

KANSAS CITY POWER & LIGHT COMPANY

P.S.C. MO. No. 2

Fourth

Revised Sheet No. 1.30

Canceling P.S.C. MO. No. 2

Third

Revised Sheet No. 1.30

For Missouri Retail Service Area

**RULES AND REGULATIONS
ELECTRIC**

9. EXTENSION OF ELECTRIC FACILITIES

SECTIONS 9.01 THROUGH 9.11 SHALL BE APPLICABLE TO FACILITY EXTENSION AGREEMENTS EXECUTED ON AND AFTER JANUARY 1, 2018.

SECTIONS 9.12 THROUGH 9.14 SHALL BE APPLICABLE TO FACILITY EXTENSION AGREEMENTS EXECUTED BEFORE JANUARY 1, 2018.

ANY PROVISIONS OF THE FACILITY EXTENSION AGREEMENT, EXECUTED BEFORE JANUARY 1, 2018, SHALL REMAIN IN EFFECT IF THEY CARRY OVER INTO THE NEW POLICY PERIOD.

9.01 Purpose

The purpose of this policy is to set forth the service connection and distribution system extension requirements when one (1) or more applicants request overhead or underground electric service at premises not connected to Company's distribution system or request an alteration in service to premises already connected where such change necessitates additional investment.

9.02 Definition of Terms

- (A). Applicant: The developer, builder, or other person, partnership, association, firm, private or public corporation, trust, estate, political subdivision, governmental agency or other legal entity recognized by law applying for the construction of an electric Distribution Extension, Extension Upgrade, or Relocation.
- (B). Basic Extension Request: A request by Applicant for a Distribution Extension for which Company specified facilities are provided free of charge to the Applicant.
- (C). Construction Allowance: The cost of that portion of the Distribution Extension which is for economically justifiable and necessary construction and which is made by Company. The formula used to determine the appropriate Construction Allowance will be based on Company's feasibility model. Generally, the formula used by the feasibility model is the Estimated Margin divided by the Fixed Carrying Cost percentage as measured over the first five (5) year life of the Distribution Extension.

$$CA = \frac{\text{SUM (EM1 + EM2 + EM3 + EM4 + EM5)}}{\text{SUM (FCC1 + FCC2 + FCC3 + FCC4 + FCC5)}}$$

Where, CA = Construction Allowance;
 EM = Estimated Margin;
 FCC = Fixed Carrying Cost;

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9. EXTENSION OF ELECTRIC FACILITIES (continued)

9.02 Definition of Terms (Continued)

- (J). Extension Upgrade: The increase in capacity of existing electric distribution facilities necessitated by Applicant's estimated electric requirements and for which Company determines that such facilities can be reasonably installed.
- (K). Facilities Extension Agreement: Written agreement between Applicant and Company setting out the contractual provisions of Construction Allowance, Construction Charges, payment arrangements, the Open Extension Period, etc. in accordance with this extension policy.
- (L). Fixed Carrying Cost: Company's cost of capital to provide the requisite return on its investment as well as the costs for depreciation, property taxes and property insurance.
- (M). Indeterminate Service: Service that is of an indefinite or indeterminate nature where the amount and permanency of service cannot be reasonably assured in order to predict the revenue stream from Applicant. For purposes of uniform application, "Indeterminate Service" may include such service as may be required for the speculative development of property, mobile buildings, mines, quarries, oil or gas wells, sand pits and other ventures that may reasonably be deemed to be speculative in nature.
- (N). Open Extension Period: The period of time, five (5) years, during which Company shall calculate and pay refunds of Construction Charges according to the provisions of this extension policy. The five (5) year period begins on the Extension Completion Date.
- (O). Permanent Service: Overhead or underground electric line extensions for primary or secondary service where the use of service is to be permanent and where a continuous return to Company of sufficient revenue to support the necessary investment is reasonably assured.
- (P). Temporary Service: Any service that is of a known temporary nature, excluding service for temporary meter sets, and shall not be continued for a period longer than twelve (12) months.

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RULES AND REGULATIONS ELECTRIC

9. EXTENSION OF ELECTRIC FACILITIES (continued)

EXTENSION POLICY

SECTIONS 9.12 THROUGH 9.14 SHALL BE APPLICABLE TO FACILITY EXTENSION AGREEMENTS EXECUTED BEFORE JANUARY 1, 2018, ANY AGREEMENT EXECUTED AFTER JANUARY 1, 2018 SHALL BE GOVERNED BY SECTIONS 9.01 THROUGH 9.11.

NO AGREEMENT EXECUTED AFTER THE EFFECTIVE DATE OF THIS SHEET THROUGH JANUARY 1, 2018 MAY HAVE A TERM TO EXCEED JUNE 9, 2022.

The Company will supply electric service at premises not adjacent to its existing distribution facilities which are adequate and suitable as to capacity, voltage, phase and other characteristics for the electric service required by the Customer, in accordance with the following extension policy. All costs of the Company referenced in the following extension policy 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. A copy of the Company's estimate of the cost of construction including direct and indirect costs shall be furnished to the customer upon request prior to construction.

9.12 OVERHEAD SINGLE-PHASE RESIDENTIAL EXTENSIONS:

- (A) Company will make free extensions of its distribution lines as and when necessary to serve any and all prospective customers applying for electric service, located within one-quarter (1/4) mile of existing distribution lines in which utility holds certificates of convenience and necessity from the Missouri Public Service Commission. Extensions may involve application of the quarter-mile (1/4 mile) provision to a Customer's property line, onto a Customer's property, or a combination providing extension to the Customer's property line and onto a Customer's property.
- (B) The Company will build the first one-eighth (1/8) mile and the last one-eighth (1/8) mile of single-phase line per residential customer under its established rates and minimum charges. In the event the line extension exceeds one-quarter (1/4) mile per residential Customer, there shall be a monthly Customer Charge or an increase in the existing monthly Customer Charge. The amount of the Customer Charge or increase to an existing monthly Customer Charge may be paid in equal installments over sixty consecutive bills.
- (C) Residential service as provided under this Rule 9.12 is defined as electric service to a permanent single-family residence consisting of a single structure roofed and enclosed within exterior walls, built for permanent use, erected, framed of component structural parts and unified in its entirety both physically and in operation for single-family residential occupancy.
- (D) As evidence that the Customer accepts service under the terms of this extension policy, the Customer will be required to sign an Electric Service Agreement guaranteeing the monthly Customer Charges for a period of five (5) years. After the initial contract period, the monthly minimum or monthly Customer Charge will not exceed the amount set forth in the appropriate Rate Schedule.

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**RULES AND REGULATIONS
ELECTRIC**

10. UNDERGROUND DISTRIBUTION POLICY

SECTION 10 IS APPLICABLE ONLY TO FACILITY EXTENSION AGREEMENTS EXECUTED BEFORE JANUARY 1, 2018

SECTIONS 9.12 THROUGH 9.14 SHALL BE APPLICABLE TO FACILITY EXTENSION AGREEMENTS EXECUTED BEFORE JANUARY 1, 2018, ANY AGREEMENT EXECUTED AFTER JANUARY 1, 2018 SHALL BE GOVERNED BY SECTIONS 9.01 THROUGH 9.11.

NO AGREEMENT EXECUTED AFTER THE EFFECTIVE DATE OF THIS SHEET THROUGH JANUARY 1, 2018 MAY HAVE A TERM TO EXCEED JUNE 9, 2022.

10.01 UNDERGROUND SERVICE CONDUCTORS:

All costs of the Company referenced in the following extension policy 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. A copy of the Company's estimate of the cost of construction including direct and indirect costs shall be furnished to the customer upon request prior to construction.

- (a) In any area where the Company's existing primary and secondary distribution facilities are of underground construction, only underground service conductors to Commercial and Industrial Customer installations will be permitted.
 - (i) If the Company's transformer is on the Commercial or Industrial Customer's premise or at his property line, the Commercial or Industrial Customer shall furnish, install and own the concrete pad for the Company's transformer and the Company will terminate, at its expense, the underground primary and secondary conductors to its transformer. The Commercial or Industrial Customer shall furnish, install, own, operate and maintain, at his expense, the underground service conductor from the Company's transformer to the Customer's load facilities.
 - (ii) If the Company's transformer is not located on the Commercial or Industrial Customer's premise or at his property line, the Commercial or Industrial Customer shall furnish, install, own, operate, and maintain the underground service conductors on his premises and shall extend his underground service conductors to his property line at a point designated by the Company, and shall leave an added length of continuous conductor, as specified by the Company. The Company will purchase from the Commercial or Industrial Customer, and will own, operate, and maintain the added length of continuous conductors, as specified by the Company and will complete, at its expense, the installation of the underground service conductor beyond the Commercial or Industrial Customer's property line.