

**Attachment A**

**Sudbury-Hudson Reliability Project**

**Condition R Compliance Filing**

**June 2023**

**NSTAR Electric Company d/b/a Eversource Energy**

**EFSB 17-02/D.P.U. 17-82/D.P.U. 17-83**

In Condition R of the Final Decision issued on December 18, 2019, for the Sudbury-Hudson Reliability Project (the “Project”), the Energy Facilities Siting Board (“Siting Board”) directed NSTAR Electric Company d/b/a Eversource Energy (“Eversource” or the “Company”) to submit to the Siting Board an updated and certified cost estimate for the Project prior to the commencement of construction. Additionally, the Siting Board directed Eversource to file semi-annual compliance reports with the Siting Board starting within 180 days of the commencement of construction, that include projected and actual construction costs and explanations for any discrepancies between projected and actual costs and completion dates, and an explanation of the Company’s internal capital authorization approval process.

On June 8, 2022, the Company submitted its pre-construction updated and certified cost estimate (“Pre-Construction Filing”) in compliance with Condition R. On April 5, 2023, the Company notified the Siting Board that the Company was in the process of updating its construction cost estimates and schedule for the Project and would have updated cost and completion date estimates available in June 2023 and would provide a further update. In this updated semi-annual Condition R Compliance Report to the Siting Board, the Company provides projected and actual construction costs and explanations for any discrepancies between projected and actual costs and completion dates.

Table 1 provides the estimated costs as of the June 8, 2022, Pre-Construction Filing and the projected costs as of June, 2023.<sup>1</sup> The projected costs as of June 2023 include actual costs as of May 31, 2023, plus remaining forecasted items. This table shows that the projected total cost (i.e., actual costs plus remaining forecasted costs) have increased from what was previously estimated. The increase is caused by substantial increases in labor, labor-related and transportation costs, and material and equipment costs. Inflation is currently in the range of 7.5% as compared to the 2019, pre-pandemic level of 2.5%. The Company estimates that hourly wages have increased 5.7% and that raw material and equipment costs have risen by similar multiples due to inventory shortages caused by global events and significant supply chain disruptions.

---

<sup>1</sup> For purposes of budget, contractor and schedule management, the Company has divided the Project into two project components: the New Line and Sudbury Substation Modifications. Each project component includes all of the work scope for that component (e.g., engineering, permitting, site work, structures, conductors, real estate, etc.).

**Table 1**

**Sudbury-Hudson Reliability Project**

**Actual Project Costs and Projected Total Costs by Project Component (\$ in millions)**

<b><u>Project Component</u></b>	<b><u>Pre-Construction Estimated Total Costs</u></b>	<b><u>June 2023 Projected Total Costs</u></b>	<b><u>May 31, 2023 Actual Costs</u></b>
New Line	\$101.21	\$122.5	\$43.9
Sudbury Substation Modifications	\$4.23	\$6.0	\$4.4
<b>Total</b>	<b>\$105.44</b>	<b>\$128.5</b>	<b>\$48.3</b>

The Company previously projected completion of the Project in December 2019. The current project completion date is March 2025. This completion date reflects the date when construction is projected to be substantially complete, although final commissioning activities and close-out of the relevant construction may not have occurred. The extended projected completion date is driven by the lengthy permitting process, which delayed the start of construction until October 2022.