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Rochester Gas and Electric Corporation

Rochester Transmission Project Enhancement

Exhibit 9

Cost of Proposed Facilities

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EXHIBIT 9: COST OF PROPOSED FACILITIES

9.1 Introduction

The general capital cost estimate includes items that apply to all of the segments that comprise the Rochester Transmission Project Enhancement (the Project), including the following for the proposed transmission line and the associated supporting improvements to substations:

- Right-of-Way
- Surveys
- Materials
- Labor
- Engineering and Inspection
- Administrative Overhead
- Fees for Legal and Other Services
- Interest During Construction
- Contingencies

No escalation rates are included in the cost estimates. All costs are in 2020 dollars.

9.2 Capital Cost

A detailed estimate of the total capital costs of the proposed facilities in the Project is set forth in Table 9-1. The overall estimated capital cost of the Project is the sum of the transmission line and the associated supporting improvements to substations.

Table 9-1 Cost of RTP Enhancement Project

Item Description	Cost Estimate
Total Cost of Project	
<i>1) Right-of-Way</i>	
<i>2) Surveys</i>	
<i>3) Materials</i>	
<i>4) Labor</i>	
<i>5) Engineering and Inspection</i>	
<i>6) Administrative Overhead</i>	
<i>7) Fees for Legal and Other Services</i>	
<i>8) Interest During Construction</i>	
<i>9) Contingencies</i>	

9.3 Sources of Information

The capital cost estimate presented in Table 9-1 is based on a combination of known and estimated costs. Known costs are based on established Master Service Agreements (MSAs) and bids received from suppliers. Where known capital cost information is not yet available, the experience of Rochester Gas and Electric Corporation on similar substation and transmission projects was applied as a best practice for the completion of comprehensive proposed costs.

The basis of proposed cost is specifically derived as described below by capital cost component:

- Right-of-Way: known costs based on real estate negotiation and corresponding issued Purchase Orders.
- Surveys: known costs based on established MSAs and corresponding issued Purchase Orders.
- Materials: a blended combination of known and estimated costs based on best available data. Known costs are based on established MSAs and bids received from suppliers. In instances where established MSA rates are unavailable, unit costing based on historical past projects is utilized.
- Labor: a blended combination of known and estimated costs based on best available data. Known costs including field construction management are based on established MSAs and bids received from suppliers. In instances including project management, warehousing, construction and commissioning where established MSA rates are unavailable, unit costing based on historical past projects is utilized.
- Engineering and Inspection: known costs based on established MSAs and bids received from suppliers.
- Administrative Overhead: internal and external administrative overheads are based on proportioning relative to historical past projects.
- Fees for Legal and Other Services: based on proportioning relative to historical past projects.
- Interest During Construction: based on proportioning relative to historical past projects.
- Contingencies: based on proportioning relative to other cumulative project costs based on historical past projects.

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