



ADD-CHANGE FORM

New Project or Budget Change?

Assigned Project #

Requested by:
Project Manager / Area Manager

Date:

Project Name:

Company: Labrador Utilities Inc

Business Unit: Labrador Utilities Inc S

BU Type:

Project Owner:

Budget Owner / RVP: 03

Project Manager:

Region: 04

Start Date: Q3 2016

State:

Estimated End Date: Q3 2016

Project Type:

Will project replace/retire any assets:

Previously Requested:

This Request:	\$61,137
Still to be Requested:	
Total Project Budget:	\$61,137

Description:

This project's components include:

1. Remove and dispose of accumulated grit and sand in the Labrador WWTP's three treatment trains (nine tube tanks). The grit, sand and sediment will be hauled to a nearby landfill authorized to accept such waste.
2. Sample and analyze the material for metals and other parameters as required by the landfill before delivery.
3. Remove and replace coarse bubble diffusers in Trains 1, 2 & 3 that have failed. It is unknown how much work and material will be required to address all three treatment trains until the tank levels are lowered and the riser pipes and diffusers are inspected.
4. All nine tanks will be cleaned with liquid still in the tanks to avoid floating of the tanks out of the ground.

Timeline Considerations:

This project is a proforma project to be included in the 2016 consolidated UIF rate case.

Inter-dependant Project Project Number: Project Name (If applicable)

Have engineering evaluations been performed? Engineering project number (If applicable)



JUSTIFICATION / ALTERNATIVES

Justification and Benefits:

The Labrador WWTP, permitted capacity of 0.216 mgd AADF, serves the Forest Lake Estates MHP, a retirement community of approximately 900 homes and a 274-unit RV park that has seasonal occupancy.

The removal of the accumulated sediment, grit, rags and sand (approximately one foot depth throughout the facility) from the bottom of each air bay will restore the aerated volume to design capacity specifications. This project will also provide an opportunity to replace failing diffusers. The new diffusers also will provide a better means of oxygen transfer. The removal of grit, sand and particulates from the tanks will improve effluent quality and also reduce the current maintenance required to clean irrigation spray heads on the spray field.

Risk Evaluation

The added aeration capacity will provide overall improvement in processing of plant flow and improve the effluent water quality which is directed to the spray field site.

Alternatives Considered:

This project is needed to keep the facility operationally successful at all times. Plant performance has already been impaired due to the accumulation of grit. Further delays in removing the material could lead to non-compliance with the treatment plant's operating permit. We have previously removed sediment with a vactor truck as a short term fix, not as a comprehensive effort.

Technical Review Summary:



Financial and Regulatory Implications

Capital Plan	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5
Proposed Project Spend	61,137				
Project Spend in Current Plan					
Variance	(61,137)	-	-	-	-
CIAC Collected					
Net Rate Base	61,137	61,137	61,137	61,137	61,137

(if applicable)

O&M Cost Impact B/(W)	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5
	1,000	1,200			

Financial Justification

This project is included in the consolidated rate case and will result in decreased maintenance required to clean irrigation spray heads on the spray field, and improve oxygen transfer.

Estimated Revenue Impact per Customer:	Served	Rate Payers
	4.70	4.24
Number of Customers Impacted:	1,370	1,520

Utility Financial Impact	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5
O&M Impact on EBITDA B/(W)	1,000	1,200	-	-	-
Depreciation Impact on EBIT B/(W)	(1,415)	(2,264)			
Under-recovery on capital B/(W)	(2,611)	(4,178)			
Net EBIT Impact B/(W)	(4,026)	(6,442)			

Timing and Supporting Information on Rate Recovery

Project completion 7/29/2016 and rate recovery should begin in September of 2017.

Regulatory Plan Implications

This is a proforma project included in the 2016 UIF consolidated rate case filed in 3Q of 2016.

Assumptions

ROE: 10.25%, Cost of Debt: 6%, Equity Percentage: 50%, Tax Rate: 37.63%, Depreciation Rate: 5.56%
 After Tax Return on Rate Base = $10.25\% \times 50\% + 6\% \times 50\% \times (1 - 37.63\%) = 6.9961\%$
 Pretax Return on Rate Base = $6.9961\% / (1 - 37.63\%) = 11.217\%$
 Total Revenue Required = Pretax Return on Rate Base + Depreciation Rate = $11.217\% + 5.56\% = 16.77\%$
 Please note the under-recovery on capital includes equity, taxes, and debt portions



BID INFORMATION AND BUDGET BREAKDOWN

Have three bids been received?

If not, why? List and provide amounts below

Bid	Company	Amount	Selected
1	Polston Applied Technologies	\$55,225	Yes
2			
3			

Component:	Amount
Value Bid Elements	55,225.00
Engineering	
Direct Purchase of Parts / Materials	1,500.00
Landscaping / Site Restoration	
Other Components (specify):	
Cap Time	1,500.00
Contingency, 5%	2,912.00

should match selected bid(s) above

Total Project Budget **61,137.00** should match Total Budget on General Information

Object Account(s) to which project will be closed:

Treat/Disp Equip Trt Plt
 select from dropdown list
 select from dropdown list
 select from dropdown list
 select from dropdown list

[Go to Reference List](#)

General Comments:

This project is needed to maintain treatment plant performance during peak seasonal flows.

Only one vendor was solicited for the work. Polston Applied Technologies offers a specialized, efficient system of grit, sand and solids removal without having to fully empty each tank. This eliminates the possibility of the tanks floating or popping from buoyancy caused by high ground water levels.



Approvals

EAM Prime Review

Review Completed by Date:
Does project align with utility plan and meet technical requirements? Yes No

Comments

Technical Peer Review

Review Sponsored by Date Held
Approval to proceed Yes No

Comments (note if feedback received in review incorporated)

None.

FP&A Review

Review Completed by Date:
Does Project comply with current Utility Rate and Regulatory Plan? Yes No

Comments

This project meets UIF financial requirements.

Approvals

Applicable?

Regional Manager: Date:

VP Operations: Date:

President: Date:

Approval or Re-Direction Comments