

- 1 **Q. Was a 10% contingency included in the \$31.6 million cost estimate, and is this size**
2 **contingency common practice in the industry? Why is a contingency needed given**
3 **EY's extensive experience in CSS replacement projects?**
4
- 5 A. Yes, a 10% contingency was included in the \$31.6 million cost estimate, excluding
6 Procurement and Allowance for Funds Used During Construction (AFUDC) related
7 costs. This size contingency is common practice in the industry. Contingency is
8 customary in replacement projects due to their size, complexity, and duration to cover
9 events not specifically accounted for and compensate for the inherent uncertainty in
10 cost/time estimates.