

**UNDERGROUND RELOCATION FUNDING AGREEMENT
IDAHO POWER COMPANY
CITY OF KETCHUM**

THIS UNDERGROUND RELOCATION FUNDING AGREEMENT (“Agreement”) is made and entered into this 12th day of September, 2023, between Idaho Power Company, hereinafter referred to as "IPC" and the City of Ketchum, hereinafter referred to as the "City". IPC and the City are sometimes referred to herein individually as a “Party” or together as the “Parties”.

RECITALS:

- A. The Idaho Transportation Department (“ITD”) is planning a Highway 75 road improvement project running from Elkhorn Road north to River Street in the City of Ketchum (“Highway 75 Project”).
- B. IPC owns and operates an overhead distribution line located along the east side of Highway 75 from approximately Elkhorn Road north to Gem Street that will need to be relocated further to the east for the Highway 75 Project. (Most of the subject IPC distribution line is currently located within the existing Highway 75 road right-of-way, but portions of the distribution line are located on adjacent private lands outside the existing Highway 75 road right-of-way.)
- C. IPC plans to relocate the subject distribution line overhead-to-overhead for the Highway 75 Project, following its standard overhead construction procedures. However, the City has requested that IPC relocate a portion of the distribution line underground approximately from Serenade Lane north to Gem Street, as shown on the drawing attached hereto as Exhibit A (the “Highway 75 Distribution Line”).
- D. As part of IPC’s undergrounding work, the City has also requested that IPC bury the existing IPC overhead distribution line located along Serenade Lane, also as shown on Exhibit A (the “Serenade Lane Distribution Line”). The Highway 75 Distribution Line and Serenade Lane Distribution Line are referred to together herein as the “Distribution Lines”, and the burial of the Distribution Lines is referred to as the “Distribution Line Burial Project”.
- E. IPC is able to proceed with the Distribution Line Burial Project at the City’s cost under the terms and conditions set forth in this Agreement.

AGREEMENT:

NOW, THEREFORE, on the basis of the foregoing Recitals, and in consideration of the mutual covenants and commitments set forth herein, the Parties agree as follows:

1. Phase I of Distribution Line Burial Project. The first phase of the Distribution Line Burial Project will consist of IPC burying the Serenade Lane Distribution Line, including installing devices and other equipment that will facilitate the burial of the Highway 75 Distribution

Line (“Phase I”).

a. IPC will provide a cost estimate for the Phase I work to the City by July 31, 2023 (“Phase I Cost Estimate”).

2. Phase II of Distribution Line Burial Project. The second phase of the Distribution Line Burial Project will consist of IPC relocating and burying the Highway 75 Distribution Line (“Phase II”). IPC will provide a cost estimate for the Phase II work to the City by July 31, 2023, based on the following three cost estimates.

a. IPC’s cost estimate for relocating the Highway 75 Distribution Line overhead-to-overhead ~~\$517,166.30 (“Overhead Cost Estimate”).~~

b. IPC’s cost estimate for relocating the Highway 75 Distribution Line overhead-to-underground ~~\$1,444,798.65 (“Underground Cost Estimate”).~~

c. IPC’s incremental cost estimate, representing the cost difference between the Overhead Cost Estimate and the Underground Cost Estimate ~~\$927,632.35 (“Phase II Cost Estimate”).~~

3. City Review of Project Cost Estimate. The City will review the Phase I Cost Estimate and Phase II Cost Estimate (together, the “Project Cost Estimate”) and confirm to IPC by September 6th, 2023 whether the City wishes to proceed with the Distribution Line Burial Project.

4. Project Timeline. If the City confirms its request for IPC to proceed with the Distribution Line Burial Project by August 31, 2023, the Parties will follow the following timeline for the Distribution Line Burial Project:

a. Phase I: The City will pay IPC the Phase I Cost Estimate by October 31, 2023 and IPC will complete the Phase I work by ~~December 1~~ November 1, 2024, subject to the terms of Section 4(d) below.

b. Phase II: The City will pay IPC the Phase II Cost Estimate by October 31, 2024 and IPC will complete the Phase II work by ~~December 1~~ November 1, 2025, subject to the terms of Section 4(e) below.

~~b. If it becomes reasonably apparent at any point that projected or actual costs will exceed estimated costs by greater than 5% of a Project Cost Estimate, then IPC will timely notify the City of such anticipated cost overages and the City will have an opportunity to accept or reject or negotiate for modification of further work before being responsible for such overages.~~

~~d.c.~~ After IPC has completed Phase I and Phase II (“Project Completion”), IPC will provide a statement to the City showing the total actual cost of the Phase I and Phase II work (“Total Actual Cost”). If the Total Actual Cost is greater than the Project Cost Estimate, the City will pay the difference to IPC within thirty (30) days after IPC presents the statement of Total Actual Cost to the City. If the Total Actual Cost is less than the Project Cost Estimate, IPC will refund the difference

to the City within thirty (30) days after IPC presents the statement of Total Actual Cost to the City.

e.d. The Parties understand that the IPC Phase I and Phase II construction schedules set forth in this Section 4 represent the Company's current best estimates for the Distribution Line Burial Project work, but the work schedule is subject to change due to changes in the timing of the ITD Project, weather, working conditions, availability of labor and materials, and other factors relating to the work. The Company will communicate any material changes to the Phase I and Phase II construction schedules to the City on a timely basis.

f.e. The parties further understand that IPC's Total Actual Costs under this Agreement may be greater or lesser than IPC's Project Cost Estimate, based on the actual costs of labor and materials and other costs related to the Distribution Line Burial Project.

g.f. IPC will follow its standard procedures for calculating estimated costs and actual costs under this Agreement.

5. Entire Agreement. This Agreement contains the entire agreement between the Parties respecting the matters herein set forth and supersedes all prior agreements between the Parties hereto respecting such matters. The Parties acknowledge and agree that the terms of this Agreement are consistent with the Ketchum – Idaho Power Company Franchise Agreement.

6. Governing Law. This Agreement shall be governed by, and construed in accordance with, the statutes, laws, legal decisions and rules and regulations of the State of Idaho.

7. No Waiver. No waiver of any breach by either party of the terms of this Agreement shall be deemed a waiver of any subsequent breach of the Agreement.

8. Amendment. No amendment of this Agreement shall be effective unless the amendment is in writing, signed by all of the Parties.

9. Signature. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original. An executed version of this Agreement which has been signed and transmitted by facsimile or other electronic or mechanical means shall be deemed an original.

10. Other Documents. The Parties agree to execute and deliver such other documents as may be necessary or desirable to carry out the purposes of this Agreement.

11. Authority and Approval to Execute. The signatories hereto represent and warrant that they have the authority and approval to execute this Agreement on behalf of the entities which are Parties to this Agreement and the Parties hereto so stipulate.

IN WITNESS WHEREOF, the Parties have signed this Agreement effective on the date set forth above.

IDAHO POWER COMPANY

CITY OF KETCHUM

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

EXHIBIT A
DISTRIBUTION LINE DEPICTION