES

**What other options were considered to the proposed project to meet the objective?**

N/A

**Why was the proposed project scope chosen over other alternatives?**

N/A

## C. JUSTIFICATION

**Load Based/Infrastructure:** Infrastructure  
**Discretion Level:** Non-Discretionary

**Growth/Sustaining/Retirement:** Distribution Sustaining  
**Investment Type:** Infrastructure

**Is there an Innovation Component?** No

**Needs Assessment:** Infrastructure

If need is Safety, Regulatory or Compliance have we considered options, validated the need and challenged the value? Yes

**Describe the justification for this project.** If helpful you may include planning studies or other pertinent documents as attachments.

Blanket program to capture costs for local WO's

**Describe any quantifiable benefits (such as monetary benefits/business case, operational cost savings, cost avoidance, etc.)**

Operational need, scenario dependent.

For the following strategic alignment questions, reference CHG&E's current Strategic Outlook document:

[CLICK HERE](#)

Which **Strategic Theme** does project most align with?

Operational Excellence

Which **Strategic Objective** does project most align with?

Improve system performance and resilience

Which **Strategic Initiative** does project most align with?

DOES NOT ALIGN WITH ANY STRATEGIC INITIATIVE

Which **Team Goal** does project most align with?

PSC Gas Safety

**Technology Strategic Alignment (CATS-4220, 4222, 4230, 4235, 44):**

Select all that apply

**Have you taken into account potential environmental impacts that would need to be considered for cost and schedule estimates?** N/A

\* Environmental impacts must be taken into consideration to the extent that you are able considering current phase, maturity of scope and knowledge of field conditions.

**Do you anticipate the project to require significant jurisdictional approvals?** (select all that apply)

No

### **ESG (Environmental, Social and Governance) and Sustainability:**

Complete the ESG Checklist on the separate worksheet (tab). Results of your answers will be automatically shown below:

**Checklist Fully Completed:** Yes **Environmental Component:** Yes

**Social Component:** Yes

**Governance Component:** No

**Is complete Sustainability status achieved by this project?\*** No

\* Sustainability status is achieved for the project if the ESG checklist shows that there is at least one component each for environmental, social and governance.

**What is the relative urgency of this project?** Moderate *Recommend commencement within next 24-months.*

**Was this project included in a prior 5-year forecast?** Yes

**If No, why should this project be completed instead of a planned project?**

N/A

**Why do we need to complete this project in the period requested?**

Operational need of the district, often based on the 100 foot tariff.

**What are the risks and consequences of not completing this project?**

Regulatory requirement, safety, customer satisfaction, growth, etc.

**Is this Project in Central Hudson's current approved rate case?**

Yes

Yes, for the replacement of mains for leak repairs.

**Is this Project tied to a regulatory requirement?**

Yes

Yes, CH must repair leaks, and in some cases will perform repairs via pipe replacement.

**Does this Project result in cost avoidance, cost savings, or additional revenue for Central Hudson?**

Yes

Yes, cost avoidance with any events related to leaks.

**Does this Project enhance Central Hudson's customer experience or service delivery?**

Yes

Yes, improves reliability by reducing the risk of leak and/or outage.

**Does this Project reduce risk, debt, or vulnerabilities (i.e. technology, cybersecurity, legal, infrastructure, etc.)?**

Yes

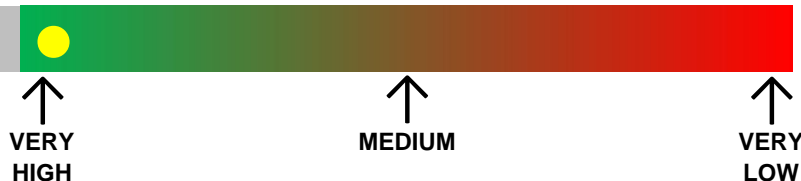
Yes, reduces risk by reducing the numbers of leaks.

**Does this Project improve or enhance safety for Central Hudson employees, contractors or the public?**

Yes

Yes, safety is improved by leak reduction and improved installation and documentation methods.

**Prioritization Ranking\***



\* Prioritization Ranking is intended to be high level and is not intended to differentiate between projects with the same prioritization question responses.

## D. COST ESTIMATE

Capital Estimate Summary		Year 1 = 1st year of the 5-year budget plan		All future year cost estimates should include applicable adjustments for inflation.					
		TOTAL	Prior Years Actuals + Projections	Year 1 2025	Year 2 2026	Year 3 2027	Year 4 2028	Year 5 2029	Future Years
<b>\$2,515,000</b>									
ADDITIONS	Labor (Weekly Payroll)	158,000		31,000	31,000	32,000	32,000	32,000	
	Labor (Monthly Payroll)	113,000		22,000	22,000	23,000	23,000	23,000	
	Stock Materials	226,000		44,000	45,000	45,000	46,000	46,000	
	A/P Non-Stock Material	0							
	A/P Contractors & Other	1,761,000		339,000	347,000	353,000	361,000	361,000	
	Inflation	141,000		9,000	19,000	28,000	38,000	47,000	
	AFUDC*	25,000		3,000	5,000	5,000	5,000	7,000	
	Journal Vouchers (JVs)	0		---	---	---	---	---	---
	CIAC Payments CREDIT	0							
	Joint Utility Payments CREDIT	0							
<b>TOTAL ADDITIONS:</b>		<b>2,424,000</b>	<b>0</b>	<b>448,000</b>	<b>469,000</b>	<b>486,000</b>	<b>505,000</b>	<b>516,000</b>	<b>0</b>
REMOVALS	Labor (Weekly Payroll)	0							
	Labor (Monthly Payroll)	0							
	A/P Non-Labor (dumpsters, etc.)	0							
	A/P Contractors	91,000		17,000	18,000	18,000	19,000	19,000	
	Overheads	0							
	Journal Vouchers (JVs)	0		---	---	---	---	---	---
	Salvage CREDIT	0							
	CIAC Payments CREDIT	0							
	Joint Utility Payments CREDIT	0							
<b>TOTAL REMOVALS:</b>		<b>91,000</b>	<b>0</b>	<b>17,000</b>	<b>18,000</b>	<b>18,000</b>	<b>19,000</b>	<b>19,000</b>	<b>0</b>
* AFUDC may require adjustment after Finance Department review.									
<b>Expense \$ (if applicable):</b>		<b>0</b>							
<b>Current Approved Rate Case Funding (\$):</b>		n/a*	n/a*	n/a*	n/a*				

\* Not applicable for 2025-2029 budget process when rate case funding not yet confirmed.

**Budget Status:** Included in current PSC-approved budget plan under a PROGRAM

**Cost Estimate Level:** Conceptual

**Cost Estimate Confidence:** (that final cost will be within +/-30% of the estimate): High Confidence

*No further estimate range is required.*

**Cost Estimate Range:** Minimum (\$): 1,760,500 Maximum (\$): 3,269,500

**No explanation on confidence level required.**

← *Formulas give standard ranges per estimate level, but may be overwritten if desired.*

**Basis for estimate:** Historical Proforma Pricing

*(select all that apply)*

**Is there documentation that shows how your conceptual or preliminary-level cost estimate was derived?**

No

## E. ADDITIONAL INFORMATION

**If there is any additional information that you would like to add that is not covered elsewhere in this form, you may add it here (optional):**

Used historical spends and proforma pricing to extrapolate and calculate need for new budget estimates.



**Submission Date:** April 30, 2024

**First Year of 5-Year Budget Period:** 2025

**Business Sponsor:** E. Kiskiel

**Budget Category:** 25

**Prepared By:** J. Mead

**Budget Group:** Gas  
**Current Life-Cycle Phase:** 1 Planning

## A. GENERAL

**Project/Program Name:** Gas Distribution Service Blankets - Emergent/DIP

**Work Order #:**     -

**Funding Project Description:** GAS DI-SERVICE REPS - BLANKETS

**Funding Project Number:** 2-251L-01-08

**Is this a Specific Project, Program or Blanket?** Blanket

**Target Schedule - Start:** 1/1/2024

**In-Service:** 12/31/2028

**Indicate and summarize any other work orders associated with the overall project, including those of other budget categories:**

N/A

**Describe the project objective and scope of work:**

Blanket work orders that encompass emergent service replacements, isolated service replacements, and service work associated with DIP work (swaps and replacements).

**Describe specific scope exclusions, assumptions and constraints:**

Includes all service work associated with DIPs and/or isolated services, as well as replacements of services due to leaks. No exclusions.

## B. ALTERNATIVES

**What other options were considered to the proposed project to meet the objective?**

N/A

**Why was the proposed project scope chosen over other alternatives?**

N/A

## C. JUSTIFICATION

**Load Based/Infrastructure:** Infrastructure  
**Discretion Level:** Non-Discretionary

**Growth/Sustaining/Retirement:** Distribution Sustaining  
**Investment Type:** Infrastructure  
**Is there an Innovation Component?** No

**Needs Assessment:** Infrastructure

If need is Safety, Regulatory or Compliance have we considered options, validated the need and challenged the value? Yes

Describe the justification for this project. If helpful you may include planning studies or other pertinent documents as attachments.

Blanket program to capture costs for local WO's

Describe any quantifiable benefits (such as monetary benefits/business case, operational cost savings, cost avoidance, etc.)

Operational need, scenario dependent.

For the following strategic alignment questions, reference CHG&E's current Strategic Outlook document:

[CLICK HERE](#)

Which **Strategic Theme** does project most align with?

Operational Excellence

Which **Strategic Objective** does project most align with?

Improve system performance and resilience

Which **Strategic Initiative** does project most align with?

DOES NOT ALIGN WITH ANY STRATEGIC INITIATIVE

Which **Team Goal** does project most align with?

PSC Gas Safety

Technology Strategic Alignment (CATS-4220, 4222, 4230, 4235, 44):

Select all that apply

Have you taken into account potential environmental impacts that would need to be considered for cost and schedule estimates? N/A

\* Environmental impacts must be taken into consideration to the extent that you are able considering current phase, maturity of scope and knowledge of field conditions.

Do you anticipate the project to require significant jurisdictional approvals? (select all that apply)

No

### **ESG (Environmental, Social and Governance) and Sustainability:**

Complete the ESG Checklist on the separate worksheet (tab). Results of your answers will be automatically shown below:

**Checklist Fully Completed:** Yes **Environmental Component:** Yes

**Social Component:** Yes

**Governance Component:** No

Is complete **Sustainability** status achieved by this project?\* No

\* Sustainability status is achieved for the project if the ESG checklist shows that there is at least one component each for environmental, social and governance.

**What is the relative urgency of this project?** Moderate *Recommend commencement within next 24-months.*

**Was this project included in a prior 5-year forecast?** Yes

**If No, why should this project be completed instead of a planned project?**

N/A

**Why do we need to complete this project in the period requested?**

Operational need based on the project scopes, and any emergent work

**What are the risks and consequences of not completing this project?**

Regulatory requirement, safety, customer satisfaction, growth, etc.

**Is this Project in Central Hudson's current approved rate case?** Yes

Yes, has been in last several rate cases as it is associated with all DIP work.

**Is this Project tied to a regulatory requirement?** Yes

Yes, the leak prone pipe replacement program. Required to do 15 miles a year and all associated services.

**Does this Project result in cost avoidance, cost savings, or additional revenue for Central Hudson?** Yes

Yes, cost avoidance and saving with reductions of leaks, mitigation of risk, and improved installation methods and documentation.

**Does this Project enhance Central Hudson's customer experience or service delivery?** Yes

Yes, increases reliability, resiliency, and reduces risk.

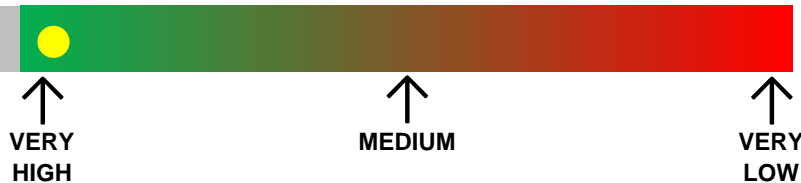
**Does this Project reduce risk, debt, or vulnerabilities (i.e. technology, cybersecurity, legal, infrastructure, etc.)?** Yes

Yes, reduces risk of leaks.

**Does this Project improve or enhance safety for Central Hudson employees, contractors or the public?** Yes

Yes, improves safety due to leak reduction and improved methods of installation and documentation.

**Prioritization Ranking\***



\* Prioritization Ranking is intended to be high level and is not intended to differentiate between projects with the same prioritization question responses.

## D. COST ESTIMATE

Capital Estimate Summary		Year 1 = 1st year of the 5-year budget plan		All future year cost estimates should include applicable adjustments for inflation.					
		TOTAL	Prior Years Actuals + Projections	Year 1 2025	Year 2 2026	Year 3 2027	Year 4 2028	Year 5 2029	Future Years
<b>\$77,406,000</b>									
ADDITIONS	Labor (Weekly Payroll)	4,913,000		1,305,000	1,211,000	1,062,000	1,111,000	224,000	
	Labor (Monthly Payroll)	3,508,000		932,000	864,000	758,000	794,000	160,000	
	Stock Materials	7,017,000		1,864,000	1,729,000	1,517,000	1,587,000	320,000	
	A/P Non-Stock Material	0							
	A/P Contractors & Other	51,920,000		13,792,000	12,793,000	11,224,000	11,744,000	2,367,000	
	Overheads & Other	6,535,000		1,144,000	1,431,000	1,557,000	1,949,000	454,000	
	AFUDC*	707,000		127,000	196,000	156,000	177,000	51,000	
	Journal Vouchers (JVs)	0		---	---	---	---	---	---
	CIAC Payments CREDIT	0							
	Joint Utility Payments CREDIT	0							
<b>TOTAL ADDITIONS:</b>		<b>74,600,000</b>	<b>0</b>	<b>19,164,000</b>	<b>18,224,000</b>	<b>16,274,000</b>	<b>17,362,000</b>	<b>3,576,000</b>	<b>0</b>
REMOVALS	Labor (Weekly Payroll)	0							
	Labor (Monthly Payroll)	0							
	A/P Non-Labor (dumpsters, etc.)	0							
	A/P Contractors	2,806,000		746,000	692,000	607,000	635,000	126,000	
	Overheads	0							
	Journal Vouchers (JVs)	0		---	---	---	---	---	---
	Salvage CREDIT	0							
	CIAC Payments CREDIT	0							
	Joint Utility Payments CREDIT	0							
<b>TOTAL REMOVALS:</b>		<b>2,806,000</b>	<b>0</b>	<b>746,000</b>	<b>692,000</b>	<b>607,000</b>	<b>635,000</b>	<b>126,000</b>	<b>0</b>
* AFUDC may require adjustment after Finance Department review.									
<b>Expense \$ (if applicable):</b>		<b>0</b>							
<b>Current Approved Rate Case Funding (\$):</b>		n/a*	n/a*	n/a*	n/a*				

\* Not applicable for 2025-2029 budget process when rate case funding not yet confirmed.

**Budget Status:** Included in current PSC-approved budget plan under a PROGRAM

**Cost Estimate Level:** Conceptual

**Cost Estimate Confidence:** (that final cost will be within +/-30% of the estimate): High Confidence

*No further estimate range is required.*

**Cost Estimate Range:** Minimum (\$): 54,184,200 Maximum (\$): 100,627,800

**No explanation on confidence level required.**

← *Formulas give standard ranges per estimate level, but may be overwritten if desired.*

**Basis for estimate:** Historical Proforma Pricing

*(select all that apply)*

Is there documentation that shows how your conceptual or preliminary-level cost estimate was derived?

No

## E. ADDITIONAL INFORMATION

If there is any additional information that you would like to add that is not covered elsewhere in this form, you may add it here (optional):

Used historical spends and proforma pricing to extrapolate and calculate need for new budget estimates.



**Current Life-Cycle Phase:** 1 Planning

**Target Schedule - Start:** 1/1/2024      **In-Service:** 12/31/2028



## C. JUSTIFICATION

**Load Based/Infrastructure:** Infrastructure  
**Discretion Level:** Maintain System Standards

**Growth/Sustaining/Retirement:** Distribution Sustaining  
**Investment Type:** Infrastructure  
**Is there an Innovation Component?** No

**Needs Assessment:** Infrastructure

If need is Safety, Regulatory or Compliance have we considered options, validated the need and challenged the value? N/A

**Describe the justification for this project.** If helpful you may include planning studies or other pertinent documents as attachments.

Reinforcements to the gas distribution system are required in areas where the system may be below base risk, operating below 50% MAOP, where growth may be anticipated, or where large loads are requested to be put on the system. In some areas requests for new service may not be possible without a reinforcement.

**Describe any quantifiable benefits (such as monetary benefits/business case, operational cost savings, cost avoidance, etc.)**

Reinforcing the system allows the system to maintain reliability and resiliency, and in some instances allow for future growth.

For the following strategic alignment questions, reference CHG&E's current Strategic Outlook document:

[CLICK HERE](#)

Which **Strategic Theme** does project most align with?

Operational Excellence

Which **Strategic Objective** does project most align with?

Improve system performance and resilience

Which **Strategic Initiative** does project most align with?

DOES NOT ALIGN WITH ANY STRATEGIC INITIATIVE

Which **Team Goal** does project most align with?

PSC Gas Safety

**Technology Strategic Alignment (CATS-4220, 4222, 4230, 4235, 44):**

Select all that apply

**Have you taken into account potential environmental impacts that would need to be considered for cost and schedule estimates** Yes

\* Environmental impacts must be taken into consideration to the extent that you are able considering current phase, maturity of scope and knowledge of field conditions.

**Do you anticipate the project to require significant jurisdictional approvals?** (select all that apply)

No

### **ESG (Environmental, Social and Governance) and Sustainability:**

Complete the ESG Checklist on the separate worksheet (tab). Results of your answers will be automatically shown below:

**Checklist Fully Completed:** Yes **Environmental Component:** Yes

**Social Component:** Yes

**Governance Component:** Yes

**Is complete Sustainability status achieved by this project?\*** Yes

\* Sustainability status is achieved for the project if the ESG checklist shows that there is at least one component each for environmental, social and governance.

**What is the relative urgency of this project?** Low

*Other projects with higher relative urgency should take precedence over this project.*

**Was this project included in a prior 5-year forecast?**

Yes

**If No, why should this project be completed instead of a planned project?**

N/A

**Why do we need to complete this project in the period requested?**

Some of these projects coincide with the LPP program, and others are to improve operational reliability, and cold weather hardening.

**What are the risks and consequences of not completing this project?**

Would not contribute to LPP where applicable, and would require denial of service to many customers due to capacity constraints.

**Is this Project in Central Hudson's current approved rate case?**

Yes

Yes, as some reinforcements are required to operate the system safely and reliably.

**Is this Project tied to a regulatory requirement?**

Yes

Yes, as some reinforcements are required to operate the system safely and reliably.

**Does this Project result in cost avoidance, cost savings, or additional revenue for Central Hudson?**

Yes

Yes, as cost are avoided by reinforcing system that may experience large pressure drops during cold weather, avoiding interruptions or outages.

**Does this Project enhance Central Hudson's customer experience or service delivery?**

Yes

Yes, as this improves reliability.

**Does this Project reduce risk, debt, or vulnerabilities (i.e. technology, cybersecurity, legal, infrastructure, etc.)?**

Yes

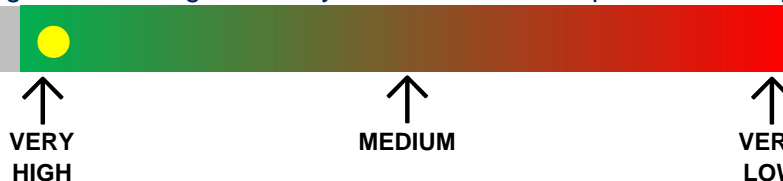
Yes, as this improves reliability, and reduces the risk of having to take outages on a system due to lack of pressure or capacity.

**Does this Project improve or enhance safety for Central Hudson employees, contractors or the public?**

Yes

Yes, as this improves reliability, and reduces the risk of having to take outages on a system due to lack of pressure or capacity.

**Prioritization Ranking\***



\* Prioritization Ranking is intended to be high level and is not intended to differentiate between projects with the same prioritization question responses.

## D. COST ESTIMATE

Capital Estimate Summary		Year 1 = 1st year of the 5-year budget plan		All future year cost estimates should include applicable adjustments for inflation.					
		TOTAL	Prior Years Actuals + Projections	Year 1 2025	Year 2 2026	Year 3 2027	Year 4 2028	Year 5 2029	Future Years
<b>\$17,704,000</b>									
A D D I T I O N S	Labor (Weekly Payroll)	1,116,000		273,000	237,000	202,000	202,000	202,000	
	Labor (Monthly Payroll)	796,000		195,000	169,000	144,000	144,000	144,000	
	Stock Materials	1,595,000		390,000	338,000	289,000	289,000	289,000	
	A/P Non-Stock Material	0							
	A/P Contractors & Other	12,434,000		3,045,000	2,636,000	2,251,000	2,251,000	2,251,000	
	Inflation	944,000		83,000	145,000	181,000	239,000	296,000	
	AFUDC*	173,000		27,000	38,000	30,000	32,000	46,000	
	Journal Vouchers (JVs)	0		---	---	---	---	---	---
	CIAC Payments CREDIT	0							
	Joint Utility Payments CREDIT	0							
<b>TOTAL ADDITIONS:</b>		<b>17,058,000</b>	<b>0</b>	<b>4,013,000</b>	<b>3,563,000</b>	<b>3,097,000</b>	<b>3,157,000</b>	<b>3,228,000</b>	<b>0</b>
R E M O V E M E N T S	Labor (Weekly Payroll)	0							
	Labor (Monthly Payroll)	0							
	A/P Non-Labor (dumpsters, etc.)	0							
	A/P Contractors	646,000		156,000	135,000	115,000	115,000	125,000	
	Overheads	0							
	Journal Vouchers (JVs)	0		---	---	---	---	---	---
	Salvage CREDIT	0							
	CIAC Payments CREDIT	0							
	Joint Utility Payments CREDIT	0							
<b>TOTAL REMOVALS:</b>		<b>646,000</b>	<b>0</b>	<b>156,000</b>	<b>135,000</b>	<b>115,000</b>	<b>115,000</b>	<b>125,000</b>	<b>0</b>
* AFUDC may require adjustment after Finance Department review.									
<b>Expense \$ (if applicable):</b>		<b>0</b>							
<b>Current Approved Rate Case Funding (\$):</b>		n/a*	n/a*	n/a*	n/a*				

\* Not applicable for 2025-2029 budget process when  
rate case funding not yet confirmed.

**Budget Status:** Included in current PSC-approved budget plan under a PROGRAM

**Cost Estimate Level:** Conceptual

**Cost Estimate Confidence:** (that final cost will be within +/-30% of the estimate): High Confidence

*No further estimate range is required.*

**Cost Estimate Range:** Minimum (\$): 12,392,800 Maximum (\$): 23,015,200

**No explanation on confidence level required.**

← *Formulas give standard ranges per estimate level, but may be overwritten if desired.*

**Basis for estimate:** Historical Proforma Pricing

*(select all that apply)*

Is there documentation that shows how your conceptual or preliminary-level cost estimate was derived?

No

## E. ADDITIONAL INFORMATION

If there is any additional information that you would like to add that is not covered elsewhere in this form, you may add it here (optional):

Budget estimates are based on project scope and historic project spends to extrapolate for new updated proforma pricing.

**Submission Date:** April 30, 2024

**First Year of 5-Year Budget Period:** 2025

**Business Sponsor:** E. Kiskiel

**Budget Category:** 25

**Prepared By:** J. Mead

**Budget Group:** Gas  
**Current Life-Cycle Phase:** 1 Planning

## A. GENERAL

**Project/Program Name:** Highway Relocation Non LPP

**Work Order #:**     -

**Funding Project Description:** GAS DI-HIGHWAY RELO NON CI OR STL

**Funding Project Number:** 2-2521-00-18

**Is this a Specific Project, Program or Blanket?** Program

**Target Schedule - Start:** 1/1/2024

**In-Service:** 12/31/2028

**Indicate and summarize any other work orders associated with the overall project, including those of other budget categories:**

**Describe the project objective and scope of work:**

This program encompasses all main relocations that are not LPP due to municipality work (paving, beautification, road rebuilds, etc.)

**Describe specific scope exclusions, assumptions and constraints:**

These projects are emergent and require Central Hudson to work with the municipalities to coordinate efforts.

## B. ALTERNATIVES

**What other options were considered to the proposed project to meet the objective?**

Alternatives such as rerouting in different areas, or retiring all together, where applicable.

**Why was the proposed project scope chosen over other alternatives?**

Requirement of downstream systems to operate properly generally dictate that the replacement must be completed.



## C. JUSTIFICATION

**Load Based/Infrastructure:** Infrastructure  
**Discretion Level:** Maintain System Standards

**Growth/Sustaining/Retirement:** Distribution Sustaining  
**Investment Type:** Infrastructure  
**Is there an Innovation Component?** No

**Needs Assessment:** Infrastructure

If need is Safety, Regulatory or Compliance have we considered options, validated the need and challenged the value? N/A

**Describe the justification for this project.** If helpful you may include planning studies or other pertinent documents as attachments.

This program is required to accommodate municipality work when Central Hudson infrastructure has project interference. Planning and prioritization is only achievable when communication from the municipalities is had, otherwise these are emergent projects.

**Describe any quantifiable benefits (such as monetary benefits/business case, operational cost savings, cost avoidance, etc.)**

Avoids any interference issues, dig ins, and allows municipalities to continue with their work.

For the following strategic alignment questions, reference CHG&E's current Strategic Outlook document:

[CLICK HERE](#)

Which **Strategic Theme** does project most align with?

Operational Excellence

Which **Strategic Objective** does project most align with?

Improve system performance and resilience

Which **Strategic Initiative** does project most align with?

DOES NOT ALIGN WITH ANY STRATEGIC INITIATIVE

Which **Team Goal** does project most align with?

PSC Gas Safety

**Technology Strategic Alignment (CATS-4220, 4222, 4230, 4235, 44):**

Select all that apply

**Have you taken into account potential environmental impacts that would need to be considered for cost and schedule estimates** Yes

\* Environmental impacts must be taken into consideration to the extent that you are able considering current phase, maturity of scope and knowledge of field conditions.

**Do you anticipate the project to require significant jurisdictional approvals?** (select all that apply)

No

### **ESG (Environmental, Social and Governance) and Sustainability:**

Complete the ESG Checklist on the separate worksheet (tab). Results of your answers will be automatically shown below:

**Checklist Fully Completed:** Yes

**Environmental Component:** Yes

**Social Component:** Yes

**Governance Component:** Maybe - Requires further scope development

**Is complete Sustainability status achieved by this project?\*** Maybe - Requires further scope development

\* Sustainability status is achieved for the project if the ESG checklist shows that there is at least one component each for environmental, social and governance.



**What is the relative urgency of this project?** *Moderate Recommend commencement within next 24-months.*

**Was this project included in a prior 5-year forecast?** *Yes*

**If No, why should this project be completed instead of a planned project?**

*N/A*

**Why do we need to complete this project in the period requested?**

*Maintain gas service where it has already been established.*

**What are the risks and consequences of not completing this project?**

*Hinders municipality work, and exposes the company to higher risk of dig in and or damage.*

**Is this Project in Central Hudson's current approved rate case?**

*Yes*

*Yes, is in the approved rate case.*

**Is this Project tied to a regulatory requirement?**

*No*

**Does this Project result in cost avoidance, cost savings, or additional revenue for Central Hudson?**

*Yes*

*Yes, as this allows Central Hudson to work with municipalities on interference projects.*

**Does this Project enhance Central Hudson's customer experience or service delivery?**

*Yes*

*Yes, as this allows the municipalities to continue their work while maintaining or improving safety of our infrastructure.*

**Does this Project reduce risk, debt, or vulnerabilities (i.e. technology, cybersecurity, legal, infrastructure, etc.)?**

*Yes*

*Yes, as this allows the municipalities to continue their work while maintaining or improving safety of our infrastructure.*

**Does this Project improve or enhance safety for Central Hudson employees, contractors or the public?**

*Yes*

*Yes, as this allows the municipalities to continue their work while maintaining or improving safety of our infrastructure.*

**Prioritization Ranking\***

\* Prioritization Ranking is intended to be high level and is not intended to differentiate between projects with the same prioritization question responses.

↑  
VERY  
HIGH

↑  
MEDIUM

↑  
VERY  
LOW

## D. COST ESTIMATE

Capital Estimate Summary		Year 1 = 1st year of the 5-year budget plan		All future year cost estimates should include applicable adjustments for inflation.					
		TOTAL	Prior Years Actuals + Projections	Year 1 2025	Year 2 2026	Year 3 2027	Year 4 2028	Year 5 2029	Future Years
<b>\$6,963,000</b>									
ADDITIONS	Labor (Weekly Payroll)	438,000		84,000	86,000	88,000	90,000	90,000	
	Labor (Monthly Payroll)	313,000		60,000	62,000	63,000	64,000	64,000	
	Stock Materials	626,000		121,000	123,000	126,000	128,000	128,000	
	A/P Non-Stock Material	0							
	A/P Contractors & Other	4,874,000		941,000	961,000	978,000	997,000	997,000	
	Inflation	393,000		26,000	52,000	79,000	106,000	130,000	
	AFUDC*	70,000		8,000	14,000	13,000	14,000	21,000	
	Journal Vouchers (JVs)	0		---	---	---	---	---	---
	CIAC Payments CREDIT	0							
	Joint Utility Payments CREDIT	0							
<b>TOTAL ADDITIONS:</b>		<b>6,714,000</b>	<b>0</b>	<b>1,240,000</b>	<b>1,298,000</b>	<b>1,347,000</b>	<b>1,399,000</b>	<b>1,430,000</b>	<b>0</b>
REMOVALS	Labor (Weekly Payroll)	0							
	Labor (Monthly Payroll)	0							
	A/P Non-Labor (dumpsters, etc.)	0							
	A/P Contractors	249,000		48,000	49,000	50,000	51,000	51,000	
	Overheads	0							
	Journal Vouchers (JVs)	0		---	---	---	---	---	---
	Salvage CREDIT	0							
	CIAC Payments CREDIT	0							
	Joint Utility Payments CREDIT	0							
<b>TOTAL REMOVALS:</b>		<b>249,000</b>	<b>0</b>	<b>48,000</b>	<b>49,000</b>	<b>50,000</b>	<b>51,000</b>	<b>51,000</b>	<b>0</b>
* AFUDC may require adjustment after Finance Department review.									
<b>Expense \$ (if applicable):</b>		<b>0</b>							
<b>Current Approved Rate Case Funding (\$):</b>		n/a*	n/a*	n/a*	n/a*				

\* Not applicable for 2025-2029 budget process when rate case funding not yet confirmed.

**Budget Status:** Included in current PSC-approved budget plan under a PROGRAM

**Cost Estimate Level:** Conceptual

**Cost Estimate Confidence:** (that final cost will be within +/-30% of the estimate): High Confidence

*No further estimate range is required.*

**Cost Estimate Range:** Minimum (\$): 4,874,100 Maximum (\$): 9,051,900

**No explanation on confidence level required.**

← *Formulas give standard ranges per estimate level, but may be overwritten if desired.*

**Basis for estimate:** Historical Proforma Pricing

*(select all that apply)*

Is there documentation that shows how your conceptual or preliminary-level cost estimate was derived?

No

## E. ADDITIONAL INFORMATION

If there is any additional information that you would like to add that is not covered elsewhere in this form, you may add it here (optional):

Historical project actuals are extrapolated to determine future budget needs.

**Submission Date:** April 30, 2024

**First Year of 5-Year Budget Period:** 2025

**Business Sponsor:** E. Kiskiel

**Budget Category:** 25

**Prepared By:** J. Mead

**Budget Group:** Gas  
**Current Life-Cycle Phase:** 1 Planning

## A. GENERAL

**Project/Program Name:** Gas Distribution Corrosion Control

**Work Order #:**     -

**Funding Project Description:** GAS DI-CATHODICS

**Funding Project Number:** 2-2551-01-18

**Is this a Specific Project, Program or Blanket?** Blanket

**Target Schedule - Start:** 1/1/2024

**In-Service:** 12/31/2028

**Indicate and summarize any other work orders associated with the overall project, including those of other budget categories:**

N/A

**Describe the project objective and scope of work:**

Cathodic protection work on the distribution system, typically consisting of new test station and anode installations where needed, managed by the Cathodic Protection Engineer.

**Describe specific scope exclusions, assumptions and constraints:**

Excludes repair work only.

## B. ALTERNATIVES

**What other options were considered to the proposed project to meet the objective?**

N/A

**Why was the proposed project scope chosen over other alternatives?**

N/A

## C. JUSTIFICATION

**Load Based/Infrastructure:** Infrastructure  
**Discretion Level:** Non-Discretionary

**Growth/Sustaining/Retirement:** Distribution Sustaining  
**Investment Type:** Infrastructure  
**Is there an Innovation Component?** No

**Needs Assessment:** Infrastructure

If need is Safety, Regulatory or Compliance have we considered options, validated the need and challenged the value? Yes

**Describe the justification for this project.** If helpful you may include planning studies or other pertinent documents as attachments.

Blanket program to capture costs for installation of anodes and test station in each of the operating districts.

**Describe any quantifiable benefits (such as monetary benefits/business case, operational cost savings, cost avoidance, etc.)**

Operational need, scenario dependent.

For the following strategic alignment questions, reference CHG&E's current Strategic Outlook document:

[CLICK HERE](#)

Which **Strategic Theme** does project most align with?

Operational Excellence

Which **Strategic Objective** does project most align with?

Improve system performance and resilience

Which **Strategic Initiative** does project most align with?

DOES NOT ALIGN WITH ANY STRATEGIC INITIATIVE

Which **Team Goal** does project most align with?

PSC Gas Safety

**Technology Strategic Alignment (CATS-4220, 4222, 4230, 4235, 44):**

Select all that apply

**Have you taken into account potential environmental impacts that would need to be considered for cost and schedule estimates?** N/A

\* Environmental impacts must be taken into consideration to the extent that you are able considering current phase, maturity of scope and knowledge of field conditions.

**Do you anticipate the project to require significant jurisdictional approvals?** (select all that apply)

No

### **ESG (Environmental, Social and Governance) and Sustainability:**

Complete the ESG Checklist on the separate worksheet (tab). Results of your answers will be automatically shown below:

**Checklist Fully Completed:** Yes **Environmental Component:** Yes

**Social Component:** Yes

**Governance Component:** No

**Is complete Sustainability status achieved by this project?\*** No

\* Sustainability status is achieved for the project if the ESG checklist shows that there is at least one component each for environmental, social and governance.

**What is the relative urgency of this project?** Moderate *Recommend commencement within next 24-months.*

**Was this project included in a prior 5-year forecast?** Yes

**If No, why should this project be completed instead of a planned project?**

N/A

**Why do we need to complete this project in the period requested?**

Operational need based on cathodic testing and monitoring within the districts.

**What are the risks and consequences of not completing this project?**

Regulatory requirement, safety, customer satisfaction, growth, etc.

**Is this Project in Central Hudson's current approved rate case?**

Yes

Yes, has been in last several rate cases as well.

**Is this Project tied to a regulatory requirement?**

Yes

Yes, we must maintain cathodic protection on all steel systems.

**Does this Project result in cost avoidance, cost savings, or additional revenue for Central Hudson?**

Yes

Yes, reduces cost associated with emergent leak repair and/or leaks associated with corroded pipelines.

**Does this Project enhance Central Hudson's customer experience or service delivery?**

Yes

Yes, protects steel systems to reduce corrosion, thus leaks.

**Does this Project reduce risk, debt, or vulnerabilities (i.e. technology, cybersecurity, legal, infrastructure, etc.)?**

Yes

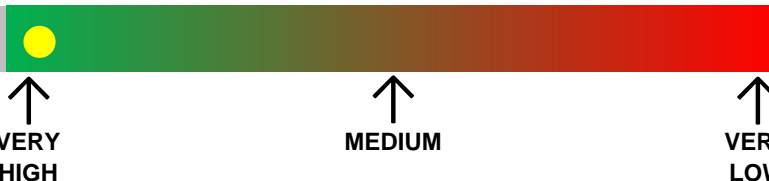
Reduces risk of corrosion leaks.

**Does this Project improve or enhance safety for Central Hudson employees, contractors or the public?**

Yes

Yes, improves safety by reducing leaks.

Prioritization Ranking\*



\* Prioritization Ranking is intended to be high level and is not intended to differentiate between projects with the same prioritization question responses.



## D. COST ESTIMATE

Capital Estimate Summary		Year 1 = 1st year of the 5-year budget plan		All future year cost estimates should include applicable adjustments for inflation.					
		TOTAL	Prior Years Actuals + Projections	Year 1 2025	Year 2 2026	Year 3 2027	Year 4 2028	Year 5 2029	Future Years
<b>\$2,024,000</b>									
A D D I T I O N S	Labor (Weekly Payroll)	0							
	Labor (Monthly Payroll)	95,000		18,000	19,000	19,000	19,000	20,000	
	Stock Materials	188,000		36,000	37,000	38,000	38,000	39,000	
	A/P Non-Stock Material	0							
	A/P Contractors & Other	1,601,000		308,000	315,000	320,000	326,000	332,000	
	Inflation	120,000		8,000	15,000	23,000	33,000	41,000	
	AFUDC*	20,000		2,000	4,000	4,000	4,000	6,000	
	Journal Vouchers (JVs)	0		---	---	---	---	---	---
	CIAC Payments CREDIT	0							
	Joint Utility Payments CREDIT	0							
<b>TOTAL ADDITIONS:</b>		<b>2,024,000</b>	<b>0</b>	<b>372,000</b>	<b>390,000</b>	<b>404,000</b>	<b>420,000</b>	<b>438,000</b>	<b>0</b>
R E M O V E M E N T S	Labor (Weekly Payroll)	0							
	Labor (Monthly Payroll)	0							
	A/P Non-Labor (dumpsters, etc.)	0							
	A/P Contractors	0							
	Overheads	0							
	Journal Vouchers (JVs)	0		---	---	---	---	---	---
	Salvage CREDIT	0							
	CIAC Payments CREDIT	0							
	Joint Utility Payments CREDIT	0							
<b>TOTAL REMOVALS:</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
* AFUDC may require adjustment after Finance Department review.									
<b>Expense \$ (if applicable):</b>		<b>0</b>							
<b>Current Approved Rate Case Funding (\$):</b>		n/a*	n/a*	n/a*	n/a*				

\* Not applicable for 2025-2029 budget process when rate case funding not yet confirmed.

**Budget Status:** Included in current PSC-approved budget plan under a PROGRAM

**Cost Estimate Level:** Conceptual

**Cost Estimate Confidence:** (that final cost will be within +/-30% of the estimate): High Confidence

*No further estimate range is required.*

**Cost Estimate Range:** Minimum (\$): 1,416,800 Maximum (\$): 2,631,200

**No explanation on confidence level required.**

← *Formulas give standard ranges per estimate level, but may be overwritten if desired.*

**Basis for estimate:** Historical Proforma Pricing

*(select all that apply)*

Is there documentation that shows how your conceptual or preliminary-level cost estimate was derived?

No

## E. ADDITIONAL INFORMATION

If there is any additional information that you would like to add that is not covered elsewhere in this form, you may add it here (optional):

Used historical spends and proforma pricing to extrapolate and calculate need for new budget estimates.

**Submission Date:** April 30, 2024

**First Year of 5-Year Budget Period:** 2025

**Business Sponsor:** E. Kiskiel

**Budget Category:** 25

**Prepared By:** J. Mead

**Budget Group:** Gas  
**Current Life-Cycle Phase:** 1 Planning

## A. GENERAL

**Project/Program Name:** Unidentified LPP Main Relocation

**Work Order #:**     -

**Funding Project Description:** DI-HIGHWAY RELO UNIDENT SPECIF

**Funding Project Number:** 2-2551-02-18

**Is this a Specific Project, Program or Blanket?** Program

**Target Schedule - Start:** 1/1/2024

**In-Service:** 12/31/2028

**Indicate and summarize any other work orders associated with the overall project, including those of other budget categories:**

This program addresses LPP main relocations due to municipal work, such as paving, municipal infrastructure work, or interference. This program takes advantage of reduced capital cost by leveraging relationships with the municipalities where they may be doing paving work (or the like), reducing restoration costs.

**Describe the project objective and scope of work:**

Individual project scopes are determined on an annual basis by working with the municipalities and determining where work (paving, beautification projects, road rebuilds, etc.) will be done.

**Describe specific scope exclusions, assumptions and constraints:**

This program is part of the LPP program and is required to meet a total LPP mileage reduction of 15 miles per year.

## B. ALTERNATIVES

**What other options were considered to the proposed project to meet the objective?**

N/A

**Why was the proposed project scope chosen over other alternatives?**

N/A

## C. JUSTIFICATION

**Load Based/Infrastructure:** Infrastructure  
**Discretion Level:** Non-Discretionary

**Growth/Sustaining/Retirement:** Distribution Sustaining  
**Investment Type:** Infrastructure  
**Is there an Innovation Component?** No

**Needs Assessment:** Infrastructure

**If need is Safety, Regulatory or Compliance have we considered options, validated the need and challenged the value?** N/A

**Describe the justification for this project. If helpful you may include planning studies or other pertinent documents as attachments.**

Leak Prone Pipe replacements are required as part of the Leak Prone Pipe elimination program, as per the 2021 rate order: "Effective in 2022, the Company will replace or eliminate, at a minimum, 15 miles of leak prone pipe per year and will incur an NRA of 15 BP's if mileage in any year is less than 15 miles."

**Describe any quantifiable benefits (such as monetary benefits/business case, operational cost savings, cost avoidance, etc.)**

Replacement of leak prone pipe through this program will reduce the likelihood of leaks on the gas system, increasing reliability overall.

*For the following strategic alignment questions, reference CHG&E's current Strategic Outlook document:*

[CLICK HERE](#)

**Which Strategic Theme does project most align with?**

Operational Excellence

**Which Strategic Objective does project most align with?**

Improve system performance and resilience

**Which Strategic Initiative does project most align with?**

DOES NOT ALIGN WITH ANY STRATEGIC INITIATIVE

**Which Team Goal does project most align with?**

PSC Gas Safety

**Technology Strategic Alignment (CATS-4220, 4222, 4230, 4235, 44):**

*Select all that apply*

**Have you taken into account potential environmental impacts that would need to be considered for cost and schedule estimates** Yes

*\* Environmental impacts must be taken into consideration to the extent that you are able considering current phase, maturity of scope and knowledge of field conditions.*

**Do you anticipate the project to require significant jurisdictional approvals? (select all that apply)**

Local municipality (1); No

### **ESG (Environmental, Social and Governance) and Sustainability:**

Complete the ESG Checklist on the separate worksheet (tab). Results of your answers will be automatically shown below:

**Checklist Fully Completed:** Yes      **Environmental Component:** Yes

**Social Component:** Yes

**Governance Component:** Yes

**Is complete Sustainability status achieved by this project?\*** Yes

*\* Sustainability status is achieved for the project if the ESG checklist shows that there is at least one component each for environmental, social and governance.*

**What is the relative urgency of this project?** Moderate *Recommend commencement within next 24-months.*

**Was this project included in a prior 5-year forecast?** Yes

**If No, why should this project be completed instead of a planned project?**

N/A

**Why do we need to complete this project in the period requested?**

To meet PSC compliance with regards to gas safety via the LPP program.

**What are the risks and consequences of not completing this project?**

Increases the likelihood of leaks on the system, and prompts the Company to receive a 15 BP NRA per year.

**Is this Project in Central Hudson's current approved rate case?**

Yes

Yes, it is in the approved rate case for the relocation of LPP associated with interference projects.

**Is this Project tied to a regulatory requirement?**

No

**Does this Project result in cost avoidance, cost savings, or additional revenue for Central Hudson?**

Yes

Yes, as this allows the municipality to continue their work while maintaining or improving safety of our infrastructure.

**Does this Project enhance Central Hudson's customer experience or service delivery?**

Yes

Yes, as this allows the municipality to continue their work while maintaining or improving safety of our infrastructure.

**Does this Project reduce risk, debt, or vulnerabilities (i.e. technology, cybersecurity, legal, infrastructure, etc.)?**

Yes

Yes, as this allows the municipality to continue their work while maintaining or improving safety of our infrastructure.

**Does this Project improve or enhance safety for Central Hudson employees, contractors or the public?**

Yes

Yes, as this allows the municipality to continue their work while maintaining or improving safety of our infrastructure.

**Prioritization Ranking\***

\* Prioritization Ranking is intended to be high level and is not intended to differentiate between projects with the same prioritization question responses.

↑  
VERY  
HIGH

↑  
MEDIUM

↑  
VERY  
LOW



## D. COST ESTIMATE

Capital Estimate Summary		Year 1 = 1st year of the 5-year budget plan		All future year cost estimates should include applicable adjustments for inflation.					
		TOTAL	Prior Years Actuals + Projections	Year 1 2025	Year 2 2026	Year 3 2027	Year 4 2028	Year 5 2029	Future Years
<b>\$29,394,000</b>									
ADDITIONS	Labor (Weekly Payroll)	1,842,000		317,000	345,000	373,000	403,000	404,000	
	Labor (Monthly Payroll)	1,316,000		226,000	246,000	267,000	288,000	289,000	
	Stock Materials	2,631,000		452,000	493,000	533,000	576,000	577,000	
	A/P Non-Stock Material	0							
	A/P Contractors & Other	20,524,000		3,529,000	3,843,000	4,161,000	4,489,000	4,502,000	
	Inflation	1,711,000		97,000	211,000	335,000	477,000	591,000	
	AFUDC*	299,000		31,000	56,000	55,000	64,000	93,000	
	Journal Vouchers (JVs)	0		---	---	---	---	---	---
	CIAC Payments CREDIT	0							
	Joint Utility Payments CREDIT	0							
<b>TOTAL ADDITIONS:</b>		<b>28,323,000</b>	<b>0</b>	<b>4,652,000</b>	<b>5,194,000</b>	<b>5,724,000</b>	<b>6,297,000</b>	<b>6,456,000</b>	<b>0</b>
REMOVALS	Labor (Weekly Payroll)	0							
	Labor (Monthly Payroll)	0							
	A/P Non-Labor (dumpsters, etc.)	0							
	A/P Contractors	1,071,000		181,000	197,000	213,000	249,000	231,000	
	Overheads	0							
	Journal Vouchers (JVs)	0		---	---	---	---	---	---
	Salvage CREDIT	0							
	CIAC Payments CREDIT	0							
	Joint Utility Payments CREDIT	0							
<b>TOTAL REMOVALS:</b>		<b>1,071,000</b>	<b>0</b>	<b>181,000</b>	<b>197,000</b>	<b>213,000</b>	<b>249,000</b>	<b>231,000</b>	<b>0</b>
* AFUDC may require adjustment after Finance Department review.									
<b>Expense \$ (if applicable):</b>		<b>0</b>							
<b>Current Approved Rate Case Funding (\$):</b>		n/a*	n/a*	n/a*	n/a*				

\* Not applicable for 2025-2029 budget process when rate case funding not yet confirmed.



**Budget Status:** Included in current PSC-approved budget plan under a PROGRAM

**Cost Estimate Level:** Preliminary

**Cost Estimate Confidence:** (that final cost will be within +/-20% of the estimate): High Confidence

*No further estimate range is required.*

**Cost Estimate Range:** Minimum (\$): 23,515,200 Maximum (\$): 35,272,800

**No explanation on confidence level required.**

← *Formulas give standard ranges  
per estimate level, but may be  
overwritten if desired.*

**Basis for estimate:** FOS-Generated Estimate; Historical Proforma Pricing

*(select all that apply)*

**Is there documentation that shows how your conceptual or preliminary-level cost estimate was derived?**

No

## E. ADDITIONAL INFORMATION

**If there is any additional information that you would like to add that is not covered elsewhere in this form, you may add it here (optional):**

Estimates are based on historical project actuals which are used to analyze proforma pricing every year and adjust accordingly. FOS estimates are not used, it cannot be deleted from the list above.

**Submission Date:** April 30, 2024

**First Year of 5-Year Budget Period:** 2025

**Business Sponsor:** E. Kiskiel

**Budget Category:** 25

**Prepared By:** J. Mead

**Budget Group:** Gas  
**Current Life-Cycle Phase:** 1 Planning

## A. GENERAL

**Project/Program Name:** Unidentified Leaking Mains

**Work Order #:**     -

**Funding Project Description:** DI-CAP LEAK REPAIR UNIDENT SPECIF

**Funding Project Number:** 2-2551-04-18

**Is this a Specific Project, Program or Blanket?** Program

**Target Schedule - Start:** 1/1/2024

**In-Service:** 12/31/2028

**Indicate and summarize any other work orders associated with the overall project, including those of other budget categories:**

This program will replace distribution main that has been identified as leaking, having water intrusion, or active corrosion, within each calendar year.

**Describe the project objective and scope of work:**

Individual project scopes are determined based on the emergent need, as found by either leak survey or gas operations.

**Describe specific scope exclusions, assumptions and constraints:**

This program is part of the LPP program and is required to contribute to the mileage target of 15 miles of LPP per year.

## B. ALTERNATIVES

**What other options were considered to the proposed project to meet the objective?**

N/A

**Why was the proposed project scope chosen over other alternatives?**

N/A

## C. JUSTIFICATION

**Load Based/Infrastructure:** Infrastructure  
**Discretion Level:** Maintain System Standards

**Growth/Sustaining/Retirement:** Distribution Sustaining  
**Investment Type:** Infrastructure  
**Is there an Innovation Component?** No

**Needs Assessment:** Infrastructure

If need is Safety, Regulatory or Compliance have we considered options, validated the need and challenged the value? N/A

**Describe the justification for this project.** If helpful you may include planning studies or other pertinent documents as attachments.

This work is emergent, and therefore cannot be planned and prioritized. This work is worked on an as needed basis.

**Describe any quantifiable benefits (such as monetary benefits/business case, operational cost savings, cost avoidance, etc.)**

Reduces inventory of leaking pipelines.

For the following strategic alignment questions, reference CHG&E's current Strategic Outlook document:

[CLICK HERE](#)

Which **Strategic Theme** does project most align with?

Operational Excellence

Which **Strategic Objective** does project most align with?

Improve system performance and resilience

Which **Strategic Initiative** does project most align with?

DOES NOT ALIGN WITH ANY STRATEGIC INITIATIVE

Which **Team Goal** does project most align with?

PSC Gas Safety

**Technology Strategic Alignment (CATS-4220, 4222, 4230, 4235, 44):**

Select all that apply

**Have you taken into account potential environmental impacts that would need to be considered for cost and schedule estimates?** N/A

\* Environmental impacts must be taken into consideration to the extent that you are able considering current phase, maturity of scope and knowledge of field conditions.

**Do you anticipate the project to require significant jurisdictional approvals?** (select all that apply)

No

### **ESG (Environmental, Social and Governance) and Sustainability:**

Complete the ESG Checklist on the separate worksheet (tab). Results of your answers will be automatically shown below:

**Checklist Fully Completed:** Yes **Environmental Component:** Yes

**Social Component:** Yes

**Governance Component:** Yes

**Is complete Sustainability status achieved by this project?\*** Yes

\* Sustainability status is achieved for the project if the ESG checklist shows that there is at least one component each for environmental, social and governance.

**What is the relative urgency of this project?** Immediate *Already in-progress or recommend commencement within next 12-months.*

**Was this project included in a prior 5-year forecast?** Yes

**If No, why should this project be completed instead of a planned project?**

N/A

**Why do we need to complete this project in the period requested?**

To meet PSC compliance with regards to gas safety and the LPP program.

**What are the risks and consequences of not completing this project?**

Leaking mains leading to an incident, and the Company incurring NRA BP's if LPP target is not met.

**Is this Project in Central Hudson's current approved rate case?**

Yes

Yes, has been in the last several rate cases as well.

**Is this Project tied to a regulatory requirement?**

Yes

Yes, CH must respond and fix leaks as necessary for safety.

**Does this Project result in cost avoidance, cost savings, or additional revenue for Central Hudson?**

Yes

This allows for the replacement of mains for leak repairs, which avoids cost associated with events associated with leaks.

**Does this Project enhance Central Hudson's customer experience or service delivery?**

Yes

Yes, reduces risk via main replacement for leaks.

**Does this Project reduce risk, debt, or vulnerabilities (i.e. technology, cybersecurity, legal, infrastructure, etc.)?**

Yes

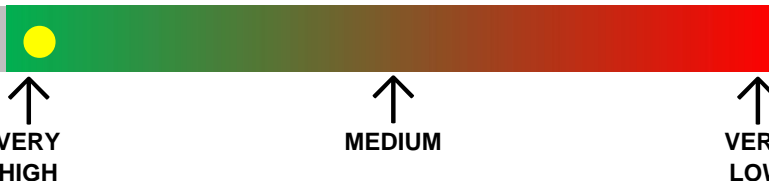
Yes, reduces risk via main replacement for leaks.

**Does this Project improve or enhance safety for Central Hudson employees, contractors or the public?**

Yes

Yes, improves safety by reducing leaks.

Prioritization Ranking\*



\* Prioritization Ranking is intended to be high level and is not intended to differentiate between projects with the same prioritization question responses.

## D. COST ESTIMATE

Capital Estimate Summary		Year 1 = 1st year of the 5-year budget plan		All future year cost estimates should include applicable adjustments for inflation.					
		TOTAL	Prior Years Actuals + Projections	Year 1 2025	Year 2 2026	Year 3 2027	Year 4 2028	Year 5 2029	Future Years
<b>\$5,223,000</b>									
ADDITIONS	Labor (Weekly Payroll)	328,000		63,000	65,000	66,000	67,000	67,000	
	Labor (Monthly Payroll)	234,000		45,000	46,000	47,000	48,000	48,000	
	Stock Materials	469,000		91,000	92,000	94,000	96,000	96,000	
	A/P Non-Stock Material	0							
	A/P Contractors & Other	3,657,000		706,000	721,000	734,000	748,000	748,000	
	Inflation	296,000		19,000	40,000	59,000	79,000	99,000	
	AFUDC*	52,000		6,000	10,000	10,000	11,000	15,000	
	Journal Vouchers (JVs)	0		---	---	---	---	---	---
	CIAC Payments CREDIT	0							
	Joint Utility Payments CREDIT	0							
<b>TOTAL ADDITIONS:</b>		<b>5,036,000</b>	<b>0</b>	<b>930,000</b>	<b>974,000</b>	<b>1,010,000</b>	<b>1,049,000</b>	<b>1,073,000</b>	<b>0</b>
REMOVALS	Labor (Weekly Payroll)	0							
	Labor (Monthly Payroll)	0							
	A/P Non-Labor (dumpsters, etc.)	0							
	A/P Contractors	187,000		36,000	37,000	38,000	38,000	38,000	
	Overheads	0							
	Journal Vouchers (JVs)	0		---	---	---	---	---	---
	Salvage CREDIT	0							
	CIAC Payments CREDIT	0							
	Joint Utility Payments CREDIT	0							
<b>TOTAL REMOVALS:</b>		<b>187,000</b>	<b>0</b>	<b>36,000</b>	<b>37,000</b>	<b>38,000</b>	<b>38,000</b>	<b>38,000</b>	<b>0</b>
* AFUDC may require adjustment after Finance Department review.									
<b>Expense \$ (if applicable):</b>		<b>0</b>							
<b>Current Approved Rate Case Funding (\$):</b>		n/a*	n/a*	n/a*	n/a*				

\* Not applicable for 2025-2029 budget process when rate case funding not yet confirmed.

**Budget Status:** Included in current PSC-approved budget plan under a PROGRAM

**Cost Estimate Level:** Preliminary

**Cost Estimate Confidence:** (that final cost will be within +/-20% of the estimate): High Confidence

*No further estimate range is required.*

**Cost Estimate Range:** Minimum (\$): 4,178,400 Maximum (\$): 6,267,600

**No explanation on confidence level required.**

← *Formulas give standard ranges per estimate level, but may be overwritten if desired.*

**Basis for estimate:** Historical Unit Pricing

*(select all that apply)*

**Is there documentation that shows how your conceptual or preliminary-level cost estimate was derived?**

No

## E. ADDITIONAL INFORMATION

**If there is any additional information that you would like to add that is not covered elsewhere in this form, you may add it here (optional):**

Historical project quantities and actual spends are extrapolated to determine future budget need.





**Budget Group:** Gas  
**Current Life-Cycle Phase:** 0 Identified; Not Started

## C. JUSTIFICATION

**Load Based/Infrastructure:** Infrastructure  
**Discretion Level:** Non-Discretionary

**Growth/Sustaining/Retirement:** Distribution Sustaining  
**Investment Type:** Compliance  
**Is there an Innovation Component?** No

**Needs Assessment:** Compliance

**If need is Safety, Regulatory or Compliance have we considered options, validated the need and challenged the value?** Yes

**Describe the justification for this project. If helpful you may include planning studies or other pertinent documents as attachments.**

Leak prone main replacements are required as part of the Leak Prone Pipe elimination program, as per the 2021 Rate Order: "Effective in 2022, the company will replace or eliminate, at a minimum, 15 miles of leak prone pipe per year and will incur an NRA of 15 BP's if mileage achieved in any year is less than 15 miles."

**Describe any quantifiable benefits (such as monetary benefits/business case, operational cost savings, cost avoidance, etc.)**

Replacement of leak prone pipe through this program will reduce the leaks on the gas system, reduce emissions, extend the life of the assets, and provide increased reliability to the customer base.

*For the following strategic alignment questions, reference CHG&E's current Strategic Outlook document:*

[CLICK HERE](#)

**Which Strategic Theme does project most align with?**

Operational Excellence

**Which Strategic Objective does project most align with?**

Improve system performance and resilience

**Which Strategic Initiative does project most align with?**

DOES NOT ALIGN WITH ANY STRATEGIC INITIATIVE

**Which Team Goal does project most align with?**

PSC Gas Safety

**Technology Strategic Alignment (CATS-4220, 4222, 4230, 4235, 44):**

*Select all that apply*

**Have you taken into account potential environmental impacts that would need to be considered for cost and schedule estimates?** N/A

*\* Environmental impacts must be taken into consideration to the extent that you are able considering current phase, maturity of scope and knowledge of field conditions.*

**Do you anticipate the project to require significant jurisdictional approvals? (select all that apply)**

No

### **ESG (Environmental, Social and Governance) and Sustainability:**

Complete the ESG Checklist on the separate worksheet (tab). Results of your answers will be automatically shown below:

**Checklist Fully Completed:** Yes      **Environmental Component:** Yes

**Social Component:** Yes

**Governance Component:** Yes

**Is complete Sustainability status achieved by this project?\*** Yes

*\* Sustainability status is achieved for the project if the ESG checklist shows that there is at least one component each for environmental, social and governance.*

**What is the relative urgency of this project?** Moderate *Recommend commencement within next 24-months.*

**Was this project included in a prior 5-year forecast?** Yes

**If No, why should this project be completed instead of a planned project?**

N/A

**Why do we need to complete this project in the period requested?**

To meet PSC compliance with regards to the leak prone pipe elimination program and gas safety.

**What are the risks and consequences of not completing this project?**

If the minimum mileage of 15 miles of replacement is not achieved every year, the company incurs 15 BP NRA.

**Is this Project in Central Hudson's current approved rate case?**

Yes

Yes, as it is required to replace 15 miles of LPP per year.

**Is this Project tied to a regulatory requirement?**

Yes

Yes, as it is required to replace 15 miles of LPP per year.

**Does this Project result in cost avoidance, cost savings, or additional revenue for Central Hudson?**

Yes

Yes, this avoids costs associated with leaks on leak prone main such as unprotected steel, wrought iron, cast iron, etc.

**Does this Project enhance Central Hudson's customer experience or service delivery?**

Yes

Yes, as it reduces risk and improves reliability.

**Does this Project reduce risk, debt, or vulnerabilities (i.e. technology, cybersecurity, legal, infrastructure, etc.)?**

Yes

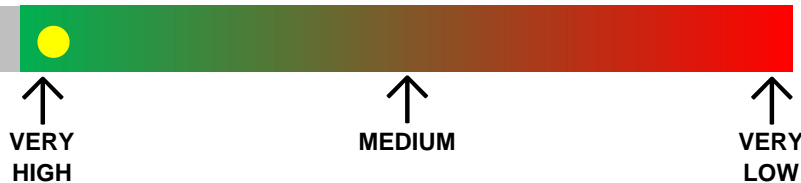
Yes, reduces risk of leaks on LPP.

**Does this Project improve or enhance safety for Central Hudson employees, contractors or the public?**

Yes

Yes, as it reduces risk and improves reliability.

**Prioritization Ranking\***



\* Prioritization Ranking is intended to be high level and is not intended to differentiate between projects with the same prioritization question responses.

## D. COST ESTIMATE

Capital Estimate Summary		Year 1 = 1st year of the 5-year budget plan		All future year cost estimates should include applicable adjustments for inflation.					
		TOTAL	Prior Years Actuals + Projections	Year 1 2025	Year 2 2026	Year 3 2027	Year 4 2028	Year 5 2029	Future Years
<b>\$102,344,000</b>									
ADDITIONS	Labor (Weekly Payroll)	6,506,000		1,567,000	1,800,000	1,569,000	1,570,000		
	Labor (Monthly Payroll)	4,645,000		1,119,000	1,286,000	1,121,000	1,119,000		
	Stock Materials	9,288,000		2,238,000	2,571,000	2,242,000	2,237,000		
	A/P Non-Stock Material	0							
	A/P Contractors & Other	72,444,000		17,457,000	20,054,000	17,488,000	17,445,000		
	Inflation	4,839,000		479,000	1,102,000	1,405,000	1,853,000		
	AFUDC*	907,000		148,000	279,000	231,000	249,000		
	Journal Vouchers (JVs)	0		---	---	---	---	---	---
	CIAC Payments CREDIT	0							
	Joint Utility Payments CREDIT	0							
<b>TOTAL ADDITIONS:</b>		<b>98,629,000</b>	<b>0</b>	<b>23,008,000</b>	<b>27,092,000</b>	<b>24,056,000</b>	<b>24,473,000</b>	<b>0</b>	<b>0</b>
REMOVALS	Labor (Weekly Payroll)	0							
	Labor (Monthly Payroll)	0							
	A/P Non-Labor (dumpsters, etc.)	0							
	A/P Contractors	3,715,000		895,000	1,028,000	897,000	895,000		
	Overheads	0							
	Journal Vouchers (JVs)	0		---	---	---	---	---	---
	Salvage CREDIT	0							
	CIAC Payments CREDIT	0							
	Joint Utility Payments CREDIT	0							
<b>TOTAL REMOVALS:</b>		<b>3,715,000</b>	<b>0</b>	<b>895,000</b>	<b>1,028,000</b>	<b>897,000</b>	<b>895,000</b>	<b>0</b>	<b>0</b>
* AFUDC may require adjustment after Finance Department review.									
<b>Expense \$ (if applicable):</b>		<b>0</b>							
<b>Current Approved Rate Case Funding (\$):</b>		n/a*	n/a*	n/a*	n/a*				

\* Not applicable for 2025-2029 budget process when rate case funding not yet confirmed.

**Budget Status:** Included in current PSC-approved budget plan under a PROGRAM

**Cost Estimate Level:** Preliminary

**Cost Estimate Confidence:** (that final cost will be within +/-20% of the estimate): High Confidence

No further estimate range is required.

**Cost Estimate Range:** Minimum (\$): 81,875,200 Maximum (\$): 122,812,800

No explanation on confidence level required.

← Formulas give standard ranges per estimate level, but may be overwritten if desired.

**Basis for estimate:** Historical Unit Pricing

(select all that apply)

Is there documentation that shows how your conceptual or preliminary-level cost estimate was derived?

No

## E. ADDITIONAL INFORMATION

If there is any additional information that you would like to add that is not covered elsewhere in this form, you may add it here (optional):

Budget estimates are based on yearly average install cost and applied to each project specifically. Variance to the average yearly costs are subject to change based on individual projects scope, contractor pricing, and material costs. Overhear and AFUDC are based on 2023 actuals.

This budget submittal form also includes all service service work that would be associated with leak prone pipe replacement under funding project 2-251L-01.



**Submission Date:** April 30, 2024

**First Year of 5-Year Budget Period:** **2025**

**Business Sponsor:** E. Kiszkiel

**Budget Category:** \_25

**Prepared By:** J. Mead

**Budget Group:** Gas  
**Current Life-Cycle Phase:** 1 Planning

## A. GENERAL

**Project/Program Name:** Highland Falls Reliability Improvement Project

Work Order #: -

**Funding Project Description:** Cat 25 - Highland Falls Reliability Improvement Project

**Funding Project Number:** 10360

**Target Schedule - Start:** 1/1/2028      **In-Service:** 12/1/2029

**Is this a Specific Project, Program or Blanket?** Specific

**Indicate and summarize any other work orders associated with the overall project, including those of other budget categories:**

**Describe the project objective and scope of work:**

The village of Highland Falls currently receives natural gas from the 60 PSIG WP line at the Homestead Avenue regulator station via a connection through West Point Military Academy (West Point). The 60 PSIG gas pipeline within the federal owned property is owned and operated by West Point. This limits Central Hudson's ability to mitigate outage risk and reliability to the Village of Highland Falls gas system. The purpose of this project is to provide an alternate source supplying Highland Falls if the West Point system goes offline and/or is locked down. The goal is to mitigate the impact of a catastrophic event with the ability to address outages that could arise from the supply controlled by West Point.

**Describe specific scope exclusions, assumptions and constraints:**

Install a new 120 PSIG 6" plastic gas distribution line which reroutes from the north beginning at Crows Nest regulator station extending around West Point campus to serve Highland Falls. This alternative would largely follow NYS road/highway taking on federal land, such as Route 218 and/or portions of Route 9W.

## B. ALTERNATIVES

**What other options were considered to the proposed project to meet the objective?**

Please see the link to the alternative analysis.

<https://centralhudson.sharepoint.com/w:/r/sites/EngPMO/Construction%20%20Rebuild%20Projects/Active/West%20Point/West%20Point%20and%20Highland%20Falls%20Gas%20Reinforcement%20Alternatives%20Analysis.doc?d=w4bd311d592794e4cb34c2d3a4bbb6908&csf=1&web=1&e=pGiuZ>

### Why was the proposed project scope chosen over other alternatives?

Please see the link to the alternative analysis.



<https://centralhudson.sharepoint.com/:w:/r/sites/EngPMO/Construction%20%20Rebuild%20Projects/Active/West%20Point/West%20Point%20and%20Highland%20Falls%20Gas%20Reinforcement%20Alternatives%20Analysis.doc?d=w>

## C. JUSTIFICATION

**Load Based/Infrastructure:** Infrastructure  
**Discretion Level:** Maintain System Standards

**Growth/Sustaining/Retirement:** Distribution Sustaining  
**Investment Type:** Infrastructure  
**Is there an Innovation Component?** No

**Needs Assessment:** Infrastructure

If need is Safety, Regulatory or Compliance have we considered options, validated the need and challenged the value? Yes

**Describe the justification for this project.** If helpful you may include planning studies or other pertinent documents as attachments.

Please see attached alternative analysis.

<https://centralhudson.sharepoint.com/:w:/r/sites/EngPMO/Construction%20%20Rebuild%20Projects/Active/West%20Point/West%20Point%20and%20Highland%20Falls%20Gas%20Reinforcement%20Alternatives%20Analysis.doc?d=w4bd311d592794e4cb34c2d3a4bbb6908&csf=1&web=1&e=pGiuZ>

**Describe any quantifiable benefits (such as monetary benefits/business case, operational cost savings, cost avoidance, etc.)**

Please see attached alternative analysis.

<https://centralhudson.sharepoint.com/:w:/r/sites/EngPMO/Construction%20%20Rebuild%20Projects/Active/West%20Point/West%20Point%20and%20Highland%20Falls%20Gas%20Reinforcement%20Alternatives%20Analysis.doc?d=w4bd311d592794e4cb34c2d3a4bbb6908&csf=1&web=1&e=pGiuZ>

For the following strategic alignment questions, reference CHG&E's current Strategic Outlook document: [CLICK HERE](#)

Which **Strategic Theme** does project most align with? Business Modernization  
 Which **Strategic Objective** does project most align with? Improve system performance and resilience  
 Which **Strategic Initiative** does project most align with? Seamless Customer Experience  
 Which **Team Goal** does project most align with? PSC Gas Safety

**Technology Strategic Alignment (CATS-4220, 4222, 4230, 4235, 44):**

Select all that apply

**Have you taken into account potential environmental impacts that would need to be considered for cost and schedule estimates?** Yes

\* Environmental impacts must be taken into consideration to the extent that you are able considering current phase, maturity of scope and knowledge of field conditions.

**Do you anticipate the project to require significant jurisdictional approvals?** (select all that apply)

Miscellaneous (wetlands; highway; SWPPP)

### ESG (Environmental, Social and Governance) and Sustainability:

Complete the ESG Checklist on the separate worksheet (tab). Results of your answers will be automatically shown below:

**Checklist Fully Completed:** Yes  
**Environmental Component:** Yes  
**Social Component:** Yes  
**Governance Component:** Yes

**Is complete Sustainability status achieved by this project?** Yes

\* Sustainability status is achieved for the project if the ESG checklist shows that there is at least one component each for environmental, social and governance.

**What is the relative urgency of this project?** Low

*Other projects with higher relative urgency should take precedence over this project.*

**Was this project included in a prior 5-year forecast?**

Yes

**If No, why should this project be completed instead of a planned project?**

N/A

**Why do we need to complete this project in the period requested?**

Please see the link to the alternative analysis.

<https://centralhudson.sharepoint.com/:w:/r/sites/EngPMO/Construction%20%20Rebuild%20Projects/Active/West%20Point/West%20Point%20and%20Highland%20Falls%20Gas%20Reinforcement%20Alternatives%20Analysis.doc?d=w4bd311d592794e4cb34c2d3a4bbb6908&csf=1&web=1&e=pGiuZ>

**What are the risks and consequences of not completing this project?**

Please see the link to the alternative analysis.

<https://centralhudson.sharepoint.com/:w:/r/sites/EngPMO/Construction%20%20Rebuild%20Projects/Active/West%20Point/West%20Point%20and%20Highland%20Falls%20Gas%20Reinforcement%20Alternatives%20Analysis.doc?d=w>

**Is this Project in Central Hudson's current approved rate case?**

Yes

Yes, this budget was approved with the last rate case.

**Is this Project tied to a regulatory requirement?**

No

**Does this Project result in cost avoidance, cost savings, or additional revenue for Central Hudson?**

Yes

Yes, this avoids costs with losing all of the Highland Falls gas system if unable to feed gas through the West Point site.

**Does this Project enhance Central Hudson's customer experience or service delivery?**

Yes

Yes, improves reliability and resiliency of system downstream of the West Point system (Highland Falls).

**Does this Project reduce risk, debt, or vulnerabilities (i.e. technology, cybersecurity, legal, infrastructure, etc.)?**

Yes

Yes, ensures that there will be multiple feed to Highland Falls in the event that it cannot be fed through West Point.

**Does this Project improve or enhance safety for Central Hudson employees, contractors or the public?**

Yes

Yes, provides increased reliability and safety by building redundancy, avoiding a complete system outage in Highland Falls.

**Prioritization Ranking\***

\* Prioritization Ranking is intended to be high level and is not intended to differentiate between projects with the same prioritization question responses.

↑  
VERY  
HIGH

↑  
MEDIUM

↑  
VERY  
LOW

## D. COST ESTIMATE

Capital Estimate Summary		Year 1 = 1st year of the 5-year budget plan		All future year cost estimates should include applicable adjustments for inflation.					
		TOTAL	Prior Years Actuals + Projections	Year 1 2025	Year 2 2026	Year 3 2027	Year 4 2028	Year 5 2029	Future Years
<b>\$13,363,000</b>									
A D D I T I O N S	Labor (Weekly Payroll)	0							
	Labor (Monthly Payroll)	0							
	Stock Materials	1,149,000					254,000	895,000	
	A/P Non-Stock Material	0							
	A/P Contractors & Other	10,340,000					2,282,000	8,058,000	
	Inflation	1,127,000					211,000	916,000	
	AFUDC*	172,000					28,000	144,000	
	Journal Vouchers (JVs)	0		---	---	---	---	---	---
	CIAC Payments CREDIT	0							
	Joint Utility Payments CREDIT	0							
<b>TOTAL ADDITIONS:</b>		<b>12,788,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,775,000</b>	<b>10,013,000</b>	<b>0</b>
R E M O V E M E N T S	Labor (Weekly Payroll)	0							
	Labor (Monthly Payroll)	0							
	A/P Non-Labor (dumpsters, etc.)	0							
	A/P Contractors	575,000					127,000	448,000	
	Overheads	0							
	Journal Vouchers (JVs)	0		---	---	---	---	---	---
	Salvage CREDIT	0							
	CIAC Payments CREDIT	0							
	Joint Utility Payments CREDIT	0							
	<b>TOTAL REMOVALS:</b>		<b>575,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>127,000</b>	<b>448,000</b>
* AFUDC may require adjustment after Finance Department review.									
<b>Expense \$ (if applicable):</b>		<b>0</b>							
<b>Current Approved Rate Case Funding (\$):</b>		n/a*	n/a*	n/a*	n/a*				

\* Not applicable for 2025-2029 budget process when  
rate case funding not yet confirmed.

**Budget Status:** Not included in current PSC-approved budget plan

**Cost Estimate Level:** Conceptual

**Cost Estimate Confidence:** (that final cost will be within +/-30% of the estimate): High Confidence

No further estimate range is required.

**Cost Estimate Range:** Minimum (\$): 9,354,100 Maximum (\$): 17,371,900

No explanation on confidence level required.

← Formulas give standard ranges per estimate level, but may be overwritten if desired.

**Basis for estimate:** Historical Data + Job Specific Adjustments

(select all that apply)

Is there documentation that shows how your conceptual or preliminary-level cost estimate was derived?

Yes

## E. ADDITIONAL INFORMATION

If there is any additional information that you would like to add that is not covered elsewhere in this form, you may add it here (optional):

Please see the alternative analysis link attached.

<https://centralhudson.sharepoint.com/:w:/r/sites/EngPMO/Construction%20%20Rebuild%20Projects/Active/West%20Point/West%20Point%20and%20Highland%20Falls%20Gas%20Reinforcement%20Alternatives%20Analysis.doc?d=w4bd311d592794e4cb34c2d3a4bbb6908&csf=1&web=1&e=pGiuZb>

**Submission Date:** April 30, 2024

**First Year of 5-Year Budget Period:** 2025

**Business Sponsor:** E. Kiskiel

**Budget Category:** 25

**Prepared By:** J. Mead

**Budget Group:** Gas  
**Current Life-Cycle Phase:** 1 Planning

## A. GENERAL

**Project/Program Name:** Large Diameter Pre-1930 Steel Replacement Program

**Work Order #:**     -

**Funding Project Description:** DI-IDENTIFIED RELO CI/STEEL REMOVAL

**Funding Project Number:** 2-2581-00-18

**Is this a Specific Project, Program or Blanket?** Program

**Target Schedule - Start:** 1/1/2024

**In-Service:** 12/31/2027

**Indicate and summarize any other work orders associated with the overall project, including those of other budget categories:**

Detailed project descriptions, schedule, and project costs are found below.

### Describe the project objective and scope of work:

Central Hudson has an inventory of approximately 5 miles of large diameter (8"+) steel pipe operating at 60 PSIG that is located in or near high consequence areas and which was joined using gas welding. Welds of this vintage and type are susceptible to circumferential cracks as identified through DIMP. This replacement program has been established to replace this pipe and remove that threat.

### Describe specific scope exclusions, assumptions and constraints:

Constraints for large diameter steel pipe replacements are usually constrained by the paving scopes of the municipality/state.

## B. ALTERNATIVES

### What other options were considered to the proposed project to meet the objective?

There are no other options for this as the PN line is needed to support multiple downstream systems.

### Why was the proposed project scope chosen over other alternatives?

N/A

## C. JUSTIFICATION

**Load Based/Infrastructure:** Infrastructure  
**Discretion Level:** Non-Discretionary

**Growth/Sustaining/Retirement:** Distribution Sustaining  
**Investment Type:** Compliance  
**Is there an Innovation Component?** No

**Needs Assessment:** Infrastructure

If need is Safety, Regulatory or Compliance have we considered options, validated the need and challenged the value? Yes

**Describe the justification for this project.** If helpful you may include planning studies or other pertinent documents as attachments.

Due to the need for this line, and the many downstream systems it feeds, replacement is required to sustain the system while removing the threat from brittle gas welds. Replacement will also help increase capacity of the already strained system because it is near capacity.

**Describe any quantifiable benefits (such as monetary benefits/business case, operational cost savings, cost avoidance, etc.)**

Removing the threats from the system increases safety while also increasing capacity (replacing 8" steel with 12" plastic).

For the following strategic alignment questions, reference CHG&E's current Strategic Outlook document:

[CLICK HERE](#)

Which **Strategic Theme** does project most align with?

Operational Excellence

Which **Strategic Objective** does project most align with?

Improve system performance and resilience

Which **Strategic Initiative** does project most align with?

DOES NOT ALIGN WITH ANY STRATEGIC INITIATIVE

Which **Team Goal** does project most align with?

PSC Gas Safety

**Technology Strategic Alignment (CATS-4220, 4222, 4230, 4235, 44):**

Select all that apply

**Have you taken into account potential environmental impacts that would need to be considered for cost and schedule estimates** Yes

\* Environmental impacts must be taken into consideration to the extent that you are able considering current phase, maturity of scope and knowledge of field conditions.

**Do you anticipate the project to require significant jurisdictional approvals?** (select all that apply)

Local municipalities (>1)

### **ESG (Environmental, Social and Governance) and Sustainability:**

Complete the ESG Checklist on the separate worksheet (tab). Results of your answers will be automatically shown below:

**Checklist Fully Completed:** Yes **Environmental Component:** Yes

**Social Component:** Yes

**Governance Component:** Yes

**Is complete Sustainability status achieved by this project?\*** Yes

\* Sustainability status is achieved for the project if the ESG checklist shows that there is at least one component each for environmental, social and governance.



**What is the relative urgency of this project?** Moderate *Recommend commencement within next 24-months.*

**Was this project included in a prior 5-year forecast?** Yes

**If No, why should this project be completed instead of a planned project?**

N/A

**Why do we need to complete this project in the period requested?**

Completing these replacements in line with the LPP program will mitigate the risk of circumferential cracks due to gas welds and will help increase system reliability and capacity.

**What are the risks and consequences of not completing this project?**

The risk of the pipeline cracking and leading to an event (e.g. Marple Road).

*For the following Prioritization questions, please provide a brief explanation supporting any "Yes" responses.*

**Is this Project in Central Hudson's current approved rate case?** Yes

Yes, is in the approved rate case for the mitigation of risk due to large diameter gas welds on pipelines prior to 1940.

**Is this Project tied to a regulatory requirement?** Yes

Yes, as this mitigates risk as indicated from the DIMP program.

**Does this Project result in cost avoidance, cost savings, or additional revenue for Central Hudson?** Yes

Yes, avoids costs associated with events stemming from large diameter circumferentially welded joints that crack and leak.

**Does this Project enhance Central Hudson's customer experience or service delivery?** Yes

Yes, by reducing risk.

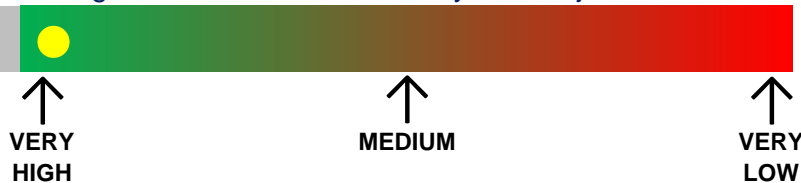
**Does this Project reduce risk, debt, or vulnerabilities (i.e. technology, cybersecurity, legal, infrastructure, etc.)?** Yes

Reduces risk by eliminating via replacement all of the pre-1940's large diameter circumferentially welded joints.

**Does this Project improve or enhance safety for Central Hudson employees, contractors or the public?** Yes

Reduces risk by eliminating via replacement all of the pre-1940's large diameter circumferentially welded joints.

**Prioritization Ranking\***



\* Prioritization Ranking is intended to be high level and is not intended to differentiate between projects with the same prioritization question responses.

## D. COST ESTIMATE

Capital Estimate Summary		Year 1 = 1st year of the 5-year budget plan		All future year cost estimates should include applicable adjustments for inflation.					
\$16,147,000		TOTAL	Prior Years Actuals + Projections	Year 1 2025	Year 2 2026	Year 3 2027	Year 4 2028	Year 5 2029	Future Years
A D D I T I O N S	Labor (Weekly Payroll)	1,020,000		252,000	226,000	240,000	161,000	141,000	
	Labor (Monthly Payroll)	729,000		180,000	161,000	172,000	115,000	101,000	
	Stock Materials	1,459,000		361,000	323,000	343,000	230,000	202,000	
	A/P Non-Stock Material	0							
	A/P Contractors & Other	11,373,000		2,812,000	2,516,000	2,675,000	1,798,000	1,572,000	
	Inflation	828,000		77,000	138,000	215,000	191,000	207,000	
	AFUDC*	155,000		25,000	37,000	35,000	26,000	32,000	
	Journal Vouchers (JVs)	0		---	---	---	---	---	---
	CIAC Payments CREDIT	0							
	Joint Utility Payments CREDIT	0							
<b>TOTAL ADDITIONS:</b>		<b>15,564,000</b>	<b>0</b>	<b>3,707,000</b>	<b>3,401,000</b>	<b>3,680,000</b>	<b>2,521,000</b>	<b>2,255,000</b>	<b>0</b>
R E M O V E M E N T S	Labor (Weekly Payroll)	0							
	Labor (Monthly Payroll)	0							
	A/P Non-Labor (dumpsters, etc.)	0							
	A/P Contractors	583,000		144,000	129,000	137,000	92,000	81,000	
	Overheads	0							
	Journal Vouchers (JVs)	0		---	---	---	---	---	---
	Salvage CREDIT	0							
	CIAC Payments CREDIT	0							
	Joint Utility Payments CREDIT	0							
<b>TOTAL REMOVALS:</b>		<b>583,000</b>	<b>0</b>	<b>144,000</b>	<b>129,000</b>	<b>137,000</b>	<b>92,000</b>	<b>81,000</b>	<b>0</b>
* AFUDC may require adjustment after Finance Department review.									
<b>Expense \$ (if applicable):</b>		<b>0</b>							
<b>Current Approved Rate Case Funding (\$):</b>		n/a*	n/a*	n/a*	n/a*				

\* Not applicable for 2025-2029 budget process when rate case funding not yet confirmed.

**Budget Status:** Included in current PSC-approved budget plan under a PROGRAM

**Cost Estimate Level:** Conceptual

**Cost Estimate Confidence:** (that final cost will be within +/-30% of the estimate): High Confidence

*No further estimate range is required.*

**Cost Estimate Range:** Minimum (\$): 11,302,900 Maximum (\$): 20,991,100

**No explanation on confidence level required.**

← *Formulas give standard ranges per estimate level, but may be overwritten if desired.*

**Basis for estimate:** Historical Unit Pricing

*(select all that apply)*

**Is there documentation that shows how your conceptual or preliminary-level cost estimate was derived?**

No

## E. ADDITIONAL INFORMATION

**If there is any additional information that you would like to add that is not covered elsewhere in this form, you may add it here (optional):**

Historic unit pricing. Project estimates are based on yearly average install rates derived from historical project actual spends. Variance to the average yearly costs are subject to change based on individual project scopes. Overhead and AFUDC percentages are based on 2022 actuals.

# Memo

## Central Hudson Gas & Electric

To: Joseph Koberger  
From: Jason Mead  
CC: Brianna Peak, Eric Kiszkiel  
Date: 4/15/2024  
Re: Large Diameter Gas Welded Pipe – Funding Project 2-2581-00-18

---

The purpose of this memo is to document the identification of certain Central Hudson natural gas facilities associated with higher risks and to continue a planned replacement program for them. These higher risks are due to weld failures on large diameter pre-1940's gas welded pipe.

In 2013, Central Hudson's DIMP committee identified, evaluated, and reviewed threats to its natural gas distribution system during its annual review session. Among those threats identified was pre-1940's large diameter oxyacetylene welded gas pipe. This threat consists of large diameter (6" and larger) steel gas main installed prior to 1940 and joined with welding.

This threat was identified after Central Hudson experienced two incidents within a ten-year timeframe. Both incidents occurred on assets that were installed prior to 1940, where steel pipe had been joined via oxyacetylene welding; a common method of joining at the time. In both instances, the gas mains had experienced circumferential cracking at the welds. Due to this, the DIMP committee had classified this as a weld failure, and subsequently ranked the threat, assigned relative risk weightings to be incorporated into the Main Replacement Prioritization (MRP) program, and put forth recommendations for closer observation, tracking, and potential mitigation. Please see the original threat analysis "Threat Analysis- oxy weld 7-24-2013" for more details.

In 2014, after incorporating additional weightings into MRP, it was decided to opportunistically incorporate the replacement of these assets via the Leak Prone Pipe Replacement (LPP) program. At that time, the initial inventory of these assets was approximately 227,000 feet (43 miles). To date, the inventory has been reduced to approximately 153,000 feet (29 miles). Due to the varying cathodic protection status of these assets (this inventory is comprised of both protected and unprotected mains) they are incorporated into replacement projects as budget and resources allow. The table below shows a 5-year history of replacements and associated spends with the proposed replacements through 2028.

	Starting Inventory (ft)	Inventory Reduction (ft)	Actual Spend (\$)***	Projected Spend (\$)
<b>2018</b>	212,583	10,551	\$11,102,876.91	
<b>2019</b>	202,033	7,185	\$7,216,673.92	
<b>2020</b>	194,847	8,394	\$10,351,534.55	
<b>2021</b>	186,453	5,907	\$3,272,891.73	
<b>2022</b>	180,546	12,184	\$8,207,556.45	
<b>2023</b>	168,362	14,910	\$3,845,568.97	
<b>2024</b>	153,452	5,910		\$3,043,000.00
<b>2025</b>		4,232*		\$3,577,000.00
<b>2026</b>		5,875*		\$3,249,000.00
<b>2027</b>		2,900*		\$1,700,000.00
<b>2028</b>		2,975*		\$1,741,000.00
<b>2029</b>		8,372*		\$4,320,000.00

\* Proposed reduction, actual may be higher due to overlap with Leak Prone Pipe Inventories, see note below.

\*\*\*There are significant overlaps between the Large Diameter Gas Welded pipe inventories and the Leak Prone Pipe inventories. Because of this, cost tracking is difficult. The Actual Spends shown above represent only projects that have most, if not all their inventory, consisting of non-leak prone Large Diameter Gas Welded pipe. It may not be inclusive of all projects that may have had some smaller portions of Large Diameter Gas Welded pipe. The inventory numbers represent actual footage reductions that may not tie directly to Actual Spend.

In order to maintain a safe and reliable gas system, Central Hudson will continue to track, monitor, and evaluate this threat along with the continual replacement of these assets until program completion. Estimated timeframe for this, based on an average replacement of 10,000 feet a year, is projected to be 2037. In doing so it is expected that Central Hudson will mitigate this risk and proactively avoid unwanted incidents by removing these riskier portions of the system to provide safe and reliable service to its customers.

-Jason Mead

Section Engineer, Gas Standards & Integrity Management

**Submission Date:** June 1, 2024

**First Year of 5-Year Budget Period:** 2025

**Business Sponsor:** E. Kiskiel

**Budget Category:** 25

**Prepared By:** J. Mead

**Budget Group:** Gas  
**Current Life-Cycle Phase:** 1 Planning

## A. GENERAL

**Project/Program Name:** Compression Coupling Neighborhood Replacements

**Work Order #:**      -

**Funding Project Description:** Funding Project Not Yet Assigned

**Funding Project Number:** to be determined

**Is this a Specific Project, Program or Blanket?** Program

**Target Schedule - Start:** 7/1/2024

**In-Service:** 12/31/2028

**Indicate and summarize any other work orders associated with the overall project, including those of other budget categories:**  
W/O and/or funding project not created yet, new incremental rate case project

**Describe the project objective and scope of work:**

Replace all mains and services in areas known to have had compression couplings installed during construction.

**Describe specific scope exclusions, assumptions and constraints:**

Replacing only known areas that contain compression couplings and/or areas that have had an extensive history of compression coupling leaks.

## B. ALTERNATIVES

**What other options were considered to the proposed project to meet the objective?**

No other options are available other than repairing the leaks, which Central Hudson has been doing. The only permanent repair to a compression coupling is full replacement with plastic distribution piping.

**Why was the proposed project scope chosen over other alternatives?**

N/A



## C. JUSTIFICATION

**Load Based/Infrastructure:** Infrastructure  
**Discretion Level:** Maintain System Standards

**Growth/Sustaining/Retirement:** Distribution Sustaining  
**Investment Type:** Infrastructure  
**Is there an Innovation Component?** No

**Needs Assessment:** Infrastructure

If need is Safety, Regulatory or Compliance have we considered options, validated the need and challenged the value? Yes

**Describe the justification for this project.** If helpful you may include planning studies or other pertinent documents as attachments.  
 The DIMP committee has identified compression coupling leaks as one of the major threats to the distribution system given their prevalent leak history.

**Describe any quantifiable benefits (such as monetary benefits/business case, operational cost savings, cost avoidance, etc.)**

Replacing these known areas will reduce the risk of leaking mains/services and subsequently reduce the likelihood of an incident. This will also reduce the emission of natural gas due to leaks and improve system reliability and resiliency.

For the following strategic alignment questions, reference CHG&E's current Strategic Outlook document:

[CLICK HERE](#)

Which **Strategic Theme** does project most align with?

Operational Excellence

Which **Strategic Objective** does project most align with?

Improve system performance and resilience

Which **Strategic Initiative** does project most align with?

DOES NOT ALIGN WITH ANY STRATEGIC INITIATIVE

Which **Team Goal** does project most align with?

PSC Gas Safety

**Technology Strategic Alignment (CATS-4220, 4222, 4230, 4235, 44):**

Select all that apply

**Have you taken into account potential environmental impacts that would need to be considered for cost and schedule estimates?** N/A

\* Environmental impacts must be taken into consideration to the extent that you are able considering current phase, maturity of scope and knowledge of field conditions.

**Do you anticipate the project to require significant jurisdictional approvals?** (select all that apply)

No

### **ESG (Environmental, Social and Governance) and Sustainability:**

Complete the ESG Checklist on the separate worksheet (tab). Results of your answers will be automatically shown below:

**Checklist Fully Completed:** Yes **Environmental Component:** Yes

**Social Component:** Yes

**Governance Component:** No

**Is complete Sustainability status achieved by this project?\*** No

\* Sustainability status is achieved for the project if the ESG checklist shows that there is at least one component each for environmental, social and governance.

**What is the relative urgency of this project?** *Moderate Recommend commencement within next 24-months.*

**Was this project included in a prior 5-year forecast?** *Yes*

**If No, why should this project be completed instead of a planned project?**

*N/A*

**Why do we need to complete this project in the period requested?**

*Will allow the company to reduce overall risk by reducing leak inventory, and any chance of future leaks due to the couplings.*

**What are the risks and consequences of not completing this project?**

*Possible consequences are more leaks, more repairs, more expense money spent, and potential for an incident.*

**Is this Project in Central Hudson's current approved rate case?**

*Yes*

*Project was approved in 2023 rate case.*

**Is this Project tied to a regulatory requirement?**

*No*

**Does this Project result in cost avoidance, cost savings, or additional revenue for Central Hudson?**

*No*

**Does this Project enhance Central Hudson's customer experience or service delivery?**

*No*

**Does this Project reduce risk, debt, or vulnerabilities (i.e. technology, cybersecurity, legal, infrastructure, etc.)?**

*Yes*

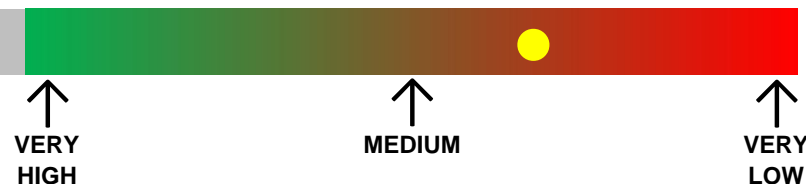
*Project is aimed to reduce pipeline leaks.*

**Does this Project improve or enhance safety for Central Hudson employees, contractors or the public?**

*No*

**Prioritization Ranking\***

\* Prioritization Ranking is intended to be high level and is not intended to differentiate between projects with the same prioritization question responses.



## D. COST ESTIMATE

Capital Estimate Summary		Year 1 = 1st year of the 5-year budget plan		All future year cost estimates should include applicable adjustments for inflation.					
		TOTAL	Prior Years Actuals + Projections	Year 1 2025	Year 2 2026	Year 3 2027	Year 4 2028	Year 5 2029	Future Years
<b>\$20,010,000</b>									
A D D I T I O N S	Labor (Weekly Payroll)	1,243,000		108,000	169,000	234,000	244,000	488,000	
	Labor (Monthly Payroll)	886,000		77,000	120,000	167,000	174,000	348,000	
	Stock Materials	1,774,000		154,000	241,000	334,000	348,000	697,000	
	A/P Non-Stock Material	0							
	A/P Contractors & Other	13,829,000		1,198,000	1,878,000	2,603,000	2,717,000	5,433,000	
	Inflation	1,347,000		33,000	104,000	209,000	288,000	713,000	
	AFUDC*	222,000		10,000	27,000	34,000	39,000	112,000	
	Journal Vouchers (JVs)	0		---	---	---	---	---	---
	CIAC Payments CREDIT	0							
	Joint Utility Payments CREDIT	0							
<b>TOTAL ADDITIONS:</b>		<b>19,301,000</b>	<b>0</b>	<b>1,580,000</b>	<b>2,539,000</b>	<b>3,581,000</b>	<b>3,810,000</b>	<b>7,791,000</b>	<b>0</b>
R E M O V E M E N T S	Labor (Weekly Payroll)	0							
	Labor (Monthly Payroll)	0							
	A/P Non-Labor (dumpsters, etc.)	0							
	A/P Contractors	709,000		61,000	96,000	134,000	139,000	279,000	
	Overheads	0							
	Journal Vouchers (JVs)	0		---	---	---	---	---	---
	Salvage CREDIT	0							
	CIAC Payments CREDIT	0							
	Joint Utility Payments CREDIT	0							
<b>TOTAL REMOVALS:</b>		<b>709,000</b>	<b>0</b>	<b>61,000</b>	<b>96,000</b>	<b>134,000</b>	<b>139,000</b>	<b>279,000</b>	<b>0</b>
* AFUDC may require adjustment after Finance Department review.									
<b>Expense \$ (if applicable):</b>		<b>0</b>							
<b>Current Approved Rate Case Funding (\$):</b>		n/a*	n/a*	n/a*	n/a*				

\* Not applicable for 2025-2029 budget process when rate case funding not yet confirmed.

**Budget Status:** Not included in current PSC-approved budget plan

**Cost Estimate Level:** Conceptual

**Cost Estimate Confidence:** (that final cost will be within +/-30% of the estimate): High Confidence

*No further estimate range is required.*

**Cost Estimate Range:** Minimum (\$): 14,007,000 Maximum (\$): 26,013,000

**No explanation on confidence level required.**

← *Formulas give standard ranges per estimate level, but may be overwritten if desired.*

**Basis for estimate:** Historical Proforma Pricing

*(select all that apply)*

Is there documentation that shows how your conceptual or preliminary-level cost estimate was derived?

No

## E. ADDITIONAL INFORMATION

If there is any additional information that you would like to add that is not covered elsewhere in this form, you may add it here (optional):

Historical install prices for replacements were analyzed and extrapolated to determine required budgets.

# Memo

## Central Hudson Gas & Electric

To: Jason Mead

From: Chris Broner

CC: Joseph Koberger

Date: 4/15/2024

Re: Compression Coupling Main and Service Replacement Project – Funding Project TBD

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The purpose of this memo is to describe and document the identification of certain Central Hudson natural gas facilities with elevated leak levels which are identified in Category 25 budget for replacement. These elevated leak levels are due to compression couplings installed with those facilities, and to establish a planned replacement program for them.

Compression coupling leaks are an identified threat in Central Hudson's Distribution Integrity Management Program (DIMP). The initial assessment of this threat was performed in 2017 and resulted in the initiation of focused leak surveys in specific neighborhoods most prone to these leaks. Since then, compression coupling leaks continue to account for over 20% of the annual leaks on Central Hudson's distribution systems. The annual number of compression coupling leak repairs for each of the past five years, expressed in both quantity and in percentage of annual leak repairs, is shown below.

	2019	2020	2021	2022	2023
<b>Total Leak Repairs</b>	510	361	408	336	316
<b>Compression Fitting leak Repairs</b>	105	77	90	77	69
<b>Percentage of Total Repairs</b>	20.6%	21.3%	22.1%	22.9%	21.8%

A thorough GIS analysis of roughly 10 years of leak history was used to identify clusters of Compression Coupling (CC) leaks. A buffer of 500 feet was put on every Compression Coupling leak (CC leak) and the total number of CC leaks within that buffer was counted. The buffered CC leaks with five (5) or more CC leaks within the buffer were intersected with the mains assets. The result is a total mileage of mains with heightened CC leak histories either on those mains or on services attached to those mains. Plastic mains were removed from this inventory as not needing replacement to eliminate the compression couplings which are typically leaking (on smaller diameter steel mains and services). All services attached to the identified mains were then assessed and entirely plastic services removed to determine the population of services that need to be replaced.

One of the larger neighborhood replacement projects identified will be completed in 2024, thereby reducing the identified mileage and number of services. In addition, during further preliminary program reviews large diameter mains were determined to not require replacement with this program. The remaining identified facilities for replacement with this program are therefore now 19.0 miles of mains and approximately 1,850 services. This updated information was then provided to Jason Mead to apply established pro-forma pricing for distribution system main and service replacements, which of course

have also been updated since this program was first documented in January of 2023. The current pro-forma based total project estimate to replace the identified mains and services with elevated CC leak levels is now \$47.9M in 2024 dollars.

Based on the CC leak history used to develop this program, completion of the replacements should eliminate an average of about 45 compression coupling leaks per year. With a current cost per leak averaging around \$7,120, this would result in a savings of approximately \$320,400 per year in 2023 dollars. More importantly, eliminating the threat of compression coupling leaks in the replacement areas would represent a significant overall reduction of the risk associated with compression coupling leaks on Central Hudson's distribution systems.

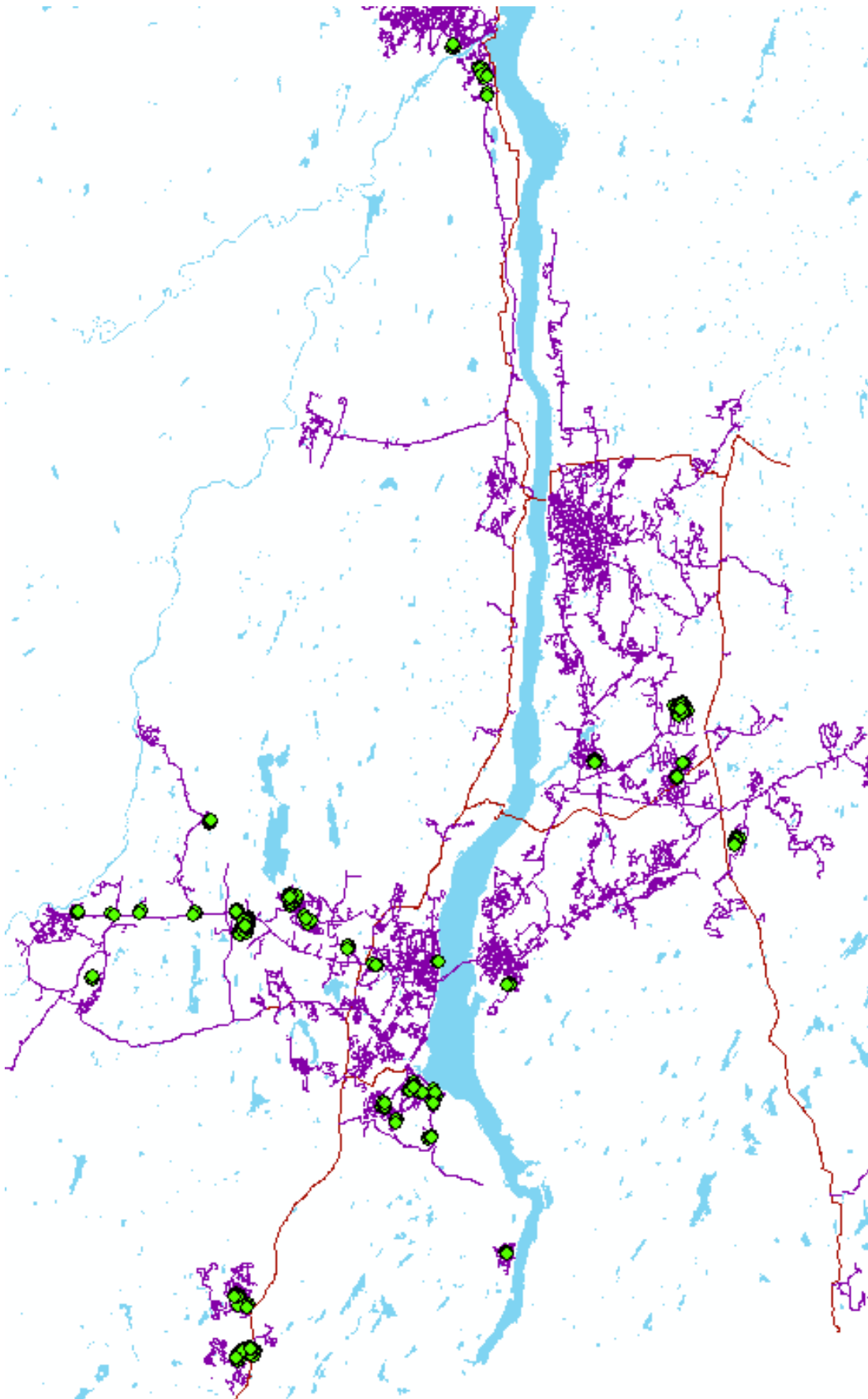
The proposed timeline for replacement is still planned to begin in 2025 with a targeted budget of 1.33 million dollars and ramping up spend until a targeted budget of \$6.0 million is reached in 2029, which would continue every year thereafter until program completion. The proposed spend and completion by year is laid out below. This is subject to change as some neighborhoods/areas are larger than others and should be done together. Project selections and scopes are starting to be drafted as we approach the commencement year.

	<b>Estimated Mileage of Main</b>	<b>Estimated Services</b>	<b>Cost</b>
<b>2025</b>	0.6	49	\$1,331,000.00
<b>2026</b>	1.0	77	\$2,086,000.00
<b>2027</b>	1.4	107	\$2,891,000.00
<b>2028</b>	2.8	221	\$6,034,000.00
<b>2029-2042</b>	14.4	1408	\$39,219,036.00
		<b>Total:</b>	<b>\$47,867,659.16</b>

Attached below is an overview map of the identified compression coupling areas within the Central Hudson gas service territory. This overview shows the most heavily saturated areas in the Central Hudson territory and do not reflect all areas that may need replacement.



**Overview Map of Compression Coupling Leaks – More than 5 in a 500ft buffer**



**Submission Date:** April 30, 2024

**First Year of 5-Year Budget Period:** 2025

**Business Sponsor:** E. Kiskiel

**Budget Category:**

25

**Prepared By:** J. Mead

**Budget Group:**

Common: Non-I.T./O.T.

**Current Life-Cycle Phase:** 1 Planning

## A. GENERAL

**Project/Program Name:** Leak Prone Pipe Services Replacement

**Work Order #:**

				-	
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**Funding Project Description:** Funding Project Not Yet Assigned

**Funding Project Number:** to be determined

**Is this a Specific Project, Program or Blanket?** Program

**Target Schedule - Start:** 7/1/2024

**In-Service:** 12/31/2028

**Indicate and summarize any other work orders associated with the overall project, including those of other budget categories:**

N/A

**Describe the project objective and scope of work:**

Replace all of the isolated and cathodically unprotected services that will not be addressed with the Leak Prone Pipe Elimination Program.

**Describe specific scope exclusions, assumptions and constraints:**

Includes all isolated services that fall outside of the scope of any DIP that is a part of the LPP program.

## B. ALTERNATIVES

**What other options were considered to the proposed project to meet the objective?**

N/A

**Why was the proposed project scope chosen over other alternatives?**

N/A

## C. JUSTIFICATION

**Load Based/Infrastructure:** Infrastructure  
**Discretion Level:** Maintain System Standards

**Growth/Sustaining/Retirement:** Distribution Sustaining  
**Investment Type:** Infrastructure  
**Is there an Innovation Component?** No

**Needs Assessment:** Infrastructure

If need is Safety, Regulatory or Compliance have we considered options, validated the need and challenged the value? Yes

**Describe the justification for this project.** If helpful you may include planning studies or other pertinent documents as attachments.

Leak prone pipe is the single biggest threat to the distribution system, the most effective way to manage this risk is to eliminate it.

**Describe any quantifiable benefits (such as monetary benefits/business case, operational cost savings, cost avoidance, etc.)**

Reduces the likelihood of leaks which could then lead to an incident.

For the following strategic alignment questions, reference CHG&E's current Strategic Outlook document:

[CLICK HERE](#)

Which **Strategic Theme** does project most align with? Operational Excellence

Which **Strategic Objective** does project most align with? Improve system performance and resilience

Which **Strategic Initiative** does project most align with? DOES NOT ALIGN WITH ANY STRATEGIC INITIATIVE

Which **Team Goal** does project most align with? PSC Gas Safety

**Technology Strategic Alignment (CATS-4220, 4222, 4230, 4235, 44):**

Select all that apply

**Have you taken into account potential environmental impacts that would need to be considered for cost and schedule estimates?** N/A

\* Environmental impacts must be taken into consideration to the extent that you are able considering current phase, maturity of scope and knowledge of field conditions.

**Do you anticipate the project to require significant jurisdictional approvals?** (select all that apply)

No

### **ESG (Environmental, Social and Governance) and Sustainability:**

Complete the ESG Checklist on the separate worksheet (tab). Results of your answers will be automatically shown below:

**Checklist Fully Completed:** Yes **Environmental Component:** Yes

**Social Component:** Yes

**Governance Component:** No

**Is complete Sustainability status achieved by this project?\*** No

\* Sustainability status is achieved for the project if the ESG checklist shows that there is at least one component each for environmental, social and governance.

**What is the relative urgency of this project?** Immediate *Already in-progress or recommend commencement within next 12-months.*

**Was this project included in a prior 5-year forecast?** No

**If No, why should this project be completed instead of a planned project?**

To align with the current LPP elimination program goal of getting rid of all leak prone pipe.

**Why do we need to complete this project in the period requested?**

To replace all remaining leak prone services to get the distribution system to a completely plastic or protected steel system.

**What are the risks and consequences of not completing this project?**

Not replacing the leak prone pipe will increase the likelihood of a leak, especially over time, which could lead to more releases of gas and potential incidents.

**Is this Project in Central Hudson's current approved rate case?** Yes

Yes, approved budget contained in the last rate case.

**Is this Project tied to a regulatory requirement?** No

**Does this Project result in cost avoidance, cost savings, or additional revenue for Central Hudson?** Yes

Yes, this avoids costs associated with the repair, or any event triggered by leaking services.

**Does this Project enhance Central Hudson's customer experience or service delivery?** Yes

Yes, improves the reliability and safety of the delivery of gas to customers.

**Does this Project reduce risk, debt, or vulnerabilities (i.e. technology, cybersecurity, legal, infrastructure, etc.)?** Yes

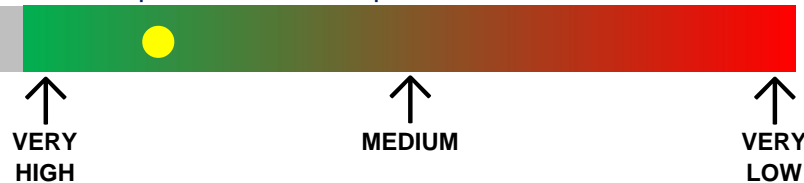
Yes, reduces the risk of leaks or events associated with leaks.

**Does this Project improve or enhance safety for Central Hudson employees, contractors or the public?** Yes

Yes, improves the safety of the system by reducing leaks via service replacement with improved installation methods and documentation.

**Prioritization Ranking\***

\* Prioritization Ranking is intended to be high level and is not intended to differentiate between projects with the same prioritization question responses.



## D. COST ESTIMATE

Capital Estimate Summary		Year 1 = 1st year of the 5-year budget plan		All future year cost estimates should include applicable adjustments for inflation.					
		TOTAL	Prior Years Actuals + Projections	Year 1 2025	Year 2 2026	Year 3 2027	Year 4 2028	Year 5 2029	Future Years
<b>\$11,486,000</b>									
A D D I T I O N S	Labor (Weekly Payroll)	0							
	Labor (Monthly Payroll)	0							
	Stock Materials	0							
	A/P Non-Stock Material	0							
	A/P Contractors & Other	10,692,000		2,054,000	2,102,000	2,144,000	2,196,000	2,196,000	
	Inflation	675,000		44,000	90,000	134,000	182,000	225,000	
	AFUDC*	119,000		14,000	24,000	22,000	24,000	35,000	
	Journal Vouchers (JVs)	0		---	---	---	---	---	
	CIAC Payments CREDIT	0							
	Joint Utility Payments CREDIT	0							
<b>TOTAL ADDITIONS:</b>		<b>11,486,000</b>	<b>0</b>	<b>2,112,000</b>	<b>2,216,000</b>	<b>2,300,000</b>	<b>2,402,000</b>	<b>2,456,000</b>	<b>0</b>
R E M O V E M E N T S	Labor (Weekly Payroll)	0							
	Labor (Monthly Payroll)	0							
	A/P Non-Labor (dumpsters, etc.)	0							
	A/P Contractors	0							
	Overheads	0							
	Journal Vouchers (JVs)	0		---	---	---	---	---	
	Salvage CREDIT	0							
	CIAC Payments CREDIT	0							
	Joint Utility Payments CREDIT	0							
<b>TOTAL REMOVALS:</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
* AFUDC may require adjustment after Finance Department review.									
<b>Expense \$ (if applicable):</b>		<b>0</b>							
<b>Current Approved Rate Case Funding (\$):</b>		n/a*	n/a*	n/a*	n/a*				

\* Not applicable for 2025-2029 budget process when  
rate case funding not yet confirmed.

**Budget Status:** Included in current PSC-approved budget plan under a PROGRAM

**Cost Estimate Level:** Conceptual

**Cost Estimate Confidence:** (that final cost will be within +/-30% of the estimate): High Confidence

*No further estimate range is required.*

**Cost Estimate Range:** Minimum (\$): 8,040,200 Maximum (\$): 14,931,800

**No explanation on confidence level required.**

← *Formulas give standard ranges per estimate level, but may be overwritten if desired.*

**Basis for estimate:** Historical Proforma Pricing; Historical Unit Pricing

*(select all that apply)*

**Is there documentation that shows how your conceptual or preliminary-level cost estimate was derived?**

No

## E. ADDITIONAL INFORMATION

**If there is any additional information that you would like to add that is not covered elsewhere in this form, you may add it here (optional):**

Use historical unit pricing for service replacements and adjust for future budget requirements.



**Submission Date:** April 30, 2024

**First Year of 5-Year Budget Period:** 2025

**Business Sponsor:** E. Kiskiel

**Budget Category:** 25

**Prepared By:** J. Mead

**Budget Group:** Gas  
**Current Life-Cycle Phase:** 1 Planning

## A. GENERAL

**Project/Program Name:** River/Creek Crossing Remediation

**Work Order #:**      -

**Funding Project Description:** Funding Project Not Yet Assigned

**Funding Project Number:** to be determined

**Is this a Specific Project, Program or Blanket?** Program

**Target Schedule - Start:** 1/1/2025

**In-Service:** 12/31/2028

**Indicate and summarize any other work orders associated with the overall project, including those of other budget categories:**

WO's will be created to capture costs associated with creek crossing remediations prone to damage, washout, deterioration, etc.

**Describe the project objective and scope of work:**

Remediate or reinforce any water crossing that may be subject to damage due to natural forces during extreme weather events (ex. Erosion due to heavy water flow in stream/creeks).

**Describe specific scope exclusions, assumptions and constraints:**

This program will include approximately the top 100 areas where transmission and/or distribution main crosses a water way and could be subject to damage with heavy rain, snow, flooding, etc.

## B. ALTERNATIVES

**What other options were considered to the proposed project to meet the objective?**

N/A

**Why was the proposed project scope chosen over other alternatives?**

N/A

## C. JUSTIFICATION

**Load Based/Infrastructure:** Infrastructure  
**Growth/Sustaining/Retirement:** Distribution Sustaining  
**Discretion Level:** Maintain System Standards  
**Investment Type:** Infrastructure  
**Is there an Innovation Component?** No

**Needs Assessment:** Infrastructure  
**If need is Safety, Regulatory or Compliance have we considered options, validated the need and challenged the value?** Yes  
**Describe the justification for this project.** If helpful you may include planning studies or other pertinent documents as attachments.  
 Reduce and mitigate any risk associated with a leak or release of gas due to an extreme weather event.

**Describe any quantifiable benefits (such as monetary benefits/business case, operational cost savings, cost avoidance, etc.)**  
 Will reinforce the system to be able to handle extreme weather events without the risk of it causing leaks or releases.

For the following strategic alignment questions, reference CHG&E's current Strategic Outlook document: [CLICK HERE](#)

**Which Strategic Theme does project most align with?** Operational Excellence  
**Which Strategic Objective does project most align with?** Improve system performance and resilience  
**Which Strategic Initiative does project most align with?** DOES NOT ALIGN WITH ANY STRATEGIC INITIATIVE  
**Which Team Goal does project most align with?** PSC Gas Safety

**Technology Strategic Alignment (CATS-4220, 4222, 4230, 4235, 44):**

*Select all that apply*

**Have you taken into account potential environmental impacts that would need to be considered for cost and schedule estimates** Yes

\* Environmental impacts must be taken into consideration to the extent that you are able considering current phase, maturity of scope and knowledge of field conditions.

**Do you anticipate the project to require significant jurisdictional approvals? (select all that apply)**

Local municipality (1); Local municipalities (>1)

### **ESG (Environmental, Social and Governance) and Sustainability:**

Complete the ESG Checklist on the separate worksheet (tab). Results of your answers will be automatically shown below:

**Checklist Fully Completed:** Yes  
**Environmental Component:** Yes  
**Social Component:** Yes  
**Governance Component:** No

**Is complete Sustainability status achieved by this project?\*** No

\* Sustainability status is achieved for the project if the ESG checklist shows that there is at least one component each for environmental, social and governance.

**What is the relative urgency of this project?** Moderate *Recommend commencement within next 24-months.*

**Was this project included in a prior 5-year forecast?** No

**If No, why should this project be completed instead of a planned project?**

This should not displace any planned project and should happen concurrently

**Why do we need to complete this project in the period requested?**

With weather events becoming more frequent and more extreme in nature, this will mitigate the risk of a potential gas incident as a result.

**What are the risks and consequences of not completing this project?**

Potential gas leak and/or release of gas leading to an incident.

**Is this Project in Central Hudson's current approved rate case?** No

**Is this Project tied to a regulatory requirement?** No

**Does this Project result in cost avoidance, cost savings, or additional revenue for Central Hudson?** Yes

Yes, avoids emergent costs associated with repairs done to assets affected during extreme weather events.

**Does this Project enhance Central Hudson's customer experience or service delivery?** Yes

Yes, this program helps to improve reliability and resiliency of the system.

**Does this Project reduce risk, debt, or vulnerabilities (i.e. technology, cybersecurity, legal, infrastructure, etc.)?** Yes

Yes, reduces risk of damage to assets during extreme weather events.

**Does this Project improve or enhance safety for Central Hudson employees, contractors or the public?** Yes

Yes, reduces risk of damage to assets during extreme weather events.

**Prioritization Ranking\***

\* Prioritization Ranking is intended to be high level and is not intended to differentiate between projects with the same prioritization question responses.

↑  
VERY  
HIGH

↑  
MEDIUM

↑  
VERY  
LOW

## D. COST ESTIMATE

Capital Estimate Summary		Year 1 = 1st year of the 5-year budget plan		All future year cost estimates should include applicable adjustments for inflation.					
		TOTAL	Prior Years Actuals + Projections	Year 1 2025	Year 2 2026	Year 3 2027	Year 4 2028	Year 5 2029	Future Years
<b>\$11,589,000</b>									
ADDITIONS	Labor (Weekly Payroll)	0							
	Labor (Monthly Payroll)	0							
	Stock Materials	0							
	A/P Non-Stock Material	0							
	A/P Contractors & Other	9,802,000		1,148,000	1,583,000	1,869,000	2,601,000	2,601,000	
	Inflation	691,000		24,000	68,000	117,000	216,000	266,000	
	AFUDC*	116,000		8,000	18,000	19,000	29,000	42,000	
	Journal Vouchers (JVs)	0		---	---	---	---	---	
	CIAC Payments CREDIT	0							
	Joint Utility Payments CREDIT	0							
<b>TOTAL ADDITIONS:</b>		<b>10,609,000</b>	<b>0</b>	<b>1,180,000</b>	<b>1,669,000</b>	<b>2,005,000</b>	<b>2,846,000</b>	<b>2,909,000</b>	<b>0</b>
REMOVALS	Labor (Weekly Payroll)	0							
	Labor (Monthly Payroll)	0							
	A/P Non-Labor (dumpsters, etc.)	0							
	A/P Contractors	0							
	Overheads	980,000		115,000	158,000	187,000	260,000	260,000	
	Journal Vouchers (JVs)	0		---	---	---	---	---	
	Salvage CREDIT	0							
	CIAC Payments CREDIT	0							
	Joint Utility Payments CREDIT	0							
<b>TOTAL REMOVALS:</b>		<b>980,000</b>	<b>0</b>	<b>115,000</b>	<b>158,000</b>	<b>187,000</b>	<b>260,000</b>	<b>260,000</b>	<b>0</b>
* AFUDC may require adjustment after Finance Department review.									
<b>Expense \$ (if applicable):</b>		<b>0</b>							
<b>Current Approved Rate Case Funding (\$):</b>		n/a*	n/a*	n/a*	n/a*				

\* Not applicable for 2025-2029 budget process when rate case funding not yet confirmed.

**Budget Status:** Not included in current PSC-approved budget plan

**Cost Estimate Level:** Conceptual

**Cost Estimate Confidence:** (that final cost will be within +/-30% of the estimate): High Confidence

*No further estimate range is required.*

**Cost Estimate Range:** Minimum (\$): 8,112,300 Maximum (\$): 15,065,700

**No explanation on confidence level required.**

← *Formulas give standard ranges per estimate level, but may be overwritten if desired.*

**Basis for estimate:** Historical Unit Pricing

*(select all that apply)*

Is there documentation that shows how your conceptual or preliminary-level cost estimate was derived?

No

## E. ADDITIONAL INFORMATION

If there is any additional information that you would like to add that is not covered elsewhere in this form, you may add it here (optional):

Used historical unit pricing for similar work and extrapolated to adjust for future budget estimates.

# Memo

## Central Hudson Gas & Electric

To: Jason Mead  
From: Josue Rodriguez  
CC: Joseph Koberger  
Date: 4/15/2024  
Re: Water Crossing Reinforcement Program – Funding Project TBD

---



## Summary and Overview

Throughout Central Hudson's gas pipeline network, there are many gas facilities that cross bodies of water or multiple streamlines. These gas facilities are susceptible to many threats caused by (but not limited to) severe flooding, river scour, and river channel migration.<sup>1</sup> Flooding is when an area of land that is usually dry, is covered with water after heavy rain or after a river or lake overflows its banks. River scour is defined as the erosion of a riverbed (vertical scour) or riverbanks (horizontal scour) by flowing water.<sup>2</sup> River scour usually occurs when the shear stress induced on the riverbed by fast flowing water exceeds resistance of channel bed material.<sup>2</sup> The movement of the bed material by rolling or sliding, are considered as bed load.<sup>2</sup> River channel migration is the natural process that describes how a stream or river channel moves over time.<sup>3</sup>

PHMSA has released several advisory bulletins on how severe flooding, river scour, and river channel migration affects gas facilities crossing bodies of water or streamlines.<sup>1</sup> Each of these bulletins address's events that involved severe flooding that affected gas facilities in areas of rising or fast moving waters.<sup>1</sup> It was found that river scours and river channel migration may damage gas facilities as a result of additional forces acting on the gas pipes. Such external forces includes undermining underlying support soils, lateral water forces, and impact forces from waterborne debris.<sup>1</sup> Lateral water forces may cause excessive bending loads that can lead to pipelines failures, and possible impact forces from debris in the water or harmonic vibrations from water rapidly passing over pipelines can also increase potential pipeline failures.<sup>1</sup> Furthermore, pipelines that are not designed to accommodate channel change can pose a significant environmental and public safety risks.<sup>4</sup> Additionally, any safety valves, regulators, relief sets, pressure sensors, and other facilities normally above grade, can be jeopardized under severe flooding conditions.<sup>1</sup>

## Introduction

Environmental conditions such as tropical storms or hurricanes occur every year in the central Hudson Valley region. Because of this, all of Central Hudson gas service areas are susceptible to severe flooding, river scours, and river channel migration along with their associated threats. This leaves reinforcing our water crossing facilities essential for protecting gas piping infrastructure and providing public safety. By reinforcing our gas facilities that cross bodies of water, streamlines, or both, Central Hudson can prevent such threats associated with severe flooding, river scour, or from river channel migration, from causing pipeline failures and affecting customers who depend on gas, as their main source of energy.

This memo covers the analysis on how water crossing gas facilities were obtained and provides an estimated cost to reinforce/redesign selected gas facilities. This was done by creating a new gas layer in ArcMap that shows all water crossing facilities that Central Hudson has. After, a careful review of the data was done. This provided a list of possible water crossing gas facility project locations to reinforce or redesign. After obtaining the full Inventory of water crossing gas

<sup>1</sup> <https://www.federalregister.gov/documents/2019/04/11/2019-07132/pipeline-safety-potential-for-damage-to-pipeline-facilities-caused-by-flooding-river-scour-and-river>

<sup>2</sup> <https://www.exponent.com/knowledge/alerts/2017/04/flood-scouring-on-buried-pipeline/?pageSize=NaN&pageNum=0&loadAllByPageSize=true>

<sup>3</sup> <https://ecology.wa.gov/Water-Shorelines/Shoreline-coastal-management/Hazards/Stream-channel-migration-zones>

<sup>4</sup> [chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://naturaldes.com/wp-content/uploads/2016/08/Abbe-2009-Self-Mitigating-Protection-for-Pipeline-Crossings-in-Degraded-Streams.pdf](https://naturaldes.com/wp-content/uploads/2016/08/Abbe-2009-Self-Mitigating-Protection-for-Pipeline-Crossings-in-Degraded-Streams.pdf). (Pg. 1)



facilities, the project locations were then selected based on higher priority. Gas facilities that were either high pressure gas pipes, larger diameter pipes, gas facilities crossing large bodies of water, or a combination of all these characteristics, were considered higher priority. Finally, a cost analysis was done to show the total cost to reinforce/redesign a water crossing gas facility.

## Procedure

To initiate the analysis, a new layer in ArcMap was created. This new layer is called *Gas Water Crossings*. This layer marked a point where every gas pipeline crossed either a large body of water or a streamline. For this purpose water crossing facilities that are retired, inactive, bored, or along a bridge, were not included as part of the water crossing facilities needing reinforcement/improvement/redesign. All Transmission pipelines were not included in this analysis. The full list of water crossing gas facilities was obtained and used to rank and prioritize project locations. The ranking and weighting used for this analysis stayed consistent with what is used for Central Hudson Main Replacement Program (MRP) run. From this analysis, it was found that there was about a total of 828 possible locations where a gas facility is crossing either a streamline or body of water. Applying the requirements stated previously, and applying a ranking system as used in the MRP, a list of 50 water crossing gas facilities based on riskiest locations was obtained. Selection of projects will be based on available funds during the year.

## Cost Analysis

In cases where pipeline have been exposed, there are usually two options one could take; 1) relocate the line or 2) reinforce the line. Both options would benefit from a stream dynamics study at the site so that the most cost effective approach is selected to protect the pipeline and environment. All work for relocating the line or reinforcing the line are done through planned work or emergent work, due to heavy rainfall/tropical storms.

## Planned Work

See work order data associated with known bores below done in the previous 5 years.

Year	Work Order #	Description	Estimated Cost For Today's Market
2019	0302-H	570 - Mid-Hudson	\$ 46,034.36
2019	F639-Q	570 - Mid-Hudson	\$ 10,678.27
2020	2892-H	490 - Newburgh	\$ 155,105.51
2020	4511-H	570 - Mid-Hudson	\$ 197,257.91
2020	L198-Q	590 - Fishkill	\$ 32,491.32
2022	0821-K	540 - Catskill	\$ 33,754.45
2022	8312-H	490 - Newburgh	\$ 659,654.58

**Table.1:** Five (5) year historical data for planned work (non-emergent work)

## Emergency Work

The following tables show details of all emergency work locations due to heavy rainfall/tropical storms in the previous five (5) years.

			Pipe Information being replaced		
Year	Event	Cost	Material	Diameter (in.)	Estimated length
2019	No event occurred				
2020	191 Rt.32 Central Valley	\$ 167,179.04	Plastic	4	203
2021	Continental Rd., Cornwall	\$ 674,191.86	Steel	10	250
2021	Toomey Dr., Wappinger Creek	\$ 814,964.55	Steel	8	800
2022	No event occurred				
2023	17 Route 376, Hopewell Junction	\$ 485,000.00	Plastic	4	50

**Table.2:** Five (5) year historical data for emergent event details and cost per year.

Year	Number of Gas Crossing Emergency Events	Total Cost Per Year (Todays Value)
2019	0	\$ -
2020	1	\$ 167,179.04
2021	2	\$ 1,489,156.41
2022	0	\$ -
2023	1	\$ 485,000.00

**Table.3:** Number of gas crossing events occurred in Central Hudson Territory within the last five (5) years.

## Total Cost for Planned and Emergent Work

Year	Number of Planned Projects	Number of Emergent Work	Total Number of Projects	Total Cost
2019	2	0	2	\$ 56,712.63
2020	3	1	4	\$ 552,033.79
2021	0	2	2	\$ 1,489,156.41
2022	2	0	2	\$ 693,409.02
2023	0	1	1	\$ 485,000.00
2024	0	0	0	\$ -

**Table.4:** Total cost per year including both planned and emergent work.

Using the data shown in Table.4, it was calculate the estimated cost per project location to be **\$ 297,846.53**. This was done by obtaining the total cost of both planned and emergent work (**\$ 3,276,311.86**) and obtaining the total count of both planned and emergent work over the previous 5 years (**11**) and dividing the total cost by the total count to obtain the estimated cost per project location.

With an estimated cost per project of **\$ 297,846.53**, and selecting the top 50 project locations to be reinforced and/or relocated, the total program cost was obtained to be **\$ 14,892,326.62**. With the provided available budget, the program is estimated to last about 8 years with proposed projects to get done as follows. Note that the below projections are based on estimates and are subject to change due to each project scope and cost varying on site conditions.

Year	Proposed number of projects per year	Target Budget for Reinforcement
2025	3	\$994,000
2026	5	\$1,377,000
2027	5	\$1,619,000
2028	8	\$2,253,000
2029	8	\$2,253,000
2030-2032	21	\$6,254,777

**Table.5:** Proposed number of projects to be done per year.

## Conclusion

As stated before, there are many threats that affect water crossing gas facilities associated with severe flooding, river scours, and river channel migration. Reinforcing current water crossing gas facilities to prevent potential pipeline failures from occurring during environmental conditions, such as tropical storms and hurricanes, will greatly help Central Hudson serve and protect their customers.

Per the analysis, gas facilities that were either high pressure gas pipes, larger diameter pipes, gas facilities crossing large bodies of water, or a combination of all these characteristics were ranked and prioritized based on which pipe is the riskiest and requires further reinforcement/redesign. By reinforcing the following water crossing gas facilities, we are preventing any future pipeline failure caused by threats associated with severe flooding, river scours, and river channel migration.

**Submission Date:** April 30, 2024

**First Year of 5-Year Budget Period:** 2025

**Business Sponsor:** E. Kiskiel

**Budget Category:** 25

**Prepared By:** J. Mead

**Budget Group:** Gas  
**Current Life-Cycle Phase:** 1 Planning

## A. GENERAL

**Project/Program Name:** Transmission Service to Distribution

**Work Order #:**      -

**Funding Project Description:** Funding Project Not Yet Assigned

**Funding Project Number:** to be determined

**Is this a Specific Project, Program or Blanket?** Program

**Target Schedule - Start:** 1/1/2025

**In-Service:** 12/31/2028

**Indicate and summarize any other work orders associated with the overall project, including those of other budget categories:**

Various WO's will be created to capture costs associated with main extensions to areas of transmission services.

**Describe the project objective and scope of work:**

This program will run distribution main to areas containing transmission pressure services, to be able to remove them from the transmission system.

**Describe specific scope exclusions, assumptions and constraints:**

Areas addressed first will be those that are most risky (higher density areas) and are close to distribution main.

## B. ALTERNATIVES

**What other options were considered to the proposed project to meet the objective?**

N/A

**Why was the proposed project scope chosen over other alternatives?**

N/A

## C. JUSTIFICATION

**Load Based/Infrastructure:** Infrastructure  
**Discretion Level:** Maintain System Standards

**Growth/Sustaining/Retirement:** Distribution Growth  
**Investment Type:** Infrastructure  
**Is there an Innovation Component?** No

**Needs Assessment:** Infrastructure

If need is Safety, Regulatory or Compliance have we considered options, validated the need and challenged the value? Yes

**Describe the justification for this project.** If helpful you may include planning studies or other pertinent documents as attachments.

Transmission services inherently have more risk associated with them due to being fed from high pressure transmission main. This pressure is sometimes up against the building wall where the meter is, and sometimes occurs in highly populated residential areas.

**Describe any quantifiable benefits (such as monetary benefits/business case, operational cost savings, cost avoidance, etc.)**

Reduce the risk of having an incident due to high pressure at the building.

For the following strategic alignment questions, reference CHG&E's current Strategic Outlook document:

[CLICK HERE](#)

Which **Strategic Theme** does project most align with?

Operational Excellence

Which **Strategic Objective** does project most align with?

Improve safety and security culture

Which **Strategic Initiative** does project most align with?

DOES NOT ALIGN WITH ANY STRATEGIC INITIATIVE

Which **Team Goal** does project most align with?

PSC Gas Safety

**Technology Strategic Alignment (CATS-4220, 4222, 4230, 4235, 44):**

Select all that apply

**Have you taken into account potential environmental impacts that would need to be considered for cost and schedule estimates** Yes

\* Environmental impacts must be taken into consideration to the extent that you are able considering current phase, maturity of scope and knowledge of field conditions.

**Do you anticipate the project to require significant jurisdictional approvals?** (select all that apply)

No

### **ESG (Environmental, Social and Governance) and Sustainability:**

Complete the ESG Checklist on the separate worksheet (tab). Results of your answers will be automatically shown below:

**Checklist Fully Completed:** Yes

**Environmental Component:** Maybe - Requires further scope development

**Social Component:** Yes

**Governance Component:** No

**Is complete Sustainability status achieved by this project?\*** No

\* Sustainability status is achieved for the project if the ESG checklist shows that there is at least one component each for environmental, social and governance.

**What is the relative urgency of this project?** Moderate *Recommend commencement within next 24-months.*

**Was this project included in a prior 5-year forecast?** No

**If No, why should this project be completed instead of a planned project?**

Reduce risk and increase safety and reliability.

**Why do we need to complete this project in the period requested?**

To effectively manage the risk associated with high pressure transmission services.

**What are the risks and consequences of not completing this project?**

Reduce the likelihood of an incident resulting from high pressure transmission service. Reducing and/or eliminating this inventory is the most effective way of accomplishing this.

**Is this Project in Central Hudson's current approved rate case?** No

**Is this Project tied to a regulatory requirement?** No

**Does this Project result in cost avoidance, cost savings, or additional revenue for Central Hudson?** Yes

Yes, cost avoidance for anything related to events triggered by failures or leaks on transmission services.

**Does this Project enhance Central Hudson's customer experience or service delivery?** Yes

Yes, this program reduces risk associated with failures or leaks on transmission services.

**Does this Project reduce risk, debt, or vulnerabilities (i.e. technology, cybersecurity, legal, infrastructure, etc.)?** Yes

Yes, this program reduces risk associated with failures or leaks on transmission services.

**Does this Project improve or enhance safety for Central Hudson employees, contractors or the public?** Yes

Yes, this program reduces risk associated with failures or leaks on transmission services.

**Prioritization Ranking\***

\* Prioritization Ranking is intended to be high level and is not intended to differentiate between projects with the same prioritization question responses.





## D. COST ESTIMATE

Capital Estimate Summary		Year 1 = 1st year of the 5-year budget plan		All future year cost estimates should include applicable adjustments for inflation.					
		TOTAL	Prior Years Actuals + Projections	Year 1 2025	Year 2 2026	Year 3 2027	Year 4 2028	Year 5 2029	Future Years
<b>\$13,551,000</b>									
A D D I T I O N S	Labor (Weekly Payroll)	0							
	Labor (Monthly Payroll)	0							
	Stock Materials	0							
	A/P Non-Stock Material	0							
	A/P Contractors & Other	12,430,000		1,150,000	1,586,000	1,873,000	2,607,000	5,214,000	
	Inflation	958,000		24,000	68,000	117,000	216,000	533,000	
	AFUDC*	158,000		8,000	18,000	19,000	29,000	84,000	
	Journal Vouchers (JVs)	0		---	---	---	---	---	
	CIAC Payments CREDIT	0							
	Joint Utility Payments CREDIT	0							
<b>TOTAL ADDITIONS:</b>		<b>13,546,000</b>	<b>0</b>	<b>1,182,000</b>	<b>1,672,000</b>	<b>2,009,000</b>	<b>2,852,000</b>	<b>5,831,000</b>	<b>0</b>
R E M O V E M E N T S	Labor (Weekly Payroll)	0							
	Labor (Monthly Payroll)	0							
	A/P Non-Labor (dumpsters, etc.)	0							
	A/P Contractors	5,000		1,000	1,000	1,000	1,000	1,000	
	Overheads	0							
	Journal Vouchers (JVs)	0		---	---	---	---	---	
	Salvage CREDIT	0							
	CIAC Payments CREDIT	0							
	Joint Utility Payments CREDIT	0							
<b>TOTAL REMOVALS:</b>		<b>5,000</b>	<b>0</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>	<b>0</b>
* AFUDC may require adjustment after Finance Department review.									
<b>Expense \$ (if applicable):</b>		<b>0</b>							
<b>Current Approved Rate Case Funding (\$):</b>		n/a*	n/a*	n/a*	n/a*				

\* Not applicable for 2025-2029 budget process when  
rate case funding not yet confirmed.

**Budget Status:** Not included in current PSC-approved budget plan

**Cost Estimate Level:** Conceptual

**Cost Estimate Confidence:** (that final cost will be within +/-30% of the estimate): High Confidence

*No further estimate range is required.*

**Cost Estimate Range:** Minimum (\$): 9,485,700 Maximum (\$): 17,616,300

**No explanation on confidence level required.**

← *Formulas give standard ranges per estimate level, but may be overwritten if desired.*

**Basis for estimate:** Historical Proforma Pricing

*(select all that apply)*

Is there documentation that shows how your conceptual or preliminary-level cost estimate was derived?

No

## E. ADDITIONAL INFORMATION

If there is any additional information that you would like to add that is not covered elsewhere in this form, you may add it here (optional):

Historical proforma install costs extrapolated and adjusted for future install costs.

**Submission Date:** June 1, 2024

**First Year of 5-Year Budget Period:** 2025

**Business Sponsor:** E. Kiskiel

**Budget Category:**

27

**Prepared By:** David McGowan

**Budget Group:**

Gas

**Current Life-Cycle Phase:** 4 Implementation (IT/OT)

## A. GENERAL

**Project/Program Name:** Gas Meter

**Work Order #:**

-

**Funding Project Description:** GAS METERS

**Funding Project Number:** 2-2711-00-08

**Is this a Specific Project, Program or Blanket?** Blanket

**Target Schedule - Start:** 1/1/2025

**In-Service:** 1/1/2025

**Indicate and summarize any other work orders associated with the overall project, including those of other budget categories:**

X081A, X084A, 2712-00-18

**Describe the project objective and scope of work:**

Meter Services is required to purchase and install metering equipment to support regulatory requirements, as well as new business initiatives.

**Describe specific scope exclusions, assumptions and constraints:**

Meters and related material are required to support regulatory and new business requirements.

## B. ALTERNATIVES

**What other options were considered to the proposed project to meet the objective?**

N/A

**Why was the proposed project scope chosen over other alternatives?**

N/A

## C. JUSTIFICATION

Load Based/Infrastructure: Infrastructure  
 Discretion Level: Non-Discretionary

Growth/Sustaining/Retirement: Distribution Sustaining  
 Investment Type: New Business  
 Is there an Innovation Component? No

Needs Assessment: Compliance

If need is Safety, Regulatory or Compliance have we considered options, validated the need and challenged the value? Yes

Describe the justification for this project. If helpful you may include planning studies or other pertinent documents as attachments.

Regulatory and new business.

Describe any quantifiable benefits (such as monetary benefits/business case, operational cost savings, cost avoidance, etc.)

Maintaining accurate metering.

For the following strategic alignment questions, reference CHG&E's current Strategic Outlook document:

[CLICK HERE](#)

Which **Strategic Theme** does project most align with?

Business Modernization

Which **Strategic Objective** does project most align with?

Improve system performance and resilience

Which **Strategic Initiative** does project most align with?

Business & Operations Modernization/Transformation

Which **Team Goal** does project most align with?

Group Expense

Technology Strategic Alignment (CATS-4220, 4222, 4230, 4235, 44):

Select all that apply

Have you taken into account potential environmental impacts that would need to be considered for cost and schedule estimates Yes

\* Environmental impacts must be taken into consideration to the extent that you are able considering current phase, maturity of scope and knowledge of field conditions.

Do you anticipate the project to require significant jurisdictional approvals? (select all that apply)

No

### ESG (Environmental, Social and Governance) and Sustainability:

Complete the ESG Checklist on the separate worksheet (tab). Results of your answers will be automatically shown below:

Checklist Fully Completed: Yes Environmental Component: No

Social Component: No

Governance Component: No

Is complete **Sustainability** status achieved by this project?\* No

\* Sustainability status is achieved for the project if the ESG checklist shows that there is at least one component each for environmental, social and governance.

**What is the relative urgency of this project?** Immediate *Already in-progress or recommend commencement within next 12-months.*

**Was this project included in a prior 5-year forecast?** Yes

**If No, why should this project be completed instead of a planned project?**

N/A

**Why do we need to complete this project in the period requested?**

Requirements are yearly.

**What are the risks and consequences of not completing this project?**

Variations in the number of installs, equipment failures, cost increases, and material lead times.

**Is this Project in Central Hudson's current approved rate case?** Yes

**Is this Project tied to a regulatory requirement?** Yes

**Does this Project result in cost avoidance, cost savings, or additional revenue for Central Hudson?** Yes

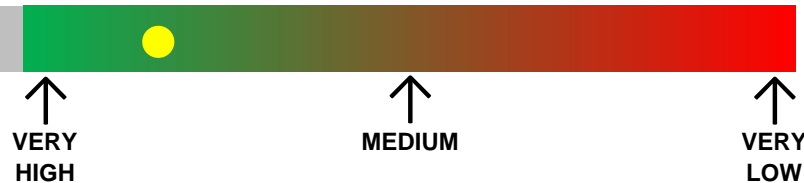
**Does this Project enhance Central Hudson's customer experience or service delivery?** Yes

**Does this Project reduce risk, debt, or vulnerabilities (i.e. technology, cybersecurity, legal, infrastructure, etc.)?** Yes

**Does this Project improve or enhance safety for Central Hudson employees, contractors or the public?** No

**Prioritization Ranking\***

\* Prioritization Ranking is intended to be high level and is not intended to differentiate between projects with the same prioritization question responses.





## D. COST ESTIMATE

Capital Estimate Summary		Year 1 = 1st year of the 5-year budget plan		All future year cost estimates should include applicable adjustments for inflation.					
\$16,093,000		TOTAL	Prior Years Actuals + Projections	Year 1 2025	Year 2 2026	Year 3 2027	Year 4 2028	Year 5 2029	Future Years
A D D I T I O N S	Labor (Weekly Payroll)	0							
	Labor (Monthly Payroll)	0							
	Stock Materials	0							
	A/P Non-Stock Material	0							
	A/P Contractors & Other	15,145,000		3,061,000	2,945,000	2,973,000	3,105,000	3,061,000	
	Inflation	948,000		65,000	127,000	186,000	257,000	313,000	
	AFUDC*	0							
	Journal Vouchers (JVs)	0		---	---	---	---	---	---
	CIAC Payments CREDIT	0							
	Joint Utility Payments CREDIT	0							
<b>TOTAL ADDITIONS:</b>		<b>16,093,000</b>	<b>0</b>	<b>3,126,000</b>	<b>3,072,000</b>	<b>3,159,000</b>	<b>3,362,000</b>	<b>3,374,000</b>	<b>0</b>
R E M O V E M E N T S	Labor (Weekly Payroll)	0							
	Labor (Monthly Payroll)	0							
	A/P Non-Labor (dumpsters, etc.)	0							
	A/P Contractors	0							
	Overheads	0							
	Journal Vouchers (JVs)	0		---	---	---	---	---	---
	Salvage CREDIT	0							
	CIAC Payments CREDIT	0							
	Joint Utility Payments CREDIT	0							
<b>TOTAL REMOVALS:</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
* AFUDC may require adjustment after Finance Department review.									
<b>Expense \$ (if applicable):</b>		<b>0</b>							
<b>Current Approved Rate Case Funding (\$):</b>		n/a*	n/a*	n/a*	n/a*				

\* Not applicable for 2025-2029 budget process when  
rate case funding not yet confirmed.



**Budget Status:** Included in current PSC-approved budget plan under a PROGRAM

**Cost Estimate Level:** Conceptual

**Cost Estimate Confidence:** (that final cost will be within +/-30% of the estimate): High Confidence

*No further estimate range is required.*

**Cost Estimate Range:** Minimum (\$): 11,265,100 Maximum (\$): 20,920,900

**No explanation on confidence level required.**

← *Formulas give standard ranges per estimate level, but may be overwritten if desired.*

**Basis for estimate:** Historical Unit Pricing

*(select all that apply)*

Is there documentation that shows how your conceptual or preliminary-level cost estimate was derived?

No

## E. ADDITIONAL INFORMATION

If there is any additional information that you would like to add that is not covered elsewhere in this form, you may add it here (optional):

Previous material costs and trending needs.