
RIDER EFC – EXCESS FACILITIES CHARGE

APPLICABILITY

Rider EFC – Excess Facilities Charge (Rider EFC) is applicable to Customers that request and to whom the Company agrees to provide facilities that the Company does not provide during the normal course of business. Those facilities are referred to as Excess Facilities for purposes of this rider.

PURPOSE

The purpose of Rider EFC is to recover from Customer the cost of furnishing, installing, owning, operating, replacing and maintaining such Excess Facilities, including the cost consequences of any applicable federal, state, or local tax liability. Transmission, distribution and/or metering facilities in excess of those that are adequate to serve the Customer's load, or facilities that would not normally be installed or furnished by the Company will be considered Excess Facilities. Company, at its discretion, may enter into agreement with Customer to install, own and operate facilities for the purpose of providing service to such Customer. The type, extent and location of Excess Facilities are to be determined by agreement between the Company and Customer. Excess Facilities shall be and remain the sole property of the Company.

CHARGES FOR EXCESS FACILITIES

For Excess Facilities with a salvable cost of \$10,000 and under, Customers shall pay to Company a Non-Refundable Contribution (as defined in Standards and Qualifications for Electric Service) equal to 2.5 times the total installation cost. The Non-Refundable Contribution will cover the installation costs, ongoing operation and maintenance costs, replacement costs, and any removal costs associated with the Excess Facilities. A revenue test will not be used in the determination of the Customer's Non-Refundable Contribution, nor will it be used as an offset to any amounts due as a Non-Refundable Contribution.

For Excess Facilities with a salvable cost of over \$10,000, Customer shall pay to Company the total cost of the project, non-salvable and salvable costs, as follows:

1. A Non-Refundable Contribution to cover the estimated non-salvable replacement costs of new equipment and material, and installation and removal cost of such facilities, including applicable taxes.

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Applicable taxes may apply in situations where federal or state tax laws, regulations or rules treat the payment by a Customer for a requested service from Company to be taxable income as a Contribution in Aid of Construction or otherwise, Company will increase the payment required from Customer to fully reflect the tax effects on Company.

2. A monthly rental charge of 1.5% per month, based on the salvable cost of new equipment and materials at the time of rental.

Types of Excess Facilities

Excess Facilities include, but are not limited to the following:

1. Duplicate On-Site Facilities

Duplicate facilities on the Customer's Premises, including but not limited to a second transformer or a second Extension from a single feeder.

2. Additional Points of Delivery

As described in the Distribution System Extensions section of the Company's Standards and Qualifications, the Company will normally provide service to Customer at only one Point of Delivery on each Premises. Notwithstanding the foregoing, the Company may agree to provide service through additional Points of Delivery, at Customer's request under this Excess Facilities tariff.

Additional points of delivery provided as Excess Facilities will not normally be cumulated or otherwise combined, for billing purposes, with any other service provided to Customer.

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Company may provide additional points of delivery for a single Premises under the following conditions:

- a) At the Company's sole discretion, the Company may choose to provide service through additional Points of Delivery to affect economies or if required to render safe and adequate services at no additional cost to Customers, or
- b) Customer's anticipated new Demand will be 10,000 kW or greater, and Company shall not be required to provide and maintain more than one point of delivery for each 5,000 kW of new capacity contracted for or reserved for Customer, provided that Customer shall pay in advance for the installation and removal of such equipment as well as any applicable Excess Facilities charges.

3. Equipment Required for Lighting Service

A Customer that requests the Company to install, maintain (including replacement) and/or remove any extra poles, wires or any other equipment not normally provided under the lighting service tariff. Excess facilities costs shall be in addition to the monthly charges specified in the Company's lighting tariff for standard brackets, fixtures and power and energy.

4. Equipment Required for Customer Operations

Customer's lighting equipment, motor driven equipment, apparatus and appliances that have objectionable characteristics shall be equipped with corrective devices so as to enable the Company to maintain a satisfactory standard of service. Where Customer's equipment causes undue disturbances to the Company's system or in any way interferes with the Company's provision of safe, adequate and reliable service, the Company shall have the right to deny service to such Customer or to charge that Customer for the total cost of correcting the disruptive conditions in a manner satisfactory to the Company under this Excess Facilities tariff. Such charges shall include the cost of any testing costs required for the corrective facilities.

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5. Equipment Required for Customer Anticipated Growth

A Customer that requests Company to provide oversized facilities or system improvements due to Customer's anticipated growth in operations.

6. Additional Metering Requested by Customer or RES

Additional metering requested by Customer or their Retail Electric Supplier.

Written agreements between Customer and Company shall set forth the estimated non-salvage expenses, the cost of new equipment and material that is salvageable, and the rental rate herein specified. Written agreements shall also state that the rental rate herein specified is subject to unilateral changes by Company from time to time, by addition, amendment or substitution.

Modifications and/or Failure of Excess Facilities

When Customer requests and Company agrees to a significant change to Excess Facilities or Customer causes Excess Facilities to be damaged or destroyed beyond repair, the rental agreement and subsequent monthly rental amount will be updated.

A significant change includes but is not limited to the following list:

- Customer requests modifications of the Company's facilities that will increase the capacity or use beyond what was originally intended.
- Customer requests modifications of the Company's facilities to take advantage of a different service rate or rider.
- Customer requests modifications of the Company's facilities for the sole purpose of increasing service reliability to the Customer beyond standard engineering practice.
- Customer requests a relocation of the facilities.
- Customer requests that facilities which are no longer used and useful either be removed or utilized for a different purpose.

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If replacement results in a change of \$10,000 or more of the original salvable amount, Company, at its discretion, may offer Customer the option of buying the currently installed, rented facilities (grossed up for applicable taxes) at a mutually agreeable price or executing a new or updated agreement based on the methodology prescribed in this rider.

If the Excess Facility's salvable equipment incurs an unexpected failure, the rental charge will be handled as follows:

1. If a failure occurs within 10 years of initial date of operation; the Company will replace said facilities with no update to the monthly rental charge or
2. If a failure occurs after 10 years of the initial date of operation; the rental agreement and subsequent monthly rental amount will be updated.

GRANDFATHERING

Rental agreements effective prior to March 27, 2016 are grandfathered until such time as a situation occurs that causes a need to upgrade or exchange the rented facilities (see examples below). Existing rental facilities and their associated charges will remain intact unless and until prompted by such a change. Each change and unique circumstance will be reviewed on a case-by-case basis. In general, when an event occurs that requires a change to facilities where rental agreements exist, the rental agreement will be updated as prescribed in this rider.

Customers that contracted for Excess Facilities prior to March 27, 2016 at a monthly charge of 1.5% of the estimated cost of such facilities in Rate Zones I and III, or 1.454% of the estimated cost of such facilities in Rate Zone II, shall continue to pay the agreed to monthly charge until an event occurs that includes but is not limited to one of the following:

- Customer has continual decreased load, physical change to equipment or facilities, or ownership change;
- Rented equipment incurs failure 10 or more years after initial date of operation;
- Customer elects the one-time payment option addressed under "Modifications and/or Failure of Excess Facilities" above;
- Customer installs their own facilities; and
- Customer purchases Company's Excess Facilities.

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TERMS AND CONDITIONS

Service hereunder is subject to the customer terms and conditions outlined in the Facility Rental Agreement and any other applicable Rates, Riders, taxes, adjustments, fees or charges that may be approved by the ICC from time to time.

The late payment charge as described in the Late Payments subsection of the Customer Terms and Conditions of the Company's Schedule of Rates is applicable to all charges applicable in accordance with the provisions of this rider.