



Heber Light & Power

Fiscal Year 2018

Fees/Rates, Operating and Capital Budgets

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2018 Rates/Fees

Fees

Description	Amount	Comments
<u>Billing/Office Fees</u>		
Convenience Fee	3%	Used on Impact Fee credit card payments only
Late Payment Charge (Compounded)	1.5%	Applied on any past due amounts
Returned Payment Charge	15.00	Included in current schedule
Reconnect Fee	20.00	Included in current schedule
Service Application Fee	20.00	Included in current schedule
<u>Construction Fees</u>		
Impact Fee	Amperage Calc	Included in current schedule
Line Extension/New Development - Installation/Additional Design	Bid Estimate	Estimate for Labor, Materials, and Overhead provided upon request
Line Extension/New Development - Job Initiation Fee	200.00	Included in current schedule.
Truck Roll Fee	50.00	Set fee for extra vehicle trips, i.e. reinspection, meter verification, troubleshooting customer side, etc...
<u>Meter Related Fees</u>		
Meter Installation Fee	70.00	All new meter issuances regardless of reason, does not include replacement meters.
Meter Fee	Meter Cost Plus	Cost of Meter rounded up to nearest \$10
Meter - Nonstandard Meter - Monthly Meter Reading Charge	20.00	Typically those meters that must be manually read
Net Metering - Application Fee	300.00	Included in current schedule.
<u>Device Fees</u>		
Generation Transfer Switch - Preliminary Inspection Fee	100.00	Verification trip for sizing and device appropriateness
Generation Transfer Switch - Installation Fee	100.00	Installation and meter re-installation
Outside Lighting (Yard Lights)	\$6.50/Month	Set fee regardless of consumption levels

Rates

Residential

Base/Customer Charge	\$12.70
1st 1,000 kWh	\$0.0798/kWh
All Additional	\$0.1002/kWh

Renewable Energy

100 kWh block	\$0.90
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General Service - Small (<= 30kW)

Base/Customer Charge	\$8.00
Demand Rate	\$8.90/kW
1st 1,000 kWh	\$0.078/kWh
All Additional	\$0.046/kWh

General Service - Medium (>30kW & <= 250kW)

Base/Customer Charge	\$15.20
Demand Rate	\$10.0/kW
1st 10,000 kWh	\$0.0604/kWh
All Additional	\$0.046/kWh

General Service - Large (> 250kW)

Base/Customer Charge	\$26.90
Demand Rate	\$13.50/kW
All kWh	\$0.046/kWh

Heber Light & Power Company

2018 Budget – Executive Summary

	<u>2016 Actual</u>	<u>2017 Budget</u>	<u>2017 Projected</u>	<u>2018 Budget</u>
REVENUES				
Electricity Sales	\$18,010,587	\$16,850,000	\$18,161,380	\$18,732,000
Connect Fees	30,881	35,000	38,660	51,000
Receivables Penalty Income	45,735	42,000	51,570	70,000
Other / Miscellaneous Income	333,881	299,000	443,640	452,000
<i>Total Revenues</i>	<u>\$18,421,084</u>	<u>\$17,226,000</u>	<u>\$18,695,250</u>	<u>\$19,305,000</u>
COST OF ELECTRIC SERVICE				
Power Production Expense	(886,301)	(1,090,271)	(921,570)	(967,000)
Cost of Purchased Power	(8,055,239)	(8,008,035)	(8,562,270)	(9,704,000)
Dist Expense – Operations	(466,952)	(265,500)	(370,340)	(467,000)
Dist Expense – Maintenance	(1,940,414)	(1,405,700)	(1,587,200)	(1,449,000)
Customer Account Expense	49,355	(20,000)	(20,000)	(25,000)
Admin & General Expense	(3,319,380)	(4,024,155)	(3,613,220)	(4,052,000)
<i>Total Operating & Maint. Expense</i>	<u>(14,618,931)</u>	<u>(14,813,661)</u>	<u>(15,074,600)</u>	<u>(16,664,000)</u>
Depreciation	(1,936,921)	(1,580,000)	(2,068,380)	(2,100,000)
Interest on Long-Term Debt	(547,515)	(517,039)	(534,460)	(522,000)
Other Deductions	(14,531)	(20,200)	(15,250)	(31,000)
<i>Total Cost of Electric Service</i>	<u>(17,117,898)</u>	<u>(16,930,900)</u>	<u>(17,692,690)</u>	<u>(19,317,000)</u>
OPERATION MARGIN	<i>1,303,186</i>	<i>295,100</i>	<i>1,002,560</i>	<i>(12,000)</i>
Interest Income	29,548	25,000	44,570	25,000
Non-Operating Margins-Other	2,898,064	1,570,000	2,609,390	1,570,000
Dividends	(300,000)	(300,000)	(300,000)	(300,000)
OPERATING MARGIN	<u><i>3,930,798</i></u>	<u><i>1,590,100</i></u>	<u><i>3,356,520</i></u>	<u><i>1,283,000</i></u>
CAPITAL EXPENDITURES				
Generation - Hydro	1,100	30,000	5,660	31,000
Generation – Gas Plant	60,059	312,000	331,700	573,000
Distribution	1,002,722	1,172,000	1,555,800	971,000
Substation	(12,804)	125,000	786,000	153,000
Metering	135,857	104,664	71,900	133,000
Buildings	158,232	1,078,000	36,400	438,000
Vehicles	24,442	350,000	58,800	410,000
Tools	20,733	61,200	9,300	199,000
Technology – IT	(211,399)	176,500	107,800	196,000
<i>Total Capital</i>	<u><i>1,178,942</i></u>	<u><i>3,409,364</i></u>	<u><i>2,963,360</i></u>	<u><i>3,104,000</i></u>

Operating Expenditures Budget

Revenues

The 2018 electricity revenues are budgeted to increase 4% over the projected 2017 revenues for residential and 3% for general service accounts. This represents a conservative estimate for the trended load growth.

Revenues associated with Capital in Aid of Construction and Impact Fees are not included as these revenues are not regular and are typically subject to external economic conditions.

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Expenses

Power Purchased

Power Purchased expense is calculated by analyzing supply requirements, identifying the cost of supply from individual sources and adding contingency pricing for market fluctuations.

Wages and Board Compensation

Included in the wages and board compensation expense are amounts for the current complement of employees.

Board Compensation

<u>Board Position</u>	<u>Stipend Amount</u>
Chair	7,295.04
Member 1	5,703.84
Member 2	5,703.84
Member 3	5,703.84
Member 4	5,703.84
Member 5	<u>5,703.84</u>
	\$35,814.24

Repairs & Maintenance

Repairs and maintenance are anticipated to continue in 2018.

Travel & Training

To maintain the advanced technical knowledge required in the industry, various training initiatives for staff are included in the 2018 Budget.

Capital Expenditures Budget

The Capital Budget for 2018 totals \$3,397,000. Heber Light & Power anticipates utilizing revenue from energy sales, capital in aid of construction and through impact fees to complete the 2018 capital program. In the event these resources are insufficient to meet these anticipated capital addition expenditures, Heber Light & Power has two other payment mechanisms at its disposal. The first, Heber Light & Power has the ability to use debt-financing in the event energy rates are unavailable to fund the needed capital expansion projects. The second is through reserve accounts of which Heber Light & Power maintains two such funds. The first such fund is a contingency fund with a current balance of roughly \$2.5 million which is available to address certain large capital purchases and /or reserve requirements associated with internal generation, rate stabilization and power market escalation. The second such fund is a capital reserve fund meant to supply quick access to funds in order to complete major projects considered in the Company's current Strategic Plan.

Also included in the table below are principal payments relating to the Company's long-term debt.

<u>Classification</u>	<u>Expenditure</u>	<u>Impact</u>	<u>CIAC</u>	<u>Net Amount</u>
Generation - Hydro	31,000	-	-	31,000
Generation – Gas Plant	312,000	-	-	573,000
Distribution	971,000	(619,000)	-	352,000
Substation	153,000	(70,000)	-	83,000
Metering	133,000	-	(112,000)	21,000
Buildings	438,000	-	-	438,000
Vehicles	410,000	-	-	410,000
Tools	199,000	-	-	199,000
Technology – IT	196,000	-	-	<u>196,000</u>
	Total Capital Expenditures:			\$2,303,000
	Principal Payments on Long-Term Debt:			484,000
	Total Cash Requirements:			<u>\$2,787,000</u>

Detailed capital project descriptions in support of these amounts are included on the following pages.