



STATE OF MAINE
PUBLIC UTILITIES COMMISSION

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Memorandum

To: Parties to Docket No. 2014-00050
From: Commission Advisory Staff
Date: July 9, 2019
Re: Project Cost Update

On June 14, 2019 (corrected on June 19, 2019), Central Maine Power Company (CMP) submitted a Project Cost Update for the Waterville Winslow project approved with conditions in Docket No. 2014-00050 in an Order Approving Stipulation issued on December 28, 2015. The following conditions relate to cost overruns:

- That to the extent that the estimated cost outlined in the TCA application for the Project exceeds by 10% CMP's \$38.260 million estimate for the Project, CMP will file a report to the Commission, explaining the reasons for the cost increase.
- That to the extent the final actual cost of the Project exceeds \$38.260 million by 10%, CMP will file a report to the Commission, documenting the cost expenditures and explaining the cost overruns.

In its Project Cost update, CMP states that it now estimates that the project cost is \$52.4 million. CMP provides a table identifying different cost categories and showing the cost increases for each category. The table also shows that PTF costs have increased by 32% and non-PTF costs have increased by 46%.

The Commission's Advisory Staff (Staff) requests additional information about the Project Cost Update. Responses should be filed in this docket by August 6, 2019. Specifically, Staff asks the following questions on the Project Cost Update:

1. For each category in the table, i.e. materials, equipment, right of way, etc., please specify which costs are PTF and which are non-PTF and provide a narrative description of the reason for the increase.

2. Was the increase in materials costs due only to increases in steel prices? If not please describe the reasons for other increases in materials costs.
3. Please provide a detailed explanation for the increase in land acquisition costs.
4. Why were the construction costs estimates so much lower than actual construction costs?
5. Please provide the dates for all RFPs for contract materials and labor, and for each date include a description of the RFP.
6. Please list all major capital projects during the same period in which cost overruns of 10% or more occurred.