**PHASE 2 PRELIMINARY PRE-ENGINEERING COST ESTIMATES**

<table>
<thead>
<tr>
<th>Cost Component</th>
<th>Direct Cost</th>
<th>Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Planning and Engineering Proposal (based on 2017-2019 lines - adj for accelerated mileage - 21 est./326 mi)</td>
<td>$3,362,969</td>
<td></td>
</tr>
<tr>
<td>Planning and Engineering Proposal Proration (based on 2017-2019 est. for similarly situated lines - 59 est./334 mi)</td>
<td>$5,893,444</td>
<td>$9,256,413</td>
</tr>
<tr>
<td>Total Estimated Planning and Engineering Costs</td>
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</tr>
</tbody>
</table>

**Support Resources (Based on 27 month project duration - 3 batches @ 9 months each)**

**Third Party Support Resources**

- Land Services (2 @ $107/hour blended rate of existing contracts) | $1,001,520   |
- Environmental (4@$150 hour blended rate of existing contracts)   | $2,808,000   |
- Construction (2 @$141/hr ST rate of existing contracts plus $204/day per diem) | $1,654,728   |

  Total Third Party Support Resources | $5,464,248   |

**Internal Resources**

- Project Manager (1 @ $100,000) | $225,000     |
- Engineer (2 @$70,000)            | $315,000     |
- Cost Estimator (1 @ $70,000)     | $157,500     |
- CNG/LNG (1@$80,000) (will utilize existing resource) | $180,000     |
- Buyer (1 @ $90,000)              | $202,500     |
- Project Support (1@ $100,000)    | $225,000     |

  Total Internal Resources | $1,305,000   |

Subtotal | $16,025,661   |

20% Contingency | $3,205,132   |

**SUBTOTAL (High Level Estimate - Direct Costs)** | $19,230,793   |

- Overhead Loaders & Escalation | $2,165,570   |
- Capitalized Property Tax       | 85,407       |
- AFUDC                          | 755,914      |

**GRAND TOTAL (High Level Estimate)** | $22,237,683   |

**O&M/Capital Split 60%/40% - based on estimated total Phase 2 Project Cost (Direct Costs)**

| O&M                     | $11,538,476 |
| Capital                 | $7,692,317  |

*Note: actual planning and engineering design costs may vary.

27 month project duration to develop estimates for all Phase 2 projects (7/1/15 - 10/1/17)