

Index #: 151 Schedule: ROFT Replacing Schedule: Initial Territory: Company Wide

RELOCATION OF FACILITIES TARIFF

If any governmental subdivision requires Company to construct, remove, or relocate ("change") Distribution or Transmission facilities ("required facilities") when Company, absent such requirement, would do otherwise, and where the recovery of the additional cost for such change is not otherwise provided for, the cost incurred by Company to make such change shall be assessed against the Customers located within the governmental subdivision through a monthly surcharge ("Surcharge") as follows:

- If the required facilities are in lieu of new facilities, Company shall estimate the cost of the required facilities and of the facilities which otherwise would have been installed ("planned facilities"). Any cost of the required facilities in excess of the planned facilities shall be the basis for the Surcharge.
- 2. If the required facilities replace existing facilities which Company would otherwise maintain or modify in place, Company shall estimate the cost of the required facilities and any planned modifications to existing facilities. Any cost of the required facilities in excess of the cost of any planned modifications to existing facilities plus the cost of removing existing facilities shall be the basis for the Surcharge.
- 3. If the required facilities replace existing facilities which Company would not otherwise maintain or modify, the cost of the required facilities plus the cost of removing the existing facilities less their salvage value shall be the basis for the Surcharge.
- 4. Company's costs of planned and required facilities shall be as follows:
 - a. Costs of planned facilities shall include applicable material and labor costs, including allocation of indirect costs. Indirect costs are comprised of supervision, engineering, transportation, material handling, and administrative cost functions that support actual construction. The amount of the allocation of indirect costs is derived by application of unit costs or allocation percentages, determined from historical experience.

Issued By: Pat Darhe,

Chief Executive Officer

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- b. Costs of required facilities shall include the cost items identified in subparagraph a. plus all costs of complying with the requirements of the governmental subdivision including any application process of the governmental subdivision, including the cost of preparing the application, costs of developing alternatives not already studied by Company, cost of estimating the cost of alternatives not already studied by Company, the production of data for consideration in any hearing, and any other direct cost of compliance including any hearing held.
- 5. The basis for the Surcharge, as determined under paragraphs 1, 2, or 3, and 4 above, shall be recovered from all Customers within the governmental subdivision through the Surcharge. Said Surcharge shall be the amount necessary to recover the basis and Company's associated cost of capital in a period of time approved by the Kansas Corporation Commission, not longer than seven years. Subject to review and approval by the Kansas Corporation Commission, the governmental subdivision may determine whether the Surcharge shall be calculated and billed on a per Customer basis, energy usage basis or some combination thereof. Surcharge shall be shown as a separate line item on the Customer's bill. In the absence of such governmental subdivision determination, the Surcharge shall be calculated and billed on a per Customer basis.
- 6. Company shall file a notice of the Surcharge with the Kansas Corporation Commission and shall file a copy with the affected governmental subdivision and provide copies to Customers who have requested that the notice be sent to them. The notice shall state the following:
 - a. the reason for the Surcharge;
 - b. the estimated amount of the Surcharge;
 - c. the period of time over which the Surcharge shall be made;
 - d. the number of electric Customers within the governmental subdivision.

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- 7. The Surcharge may be included in bills rendered in any governmental subdivision 30 days after placing the first required facility in service or the removal of a facility required to be removed or 60 days after filing notice of the terms of the Surcharge with the Kansas Corporation Commission, whichever occurs later, unless the Kansas Corporation Commission has, by order issued within 30 days of the filing, suspended the Surcharge for purposes of investigation.
- 8. At any time after the commencement of the Surcharge, the Surcharge may be reviewed and, if necessary, adjusted to reflect:
 - a. the number of electric service Customers then in the governmental subdivision, and/or;
 - b. the amount of energy used by Customers in the governmental subdivision, and/or;
 - c. the actual cost of required facilities.
- 9. If the governmental subdivision rescinds its requirements concerning required facilities, the Surcharge shall continue until the end of term specified in Section 5, subject to review and adjustment as specified in Section 8.
- 10. Failure by any Customer to pay the Surcharge shall be grounds for disconnection of service to such Customer in accordance with Company's Electric Terms and Conditions for Electric Service.



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Index 154-199 Reserved for Future Use



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