

- 1 **Q. The current estimate for a new CSS is \$31.6 million. That is 321.3% higher than the**
2 **current CSS's cost estimate of \$7.5 million, and 210.6% more than the actual cost of**
3 **the CSS, namely \$10.173 million. According to Statistics Canada data, inflation**
4 **from 1993 to the present (Sept. 2020) was 59.7% as measured by the Consumer**
5 **Price Index for Canada. Thus, the new CIS as determined by EY is massively more**
6 **costly than the existing CSS was, even allowing for inflation since 1993. Based on**
7 **EY's experience, is this typical? Please provide an explanation.**
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- 9 A. EY was not involved in the CSS implementation 28 years ago. That said, based on EY's
10 experience, legacy CSS and modern CIS and their respective implementation programs
11 are significantly different and therefore are not comparable as suggested in this question.
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- 13 Refer to CA-NP-176 part c, which provides the assessment process to arrive at the cost
14 estimate recommended to Newfoundland Power.
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- 16 A comparison of the new CSS sustaining costs to the expected cost of continuing
17 operation of the existing CSS was not included in EY's scope of work.