

BEFORE THE  
NEW YORK STATE  
PUBLIC SERVICE COMMISSION

In the Matter of the Application of Central Hudson Gas & Electric Corporation For a Certificate of Environmental Compatibility and Public Need Pursuant to Article VII of the Public Service Law for the A and C Line Rebuild Project, Approximately 10.85 miles of 115 Kilovolt Transmission Lines in the Towns of Pleasant Valley, LaGrange, Wappinger and East Fishkill, in Dutchess County

Case No.: 13-T-\_\_\_\_

CENTRAL HUDSON GAS & ELECTRIC CORPORATION  
A AND C LINE REBUILD PROJECT

EXHIBIT 9

COST OF THE PROPOSED FACILITY

## EXHIBIT 9 – COST OF THE FACILITY

This section addresses the requirements of 16 NYCRR §86.10.

The total estimated cost of the proposed transmission line is \$11,720,000. The detail of the cost estimate is provided in Table 9-1 below.

**Table 9-1. Estimated Costs of the Facility**

<b>Expenditure/Item</b>	<b>Estimated Cost</b>
(1) Right of Way	\$330,000
(2) Surveys	\$350,000
(3) Materials	\$1,650,000
(4) Labor	\$6,199,000
(5) Engineering and Inspection	\$866,000
(6) Legal and Other Services	\$520,000
(7) Interest During Construction	\$270,000
(8) Administrative Overheads	\$51,000
(9) Contingencies	\$1,490,000
<b>Total</b>	<b>\$11,720,000</b>

The sources of the cost figures provided above are as follows:

1. Right of Way – This estimate includes costs associated with obtaining access routes, surveying and staking of project attributes and edge of right of way, and costs associated with CHGE Real Property Services individuals.
2. Surveys – This estimate includes the topographic and planimetric aerial surveys, as well as environmental, cultural, archaeological, agricultural, and geotechnical surveys required to evaluate the potential environmental impacts of the facility. These surveys are provided by EDR, and other sub-consultants, under contract to CHG&E.
3. Materials – The estimated cost of materials is based on quotes received from distributors and/or manufacturers of poles, hardware, insulators, etc.
4. Labor – Labor cost estimates reflect an average of the recent bids for access and construction of the electric line. Also included is an estimate of the costs associated with energizing and testing the transmission line.

5. Engineering and Inspection – Estimated costs for engineering and inspection were calculated using fully loaded current wages of those individuals who have been or are expected to be involved in the planning or inspection of the transmission line construction.
6. Legal and Other Services – The estimated cost for legal and other services includes counsel for representation through the Article VII process.
7. Interest During Construction – The estimated cost of the AFUDC (Allowance for Funds Used During Construction) is the result of a calculation using current published rates.
8. Administrative Overheads – The estimated cost of the Administrative Overheads is the result of a calculation using current administrative overhead rates. These Administrative Overheads include Accounting and other administrative personnel who are not directly working on the project but will have an indirect impact such as those processing work order paperwork. This overhead percentage is only applied to the first \$300,000 of the estimate.
9. Contingencies – A contingency estimate for the A&C 115kV Transmission project was based on approximately 15% of the total estimated cost of the transmission lines.

In order to establish credible estimates for various portions of the transmission project, Central Hudson used recent quotes from Construction Contractors, current material pricing, and access pricing from recent projects. The costs reflected in this estimate include the appropriate overhead costs (including pensions and benefits, stores handling expenses, exempt material charges, use of tools, lost time, and appropriate sales taxes. Calculated Overhead costs spread across the expenditure items total \$1,005,153).