



Heber Light & Power

Fiscal Year 2019

Fees/Rates, Operating and Capital Budgets

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2019 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

2019 Budget – Executive Summary

	2017 Actual	2018 Budget	2018 Projected	2019 Budget
REVENUES				
Electricity Sales	\$17,745,305	\$18,732,000	\$18,638,160	\$18,872,341
Connect Fees	41,975	51,000	39,145	51,000
Receivables Penalty Income	49,187	70,000	48,997	70,000
Other / Miscellaneous Income	437,436	452,000	625,869	451,815
<i>Total Revenues</i>	<i>\$18,273,983</i>	<i>\$19,305,000</i>	<i>\$19,352,171</i>	<i>\$19,445,156</i>
COST OF ELECTRIC SERVICE				
Power Production Expense	(919,330)	(967,000)	(927,788)	(957,475)
Cost of Purchased Power	(8,754,285)	(9,704,000)	(9,452,520)	(10,412,664)
Dist Expense – Operations	(309,696)	(467,000)	(321,723)	(343,659)
Dist Expense – Maintenance	(1,831,416)	(1,449,000)	(1,789,138)	(1,884,272)
Customer Account Expense	(24,776)	(25,000)	(9,300)	(25,000)
Admin & General Expense	(3,826,997)	(4,052,000)	(3,467,914)	(3,891,306)
<i>Total Operating & Maint. Expense</i>	<i>(15,666,500)</i>	<i>(16,664,000)</i>	<i>(15,968,383)</i>	<i>(17,514,376)</i>
Depreciation	(1,908,270)	(2,100,000)	(2,073,954)	(2,100,000)
Interest on Long-Term Debt	(525,008)	(522,000)	(522,000)	(493,229)
Other Deductions	(14,816)	(31,000)	(30,654)	(38,800)
<i>Total Cost of Electric Service</i>	<i>(18,114,594)</i>	<i>(19,317,000)</i>	<i>(18,594,991)</i>	<i>(20,146,405)</i>
OPERATION MARGIN	<i>159,389</i>	<i>(12,000)</i>	<i>757,180</i>	<i>(701,249)</i>
Interest Income	46,982	25,000	79,623	81,000
Non-Operating Margins-Other	2,682,978	1,570,000	2,944,071	2,850,000
Dividends	(225,000)	(300,000)	(300,000)	(300,000)
OPERATING MARGIN	<i>2,664,349</i>	<i>1,283,000</i>	<i>3,480,874</i>	<i>1,929,751</i>
CAPITAL EXPENDITURES				
Generation - Hydro	22,389	31,000	6,249	86,100
Generation – Gas Plant	130,133	573,000	(189,423)	487,000
Distribution	1,634,883	971,000	2,075,810	2,381,000
Substation	229,304	153,000	631,049	3,189,000
Metering	120,592	133,000	102,208	133,200
Buildings	44,716	438,000	(181,962)	1,353,000
Vehicles	24,187	410,000	495,649	1,160,000
Tools	11,713	199,000	(166,107)	199,000
Technology – IT	117,096	196,000	186,703	88,000
<i>Total Capital</i>	<i>2,335,013</i>	<i>3,104,000</i>	<i>2,960,176</i>	<i>9,076,300</i>

Operating Expenditures Budget

Revenues

The 2019 electricity revenues are budgeted to increase 1.6% over the projected 2018 revenues for residential and 1.7% 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.

	2016 Actual	2017 Budget	2017 Projected	2018 Budget
REVENUES				
Electricity Sales	\$17,745,305	\$18,732,000	\$18,638,160	\$18,872,341
Connect Fees	41,975	51,000	39,145	51,000
Receivables Penalty Income	49,187	70,000	48,997	70,000
Other / Miscellaneous Income	437,436	452,000	625,869	451,815
<i>Total Revenues</i>	<i>\$18,273,983</i>	<i>\$19,305,000</i>	<i>\$19,352,171</i>	<i>\$19,445,156</i>

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 2019.

Travel & Training

To maintain the advanced technical knowledge required in the industry, various training initiatives for staff are included in the 2019 Budget.

Capital Expenditures Budget

The Capital Budget for 2019 totals \$9,076,300. Heber Light & Power anticipates utilizing revenue from energy sales, capital in aid of construction and through impact fees to complete the 2019 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 \$2.6 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	86,100	-	-	86,100
Generation – Gas Plant	487,000	-	-	487,000
Distribution	2,381,000	(2,016,800)	-	364,200
Substation	3,189,000	(2,470,000)	-	719,000
Metering	133,200	-	(112,000)	21,200
Buildings	1,353,000	-	-	1,353,000
Vehicles	1,160,000	-	-	1,160,000
Tools	199,000	-	-	199,000
Technology – IT	88,000	-	-	88,000
Total Capital Expenditures:				\$4,477,500
Principal Payments on Long-Term Debt:				492,117
Total Cash Requirements:				<u>\$4,969,617</u>

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



Distribution

- 1) Tie from 702 up to 500 East in Heber (HB304)
- 2) Distribution Capacitors / VAR Control
- 3) Additional Circuits out of Jailhouse to the East
- 4) Additional Circuits out of College to North and East
- 5) Underground System Improvements
- 6) Aged & Environmental Distribution Replacement / Upgrade
- 7) Fault Indicator - Underground System
- 8) Heber Substation Additional Circuits (South & West)
- 9) Midway Substation - Get Aways
- 10) South Line Rebuild (2nd POI Line Support)
- 11) Reconductor Pine Canyon Road - Midway
- 12) Reconductor River Road
- 13) Reconductor Line to Parsons
- 14) Reconductor Heber Main 600 S - 1000 S
- 15) 1200 South Transmission Line

Heber Light & Power

Project Analysis Form

Board Approved: 12/17/2018

Project Name: Tie From 702 up to 500 East in Heber (HB304)

Project Driver: Growth

Priority Level: Medium

Purpose & Necessity:

This tie will complete a necessary loop on the North end of Heber City to enhance the system reliability brought upon by the growth in that area of the system.

By completing this project in 2019, the customer intends on providing an easement to enable the building of this line.

Risk Assessment:

Without completing this tie, an outage in North Heber City could result in an extended outage due to the current strain on the system capacity. A series of careful switching maneuvers would be necessary to shed the load sufficient to bring this area back online while increasing the risk of failure in other areas of the system. This project is 100% customer driven and thus it has slipped from year to year as the development is still pending.

Cash Flow Schedule:

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>Overall</u>
Internal Labor	-	55,000.00	-	-	-	-	55,000.00
Materials	-	100,000.00	-	-	-	-	100,000.00
Subcontractor	-	95,000.00	-	-	-	-	95,000.00
Miscellaneous	-	-	-	-	-	-	-
(CIAC) Reim	-	-	-	-	-	-	-
Subtotal:	\$ -	\$ 250,000.00	\$ -	\$ -	\$ -	\$ -	\$ 250,000.00
Impact Fee %		100%					100%
Net Amount:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Heber Light & Power

Project Analysis Form

Board Approved: 12/17/2018

Project Name: Distribution Capacitors / VAR Control

Project Driver: Reliability

Priority Level: Low

Purpose & Necessity:

This system improvement project is meant to update older capacitor banks as well as older control devices to enable the company to efficiently manage power factor issues that have arisen through the increased load placed upon the distribution system.

Risk Assessment:

By refusing to correct power factor concerns, the risk of system inefficiency is increased resulting in unwanted power losses.

Cash Flow Schedule:

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>Overall</u>
Internal Labor	1,500.00	17,200.00	-	-	-	-	18,700.00
Materials	7,000.00	68,800.00	-	-	-	-	75,800.00
Subcontractor	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
(CIAC) Reim	-	-	-	-	-	-	-
Subtotal:	\$ 8,500.00	\$ 86,000.00	\$ -	\$ -	\$ -	\$ -	\$ 94,500.00
Impact Fee %	80%	80%					80%
Net Amount:	<u>\$ 1,700.00</u>	<u>\$ 17,200.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,900.00</u>

Heber Light & Power

Project Analysis Form

Board Approved: 12/17/2018

Project Name: Additional Circuits out of Jailhouse to the East

Project Driver: Growth

Priority Level: Medium

Purpose & Necessity:

The development of the South end of Heber City has necessitated additional circuits out of the Jailhouse Substation.

Risk Assessment:

Insufficient capacity to serve the numerous additional customers seeking service on the South side of Heber City.

Cash Flow Schedule:

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>Overall</u>
Internal Labor	56,000.00	28,000.00	28,000.00	-	-	-	112,000.00
Materials	224,000.00	112,000.00	112,000.00	-	-	-	448,000.00
Subcontractor	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
(CIAC) Reim	-	-	-	-	-	-	-
Subtotal:	\$ 280,000.00	\$ 140,000.00	\$ 140,000.00	\$ -	\$ -	\$ -	\$ 560,000.00
Impact Fee %	100%	100%	100%	0%	0%	0%	100%
Net Amount:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Heber Light & Power

Project Analysis Form

Board Approved: 12/17/2018

Project Name: Additional Circuits out of College to South and East

Project Driver: Growth

Priority Level: Medium

Purpose & Necessity:

The development of the North end of Heber City has necessitated additional circuits out of the College Substation.

Risk Assessment:

Insufficient capacity to serve the numerous additional customers seeking service on the North side of Heber City.

Cash Flow Schedule:

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>Overall</u>
Internal Labor	56,000.00	28,000.00	28,000.00	-	-	-	112,000.00
Materials	224,000.00	112,000.00	112,000.00	-	-	-	448,000.00
Subcontractor	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
(CIAC) Reim	-	-	-	-	-	-	-
Subtotal:	\$ 280,000.00	\$ 140,000.00	\$ 140,000.00	\$ -	\$ -	\$ -	\$ 560,000.00
Impact Fee %	100%	100%	100%	0%	0%	0%	100%
Net Amount:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Heber Light & Power

Project Analysis Form

Board Approved: 12/17/2018

Project Name: Underground System Improvements

Project Driver: Reliability

Priority Level: Low

Purpose & Necessity:

Underground equipment becomes subject to the elements and thus begin to show signs of aging and breakdown. Thus HL&P monitors the underground equipment for aging and periodically retires worn out assets by replacing them.

Risk Assessment:

By refusing to correct the installation issues in the underground assets, HL&P is at risk of unintentional outages and potential hazardous conditions for both employees and customers.

Cash Flow Schedule:

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>Overall</u>
Internal Labor	17,000.00	17,000.00	17,000.00	17,000.00	17,000.00	17,000.00	102,000.00
Materials	33,000.00	33,000.00	33,000.00	33,000.00	33,000.00	33,000.00	198,000.00
Subcontractor	25,000.00	25,000.00	25,000.00	25,000.00	25,000.00	25,000.00	150,000.00
Miscellaneous	-	-	-	-	-	-	-
(CIAC) Reim	-	-	-	-	-	-	-
Subtotal:	\$ 75,000.00	\$ 75,000.00	\$ 75,000.00	\$ 75,000.00	\$ 75,000.00	\$ 75,000.00	\$ 450,000.00
Impact Fee %	0%	0%	0%	0%	0%	0%	0%
Net Amount:	<u>\$ 75,000.00</u>	<u>\$ 75,000.00</u>	<u>\$ 75,000.00</u>	<u>\$ 75,000.00</u>	<u>\$ 75,000.00</u>	<u>\$ 75,000.00</u>	<u>\$ 450,000.00</u>

Heber Light & Power

Project Analysis Form

Board Approved: 12/17/2018

Project Name: Aged & Environmental Distribution Replacement/Upgrade

Project Driver: Reliability

Priority Level: Medium

Purpose & Necessity:

Distribution poles are subject to aging and decomposition. In addition, the equipment framing on some of the structures are of such an age in which proper safeguards were not put into to place to ensure raptor protection and safety. After having recently completed an avian study on the entire system as well as a pole density test on 50% of the system, it is imperative that replacement structures are installed in place of those identified as failing on either of the two studies.

Risk Assessment:

By refusing to correct the failing structures, HL&P is at risk of unintentional outages and potential hazardous conditions for both employees, customers, and wildlife.

Cash Flow Schedule:

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>Overall</u>
Internal Labor	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	120,000.00
Materials	130,000.00	130,000.00	130,000.00	130,000.00	130,000.00	130,000.00	780,000.00
Subcontractor	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
(CIAC) Reim	-	-	-	-	-	-	-
Subtotal:	\$ 150,000.00	\$ 150,000.00	\$ 150,000.00	\$ 150,000.00	\$ 150,000.00	\$ 150,000.00	\$ 900,000.00
Impact Fee %	0%	0%	0%	0%	0%	0%	0%
Net Amount:	<u>\$ 150,000.00</u>	<u>\$ 150,000.00</u>	<u>\$ 150,000.00</u>	<u>\$ 150,000.00</u>	<u>\$ 150,000.00</u>	<u>\$ 150,000.00</u>	<u>\$ 900,000.00</u>

Heber Light & Power

Project Analysis Form

Board Approved: 12/17/2018

Project Name: Fault Indicator - Underground System

Project Driver: Reliability

Priority Level: Low

Purpose & Necessity:

Underground equipment becomes subject to the elements and thus begin to show signs of aging and breakdown. Thus HL&P monitors the underground equipment for aging and periodically retires worn out assets by replacing them. This project would put into place an annual amount that can be added to the system to help identify where faults are occurring on the underground portions of the distribution schedule.

Risk Assessment:

By refusing to correct the installation issues in the underground assets, HL&P is at risk of unintentional outages and potential hazardous conditions for both employees and customers.

Cash Flow Schedule:

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>Overall</u>
Internal Labor	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	12,000.00
Materials	8,000.00	8,000.00	8,000.00	8,000.00	8,000.00	8,000.00	48,000.00
Subcontractor	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
(CIAC) Reim	-	-	-	-	-	-	-
Subtotal:	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 60,000.00
Impact Fee %	0%	0%	0%	0%	0%	0%	0%
Net Amount:	<u>\$ 10,000.00</u>	<u>\$ 10,000.00</u>	<u>\$ 10,000.00</u>	<u>\$ 10,000.00</u>	<u>\$ 10,000.00</u>	<u>\$ 10,000.00</u>	<u>\$ 60,000.00</u>

Heber Light & Power

Project Analysis Form

Board Approved: 12/17/2018

Project Name: Heber Substation Additional Circuits (South & West)

Project Driver: Upgrade

Priority Level: Low

Purpose & Necessity:

The system continues to grow and require additional feeders out of the substation. The recent addition of the 2nd transformer will facilitate the future energization of these feeders. These feeders will also facilitate the switching efforts required during outages, thus minimizing customer inconvenience.

Risk Assessment:

Stranded energy as a result of the excess capacity brought on by the 2nd transformer in 2016/2017. Lengthened outages due to lack of looped feed on different circuits. Overloaded circuits of existing feeders as a result of continued growth in the area.

Cash Flow Schedule:

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>Overall</u>
Internal Labor	-	-	-	55,000.00	-	-	55,000.00
Materials	-	-	-	225,000.00	-	-	225,000.00
Subcontractor	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
(CIAC) Reim	-	-	-	-	-	-	-
Subtotal:	\$ -	\$ -	\$ -	\$ 280,000.00	\$ -	\$ -	\$ 280,000.00
Impact Fee %				100%			100%
Net Amount:	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Heber Light & Power

Project Analysis Form

Board Approved: 12/17/2018

Project Name: Midway Substation - Get Aways

Project Driver: Upgrade

Priority Level: Medium

Purpose & Necessity:

The current get aways from the Midway Substation are becoming undersized and aged. This project will replace the existing get aways with new, more appropriately sized conductor and other necessary equipment.

Risk Assessment:

Imminent failure due to the age and under-sized nature of the existing get aways. Outage and repair efforts will be determined by the type of failure which could be extensive.

Cash Flow Schedule:

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>Overall</u>
Internal Labor	-	32,000.00	-	-	-	-	32,000.00
Materials	-	128,000.00	-	-	-	-	128,000.00
Subcontractor	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
(CIAC) Reim	-	-	-	-	-	-	-
Subtotal:	\$ -	\$ 160,000.00	\$ -	\$ -	\$ -	\$ -	\$ 160,000.00
Impact Fee %		50%					50%
Net Amount:	<u>\$ -</u>	<u>\$ 80,000.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 80,000.00</u>

Heber Light & Power

Project Analysis Form

Board Approved: 12/17/2018

Project Name: South Line Rebuild (2nd POI Line Support)

Project Driver: Upgrade

Priority Level: High

Purpose & Necessity:

The transmission system that is currently used to energize the HLP distribution system is undersized and aged in most locations. This project will replace those structures that are in an advanced state of pre-failure while increasing capacity for the next quarter-century.

Risk Assessment:

The conductor itself will be out of capacity in the next 5 years as a result of regional growth. A risk of prolonged outage as a result of failure due to aged and dilapidated poles is also present.

Cash Flow Schedule:

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>Overall</u>
Internal Labor	6,000.00	75,000.00	10,000.00	-	-	-	91,000.00
Materials	72,000.00	900,000.00	120,000.00	-	-	-	1,092,000.00
Subcontractor	42,000.00	525,000.00	70,000.00	-	-	-	637,000.00
Miscellaneous	-	-	-	-	-	-	-
(CIAC) Reim	-	-	-	-	-	-	-
Subtotal:	\$ 120,000.00	\$ 1,500,000.00	\$ 200,000.00	\$ -	\$ -	\$ -	\$ 1,820,000.00
Impact Fee %	100%	100%	100%				100%
Net Amount:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Heber Light & Power

Project Analysis Form

Board Approved: 12/17/2018

Project Name: Reconductor Pine Canyon Road - Midway

Project Driver: Upgrade

Priority Level: Low

Purpose & Necessity:

Growth in the vicinity of Pine Canyon Road has begun to exceed the acceptable conductor size for the existing assets. In order to continue to provide uninterrupted service along this feeder, the conductor needs to be upgraded.

Risk Assessment:

Failure of the existing assets will result in outages with a high likelihood of a prolonged outage.

Cash Flow Schedule:

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>Overall</u>
Internal Labor	-	36,000.00	-	-	-	-	36,000.00
Materials	-	144,000.00	-	-	-	-	144,000.00
Subcontractor	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
(CIAC) Reim	-	-	-	-	-	-	-
Subtotal:	\$ -	\$ 180,000.00	\$ -	\$ -	\$ -	\$ -	\$ 180,000.00
Impact Fee %		60%					60%
Net Amount:	<u>\$ -</u>	<u>\$ 72,000.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 72,000.00</u>

Heber Light & Power

Project Analysis Form

Board Approved: 12/17/2018

Project Name: Reconductor River Road

Project Driver: Upgrade

Priority Level: Medium

Purpose & Necessity:

Growth along River Road has began to exceed the acceptable conductor size for the existing assets. In order to continue to provide uninterrupted service along this feeder, the conductor needs to be upgraded.

Risk Assessment:

Failure of the existing assets will result in outages with a high likelihood of a prolonged outage.

Cash Flow Schedule:

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>Overall</u>
Internal Labor	56,000.00	-	-	-	-	-	56,000.00
Materials	224,000.00	-	-	-	-	-	224,000.00
Subcontractor	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
(CIAC) Reim	-	-	-	-	-	-	-
Subtotal:	\$ 280,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 280,000.00
Impact Fee %	60%						60%
Net Amount:	<u>\$ 112,000.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 112,000.00</u>

Heber Light & Power

Project Analysis Form

Board Approved: 12/17/2018

Project Name: Load to Parsons (Reconductor)

Project Driver: Upgrade

Priority Level: High

Purpose & Necessity:

The feeder line that supplies energy to the Parson

Risk Assessment:

This is the first phase in completing an upgraded tie with the Midway substation. To comply with our N-1 goal this is a needed tie for our system.

Cash Flow Schedule:

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>Overall</u>
Internal Labor	-	-	-	-	-	-	-
Materials	-	-	-	-	100,000.00	-	100,000.00
Subcontractor	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
(CIAC) Reim	-	-	-	-	-	-	-
Subtotal: \$	\$ -	\$ -	\$ -	\$ -	\$ 100,000.00	\$ -	\$ 100,000.00
Impact Fee %	0%						0%
Net Amount: \$	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100,000.00</u>	<u>\$ -</u>	<u>\$ 100,000.00</u>

Heber Light & Power

Project Analysis Form

Board Approved: 12/17/2018

Project Name: Reconductor Heber City Main Street - 600 S - 1000 S

Project Driver: Upgrade

Priority Level: Low

Purpose & Necessity:

Growth on the south end of Heber City has begun to exceed the acceptable conductor size for the existing assets. In order to continue to provide uninterrupted service along this feeder, the conductor needs to be upgraded.

Risk Assessment:

Failure of the existing assets will result in outages with a high likelihood of a prolonged outage.

Cash Flow Schedule:

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>Overall</u>
Internal Labor	-	-	-	-	-	-	-
Materials	-	-	-	-	100,000.00	-	100,000.00
Subcontractor	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
(CIAC) Reim	-	-	-	-	-	-	-
Subtotal:	\$ -	\$ -	\$ -	\$ -	\$ 100,000.00	\$ -	\$ 100,000.00
Impact Fee %							
Net Amount:	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100,000.00</u>	<u>\$ -</u>	<u>\$ 100,000.00</u>

Heber Light & Power

Project Analysis Form

Board Approved: 12/17/2018

Project Name: 1200 S Transmission Line

Project Driver: Growth

Priority Level: Medium

Purpose & Necessity:

Growth on the East side of Heber City will begin to exceed the capacity of the existing substations within the next decade. This project will expand the transmission infrastructure to the East allowing for the development of an Eastern Substation.

Risk Assessment:

Failure of the existing assets will result in outages with a high likelihood of a prolonged outage.

Cash Flow Schedule:

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>Overall</u>
Internal Labor	-	-	-	-	250,000.00	-	250,000.00
Materials	-	-	-	-	3,650,000.00	-	3,650,000.00
Subcontractor	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
(CIAC) Reim	-	-	-	-	-	-	-
Subtotal:	\$ -	\$ -	\$ -	\$ -	\$ 3,900,000.00	\$ -	\$ 3,900,000.00
Impact Fee %						100%	100%
Net Amount:	\$ -	\$ -	\$ -	\$ -	\$ 3,900,000.00	\$ -	\$ 3,900,000.00



Substation

- 1) 2nd Point of Interconnect
- 2) East Substation
- 3) Replacement Recloser for Joslyn Reclosers
- 4) Plant 1 Batteries
- 5) Spare Relays
- 6) Jailhouse Transformer 2 N2O Regen System
- 7) Heber Trasformers 1 and 2 N2O Regen System
- 8) Cloyes LTC Rebuild
- 5) Midway Substation - High Side Rebuild
- 6) Provo River Substation Rebuild
- 7) Substation Bird Guard

Heber Light & Power

Project Analysis Form

Board Approved: 12/17/2018

Project Name: 2nd Point of Interconnect Substation(POI)

Project Driver: Growth

Priority Level: High

Purpose & Necessity:

Growth within the system has been steadily increasing for numerous years. The system is currently fed off of a single point of interconnect to the RMP system. This point of interconnect is fed from a radial (meaning single line) service line. In addition the transformer at the end of the radial line is quickly becoming undersized for the local load on our system. This project will provide a second interconnect substation thus reducing the loading on the existing substation transformer. Numerous engineering studies have been conducted on the system and each has drawn the conclusion that the current system will be over-capacity by 2022 at the latest.

Risk Assessment:

This point of interconnect has two significant risks associated with it; 1) risk of damage to the radial feed thus causing immediate outages to all customers, and 2) interconnect site is currently sized to be out of capacity by 2022. If the single interconnect transformer becomes overloaded, RMP will begin to remove load from the transformer which will result in regular prolonged rolling brown-outs. All customers in the system will have a daily outage lasting up to 6 hours during peak load windows.

Cash Flow Schedule:

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>Overall</u>
Internal Labor	10,000.00	15,000.00	15,000.00	35,000.00	-	-	75,000.00
Materials	-	635,000.00	800,000.00	1,450,000.00	-	-	2,885,000.00
Subcontractor	90,000.00	1,450,000.00	150,000.00	3,250,000.00	-	-	4,940,000.00
Miscellaneous	-	-	-	50,000.00	-	-	50,000.00
(CIAC) Reim	-	-	-	-	-	-	-
Subtotal:	\$ 100,000.00	\$ 2,100,000.00	\$ 965,000.00	\$ 4,785,000.00	\$ -	\$ -	\$ 7,950,000.00
Impact Fee %	70%	70%	70%	70%			70%
Net Amount:	<u>\$ 30,000.00</u>	<u>\$ 630,000.00</u>	<u>\$ 289,500.00</u>	<u>\$ 1,435,500.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,385,000.00</u>

Heber Light & Power

Project Analysis Form

Board Approved: 12/17/2018

Project Name: East Substation

Project Driver: Growth

Priority Level: Medium

Purpose & Necessity:

Due to the regular growth and the planned development on the East side of the valley, additional capacity will be required by 2024. This project will include the siting, permitting, design, and construction of a new system load substation.

Risk Assessment:

Lack of substation capacity in the Lake Creek area will put the system at risk of overloaded circuits and existing equipment ultimately leading to rolling brown outs across the valley.

Cash Flow Schedule:

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>Overall</u>
Internal Labor	-	-	-	-	250,000.00	-	250,000.00
Materials	-	-	-	-	2,000,000.00	-	2,000,000.00
Subcontractor	-	-	-	-	1,750,000.00	-	1,750,000.00
Miscellaneous	1,000,000.00	-	-	-	-	-	1,000,000.00
(CIAC) Reim	-	-	-	-	-	-	-
Subtotal:	\$ 1,000,000.00	\$ -	\$ -	\$ -	\$ 4,000,000.00	\$ -	\$ 5,000,000.00
Impact Fee %	100%				100%		100%
Net Amount:	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Heber Light & Power

Project Analysis Form

Board Approved: 12/17/2018

Project Name: Replacement Recloser for Joslyn Reclosers

Project Driver: Replacement

Priority Level: Medium

Purpose & Necessity:

HL&P has a series of Joslyn Reclosers that have historically been less than reliable. The company has been swapping out these reclosers as they fail so as to maximize the usage of these reclosers. This program will spread the cost of replacement of these defective reclosers across multiple years.

Risk Assessment:

Without a spare recloser, a failure of one of the remaining Joslyn Reclosers will see a prolonged outage for a series of HL&P circuits.

Cash Flow Schedule:

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>Overall</u>
Internal Labor	-	-	-	-	-	-	-
Materials	25,000.00	25,000.00	-	-	-	-	50,000.00
Subcontractor	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
(CIAC) Reim	-	-	-	-	-	-	-
Subtotal:	\$ 25,000.00	\$ 25,000.00	\$ -	\$ -	\$ -	\$ -	\$ 50,000.00
Impact Fee %	0%	0%					0%
Net Amount:	<u>\$ 25,000.00</u>	<u>\$ 25,000.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,000.00</u>

Heber Light & Power

Project Analysis Form

Board Approved: 12/17/2018

Project Name: Plant 1 Battery Replacement

Project Driver: Replacement

Priority Level: Medium

Purpose & Necessity:

The batteries in Plant 1 are no longer appropriately sized and are of an age by which they need to be replaced.

Risk Assessment:

Battery systems provide back-up energy for black start in the event of a system transmission failure. Without them, the generator will not have energy sufficient to come online. These batteries also serve as a back-up to the switchgear equipment for similar purposes.

Cash Flow Schedule:

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>Overall</u>
Internal Labor	2,500.00	-	-	-	-	-	2,500.00
Materials	12,500.00	-	-	-	-	-	12,500.00
Subcontractor	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
(CIAC) Reim	-	-	-	-	-	-	-
Subtotal:	\$ 15,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,000.00
Impact Fee %							0%
Net Amount:	<u>\$ 15,000.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,000.00</u>

Heber Light & Power

Project Analysis Form

Board Approved: 12/17/2018

Project Name: Spare Relays

Project Driver: Replacement

Priority Level: Medium

Purpose & Necessity:

The equipment in the substations and generation plants are controlled by a computer like device called a relay. These relays have a potential to fail without notice and have no real preventative maintenance options. As such, HLP prefers to keep a few spare relays in inventory for the unlikely event of a failure.

Risk Assessment:

The lead time for a new relay is not significantly long but without a relay, the equipment doesn't function properly and as such leads to an outage situation. Having a few spares on the shelf will serve as a safety net reducing an outage from a couple of weeks to a couple of hours.

Cash Flow Schedule:

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>Overall</u>
Internal Labor	-	-	-	-	-	-	-
Materials	10,000.00	-	-	-	-	-	10,000.00
Subcontractor	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
(CIAC) Reim	-	-	-	-	-	-	-
Subtotal:	\$ 10,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,000.00
Impact Fee %							0%
Net Amount:	<u>\$ 10,000.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,000.00</u>

Heber Light & Power

Project Analysis Form

Board Approved: 12/17/2018

Project Name: Jailhouse Transformer 2 Nitrous Oxide System

Project Driver: Replacement

Priority Level: Medium

Purpose & Necessity:

As a safety system protocol within a substation, a Nitrous Oxide system is installed on various pieces of equipment. Transformer 2 in the Jailhouse Substation is currently without such a system and this project will install such.

Risk Assessment:

Without a Nitrous Oxide system on this transformer it is at risk of a fire and or explosion from an unsuppressed spark. A Nitrous Oxide system suppresses the spark by removing the oxygen to a safe not flammable/explosive level.

Cash Flow Schedule:

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>Overall</u>
Internal Labor	2,500.00	-	-	-	-	-	2,500.00
Materials	11,500.00	-	-	-	-	-	11,500.00
Subcontractor	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
(CIAC) Reim	-	-	-	-	-	-	-
Subtotal:	\$ 14,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,000.00
Impact Fee %							0%
Net Amount:	<u>\$ 14,000.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,000.00</u>

Heber Light & Power

Project Analysis Form

Board Approved: 12/17/2018

Project Name: Heber Transformer's 1& 2 Nitrous Oxide System

Project Driver: Replacement

Priority Level: Medium

Purpose & Necessity:

As a safety system protocol within a substation, a Nitrous Oxide system is installed on various pieces of equipment. Transformer's 1 & 2 in the Heber Substation are currently without such a system and this project will install such.

Risk Assessment:

Without a Nitrous Oxide system on these transformers they are at risk of a fire and or explosion from an unsuppressed spark. A Nitrous Oxide system suppresses the spark by removing the oxygen to a safe not flammable/explosive level.

Cash Flow Schedule:

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>Overall</u>
Internal Labor	3,500.00	-	-	-	-	-	3,500.00
Materials	15,500.00	-	-	-	-	-	15,500.00
Subcontractor	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
(CIAC) Reim	-	-	-	-	-	-	-
Subtotal:	\$ 19,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,000.00
Impact Fee %							0%
Net Amount:	<u>\$ 19,000.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,000.00</u>

Heber Light & Power

Project Analysis Form

Board Approved: 12/17/2018

Project Name: Cloyes LTC Rebuild

Project Driver: Reliability

Priority Level: Low

Purpose & Necessity:

The Load Tap Changer (LTC) in a transformer allows automatic adjustment of voltage regulation. The Cloyes LTC needs to be rebuilt due to age and wear.

Risk Assessment:

Automatic voltage regulation of the transformer will fail during different loading scenarios. This will ultimately result in an outage so as to protect the assets.

Cash Flow Schedule:

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>Overall</u>
Internal Labor	-	-	8,000.00	-	-	-	8,000.00
Materials	-	-	32,000.00	-	-	-	32,000.00
Subcontractor	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
(CIAC) Reim	-	-	-	-	-	-	-
Subtotal:	\$ -	\$ -	\$ 40,000.00	\$ -	\$ -	\$ -	\$ 40,000.00
Impact Fee %							0%
Net Amount:	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,000.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,000.00</u>

Heber Light & Power

Project Analysis Form

Board Approved: 12/17/2018

Project Name: Midway Substation - High Side Rebuild

Project Driver: Growth

Priority Level: Low

Purpose & Necessity:

The Midway Substation has slowly taken on more load until it has reached its capacity on the high-side of the transformer. It is estimated that by 2022 the high-side will need to be rebuilt to serve the loads being placed on the transformer.

Risk Assessment:

The high side of the transformer is the side receiving energy from the grid. If the feed to the transformer is compromised, a prolonged outage will be experienced on the substation thus affecting all of the circuits.

Cash Flow Schedule:

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>Overall</u>
Internal Labor	-	-	-	100,000.00	-	-	100,000.00
Materials	-	-	-	400,000.00	-	-	400,000.00
Subcontractor	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
(CIAC) Reim	-	-	-	-	-	-	-
Subtotal:	\$ -	\$ -	\$ -	\$ 500,000.00	\$ -	\$ -	\$ 500,000.00
Impact Fee %				0%			0%
Net Amount:	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 500,000.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 500,000.00</u>

Heber Light & Power

Project Analysis Form

Board Approved: 12/17/2018

Project Name: Provo River Substation Rebuild

Project Driver: Reliability

Priority Level: Medium

Purpose & Necessity:

Provo River Substation currently serves limited load due to the age and reliability of the equipment. This project will rebuild the substation increasing its reliability.

Risk Assessment:

Outages in excess of necessity will result by keeping system control limited to current assets.

Cash Flow Schedule:

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>Overall</u>
Internal Labor	-	-	-	-	250,000.00	-	250,000.00
Materials	-	-	-	-	2,000,000.00	-	2,000,000.00
Subcontractor	-	-	-	-	1,750,000.00	-	1,750,000.00
Miscellaneous	-	-	-	-	-	-	-
(CIAC) Reim	-	-	-	-	-	-	-
Subtotal:	\$ -	\$ -	\$ -	\$ -	\$ 4,000,000.00	\$ -	\$ 4,000,000.00
Impact Fee %							
Net Amount:	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,000,000.00</u>	<u>\$ -</u>	<u>\$ 4,000,000.00</u>

Heber Light & Power

Project Analysis Form

Board Approved: 12/17/2018

Project Name: Substation Bird Guard

Project Driver: Safety

Priority Level: High

Purpose & Necessity:

In order to be more environmentally friendly, the company is undertaking efforts to add protective devices where reasonable. To be completed in phases by substation as follows:

2019 - Heber

2020 - College

2021 - Cloyes

2022 - Jailhouse

Risk Assessment:

Higher than necessary mortality rates of wildlife accidentally located within the substation. Increased number of outages resulting from accidental wildlife exposure to the energized elements of the system.

Cash Flow Schedule:

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>Overall</u>
Internal Labor	1,200.00	1,200.00	1,200.00	600.00	-	-	4,200.00
Materials	4,800.00	4,800.00	4,800.00	2,400.00	-	-	16,800.00
Subcontractor	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
(CIAC) Reim	-	-	-	-	-	-	-
Subtotal:	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 3,000.00	\$ -	\$ -	\$ 21,000.00
Impact Fee %	0%	0%	0%	0%			
Net Amount:	<u>\$ 6,000.00</u>	<u>\$ 6,000.00</u>	<u>\$ 6,000.00</u>	<u>\$ 3,000.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,000.00</u>



Generation

- 1) Unit Overhauls
- 2) Annual Generation Capital Improvements
- 3) Lower Snake Creek Plant Upgrade
- 4) Upper Snake Creek Capital Improvements
- 5) Lake Creek Capital Improvements
- 6) New Generator

Heber Light & Power

Project Analysis Form

Board Approved: 12/17/2018

Project Name: Unit Overhauls

Project Driver: Reliability

Priority Level: Medium

Purpose & Necessity:

2019 - Units 4 and 7 are approaching the usage hours that will qualify them for the overhaul of the top-end of the engine.
This is a standard preventative maintenance interval that will extend the useful life of the units.
2024 - Units 11 & 12 top-end overhaul

Risk Assessment:

Equipment will wear down to a point of non-function thus requiring additional expense to restore them to functionality again. An additional risk is that of an untimely outage of either of these two units. By scheduling the overhaul, control of the outage/loss of production can be managed.

Cash Flow Schedule:

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>Overall</u>
Internal Labor	60,000.00	-	-	-	90,000.00	-	150,000.00
Materials	202,000.00	-	-	-	150,000.00	-	352,000.00
Subcontractor	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
(CIAC) Reim	-	-	-	-	-	-	-
Subtotal:	\$ 262,000.00	\$ -	\$ -	\$ -	\$ 240,000.00	\$ -	\$ 502,000.00
Impact Fee %	0%				0%		0%
Net Amount:	<u>\$ 262,000.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 240,000.00</u>	<u>\$ -</u>	<u>\$ 502,000.00</u>

Heber Light & Power

Project Analysis Form

Board Approved: 12/17/2018

Project Name: Capital Improvements - Generation

Project Driver: Reliability

Priority Level: Low

Purpose & Necessity:

Each year various generation related assets are needed in order to prolong the life, meet additional environmental requirements, and increase capacity. As such a blanket amount is approved in order to increase response time when upgrades are required. Furthermore it eliminates the multiple approvals that could present themselves during the course of a year for minor capital asset additions.

- Plant 2 Switchgear Upgrade (\$200,000)
- Plant 1 Breaker Scheme (\$200,000)
- Jacket Water Heater Upgrades (5 at \$5,000)

Risk Assessment:

Equipment will wear down to a point of non-function thus requiring additional expense to restore them to functionality again. An additional risk is that of an environmental penalty or sanction resulting from tardiness installing needed equipment.

Cash Flow Schedule:

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>Overall</u>
Internal Labor	40,000.00	10,000.00	10,000.00	10,000.00	10,000.00	-	80,000.00
Materials	160,000.00	40,000.00	40,000.00	40,000.00	40,000.00	-	320,000.00
Subcontractor	25,000.00	-	-	-	-	-	25,000.00
Miscellaneous	-	-	-	-	-	-	-
(CIAC) Reim	-	-	-	-	-	-	-
Subtotal:	\$ 225,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ -	\$ 425,000.00
Impact Fee %	0%	0%	0%	0%	0%		0%
Net Amount:	<u>\$225,000.00</u>	<u>\$50,000.00</u>	<u>\$50,000.00</u>	<u>\$50,000.00</u>	<u>\$50,000.00</u>	<u>\$ -</u>	<u>\$ 425,000.00</u>

Heber Light & Power

Project Analysis Form

Board Approved: 12/17/2018

Project Name: Lower Snake Creek Plant Upgrade

Project Driver: Reliability

Priority Level: Low

Purpose & Necessity:

Each year various generation related assets are needed in order to prolong the life, meet additional environmental requirements, and increase capacity. As such a blanket amount is approved in order to increase response time when upgrades are required. Furthermore it eliminates the multiple approvals that could present themselves during the course of a year for minor capital asset additions.

Risk Assessment:

The facility will become unusable and thus eliminate the generating capacity that it provides to our system.

Cash Flow Schedule:

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>Overall</u>
Internal Labor	600.00	1,000.00	1,000.00	1,000.00	1,000.00	-	4,600.00
Materials	2,400.00	4,000.00	4,000.00	4,000.00	4,000.00	-	18,400.00
Subcontractor	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
(CIAC) Reim	-	-	-	-	-	-	-
Subtotal:	\$ 3,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ -	\$ 23,000.00
Impact Fee %	0%	0%	0%	0%	0%		
Net Amount:	<u>\$ 3,000.00</u>	<u>\$ 5,000.00</u>	<u>\$ 5,000.00</u>	<u>\$ 5,000.00</u>	<u>\$ 5,000.00</u>	<u>\$ -</u>	<u>\$ 23,000.00</u>

Heber Light & Power

Project Analysis Form

Board Approved: 12/17/2018

Project Name: Upper Snake Creek Plant Upgrade

Project Driver: Reliability

Priority Level: Low

Purpose & Necessity:

Each year various generation related assets are needed in order to prolong the life, meet additional environmental requirements, and increase capacity. As such a blanket amount is approved in order to increase response time when upgrades are required. Furthermore it eliminates the multiple approvals that could present themselves during the course of a year for minor capital asset additions.

Risk Assessment:

The facility will become unusable and thus eliminate the generating capacity that it provides to our system.

Cash Flow Schedule:

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>Overall</u>
Internal Labor	2,400.00	1,000.00	1,000.00	1,000.00	1,000.00	-	6,400.00
Materials	9,600.00	4,000.00	4,000.00	4,000.00	4,000.00	-	25,600.00
Subcontractor	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
(CIAC) Reim	-	-	-	-	-	-	-
Subtotal:	\$ 12,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ -	\$ 32,000.00
Impact Fee %	0%	0%	0%	0%	0%		
Net Amount:	<u>\$ 12,000.00</u>	<u>\$ 5,000.00</u>	<u>\$ 5,000.00</u>	<u>\$ 5,000.00</u>	<u>\$ 5,000.00</u>	<u>\$ -</u>	<u>\$ 32,000.00</u>

Heber Light & Power

Project Analysis Form

Board Approved: 12/17/2018

Project Name: Lake Creek Improvements

Project Driver: Reliability

Priority Level: Low

Purpose & Necessity:

Each year various generation related assets are needed in order to prolong the life, meet additional environmental requirements, and increase capacity. As such a blanket amount is approved in order to increase response time when upgrades are required. Furthermore it eliminates the multiple approvals that could present themselves during the course of a year for minor capital asset additions.

Risk Assessment:

The facility will become unusable and thus eliminate the generating capacity that it provides to our system.

Cash Flow Schedule:

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>Overall</u>
Internal Labor	14,200.00	1,000.00	1,000.00	1,000.00	1,000.00	-	18,200.00
Materials	56,800.00	4,000.00	4,000.00	4,000.00	4,000.00	-	72,800.00
Subcontractor	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
(CIAC) Reim	-	-	-	-	-	-	-
Subtotal:	\$ 71,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ -	\$ 91,000.00
Impact Fee %	0%	0%	0%	0%			0%
Net Amount:	<u>\$ 71,000.00</u>	<u>\$ 5,000.00</u>	<u>\$ 5,000.00</u>	<u>\$ 5,000.00</u>	<u>\$ 5,000.00</u>	<u>\$ -</u>	<u>\$ 91,000.00</u>

Heber Light & Power

Project Analysis Form

Board Approved: 12/17/2018

Project Name: New Generator (3 MW)

Project Driver: Growth

Priority Level: Medium

Purpose & Necessity:

The current generation portfolio will be heavily strained by 2022 without the procurement of another generating source around 3 MW. Load growth is projected to be within this range of additional required energy.

Risk Assessment:

Heber Light & Power is regularly attempting to diversify the generation portfolio. Without the acquisition of additional resources, the Company will be forced to purchase more energy from the market at the prevailing rates which may not favor the Company.

Cash Flow Schedule:

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>Overall</u>
Internal Labor	-	-	-	-	-	-	-
Materials	-	-	-	2,000,000.00	-	-	2,000,000.00
Subcontractor	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
(CIAC) Reim	-	-	-	-	-	-	-
Subtotal:	\$ -	\$ -	\$ -	\$ 2,000,000.00	\$ -	\$ -	\$ 2,000,000.00
Impact Fee %							
Net Amount:	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,000,000.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,000,000.00</u>



Information Technology

- 1) IT Upgrades
- 2) OT Upgrades
- 3) Smart Grid Investment

Heber Light & Power

Project Analysis Form

Board Approved: 12/17/2018

Project Name: 2019 Capital Improvements - IT

Project Driver: Reliability

Priority Level: Medium

Purpose & Necessity:

The following collective list of minor capital assets are various technology components that will be purchased over 2019 for installation:

- Computer Replacement Program...\$13,000
- Dispatch Switch Upgrades...\$5,000

2022

- Server replacements ...\$50,000
- Fiber into Jailhouse ...\$13,000

Risk Assessment:

These assets help HL&P to safely manage and maintain the system and each component carries its own risk if failure to secure said item happens.

Cash Flow Schedule:

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>Overall</u>
Internal Labor	2,000.00	2,000.00	2,000.00	10,000.00	2,000.00	2,000.00	20,000.00
Materials	16,000.00	16,000.00	16,000.00	71,000.00	16,000.00	16,000.00	151,000.00
Subcontractor	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
(CIAC) Reim	-	-	-	-	-	-	-
Subtotal:	\$ 18,000.00	\$ 18,000.00	\$ 18,000.00	\$ 81,000.00	\$ 18,000.00	\$ 18,000.00	\$ 171,000.00
Impact Fee %	0%	0%	0%	0%	0%		
Net Amount:	<u>\$ 18,000.00</u>	<u>\$ 18,000.00</u>	<u>\$ 18,000.00</u>	<u>\$ 81,000.00</u>	<u>\$ 18,000.00</u>	<u>\$ 18,000.00</u>	<u>\$ 171,000.00</u>

Heber Light & Power

Project Analysis Form

Board Approved: 12/17/2018

Project Name: 2019 Capital Improvements - OT

Project Driver: Reliability

Priority Level: Medium

Purpose & Necessity:

The following collective list of minor capital assets are various technology components that will be purchased over 2019 for installation:

- Virtualize SCADA Terminals...\$6,000
- Dispatch Screen Upgrade ...\$2,000
- SCADA Changes/Upgrades...\$25,000
- Plant 2 RTU Upgrade...\$12,000

Risk Assessment:

These assets help HL&P to safely manage and maintain the system and each component carries its own risk if failure to secure said item happens.

Cash Flow Schedule:

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>Overall</u>
Internal Labor	6,500.00	6,000.00	6,000.00	6,000.00	6,000.00	-	30,500.00
Materials	36,500.00	24,000.00	24,000.00	24,000.00	24,000.00	-	132,500.00
Subcontractor	2,000.00	-	-	-	-	-	2,000.00
Miscellaneous	-	-	-	-	-	-	-
(CIAC) Reim	-	-	-	-	-	-	-
Subtotal:	\$ 45,000.00	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00	\$ -	\$ 165,000.00
Impact Fee %	0%	0%	0%	0%	0%	0%	0%
Net Amount:	<u>\$ 45,000.00</u>	<u>\$30,000.00</u>	<u>\$ 30,000.00</u>	<u>\$ 30,000.00</u>	<u>\$30,000.00</u>	<u>\$ -</u>	<u>\$ 165,000.00</u>

Heber Light & Power

Project Analysis Form

Board Approved: 12/17/2018

Project Name: 2019 Smart Grid Investment

Project Driver: Growth

Priority Level: Medium

Purpose & Necessity:

Electrical utilities are connected to a grid of assets established to transfer and supply energy where needed. Technological advances continue to make additional control features available in an automated format. These automated features are otherwise known as Smart Grid. For the foreseeable future, HLP anticipates needing funds to implement these annual Smart Grid adjustments in order to appropriately serve our customers' needs.

Risk Assessment:

The grid technology is advancing so quickly that without concentrated effort on the incorporation of these changes, HLP will be operating in a risk scenario or will ultimately require a significant grid upgrade investment later.

Cash Flow Schedule:

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>Overall</u>
Internal Labor	5,000.00	2,000.00	2,000.00	2,000.00	2,000.00	-	13,000.00
Materials	20,000.00	8,000.00	8,000.00	8,000.00	8,000.00	-	52,000.00
Subcontractor	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
(CIAC) Reim	-	-	-	-	-	-	-
Subtotal:	\$ 25,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ -	\$ 65,000.00
Impact Fee %	0%	0%	0%	0%	0%		0%
Net Amount:	<u>\$ 25,000.00</u>	<u>\$10,000.00</u>	<u>\$ 10,000.00</u>	<u>\$ 10,000.00</u>	<u>\$ 10,000.00</u>	<u>\$ -</u>	<u>\$ 65,000.00</u>



Tools / Equipment

- 1) 2019 Annual Program
- 2) Vehicle Maintenance Tool Set-Up

Heber Light & Power

Project Analysis Form

Board Approved: 12/17/2018

Project Name: 2019 Capital Improvements - Tools

Project Driver: Replacement

Priority Level: Medium

Purpose & Necessity:

The following collective list of tools are planned to be purchased over 2019:

- Generation
 - No large tool purchases
- Meter
 - No large tool purchases
- Substation
 - Power Factor Tester...\$70,000
- Distribution
 - Hot Stick Trailer Retool...\$9,000

Risk Assessment:

These tools are required in order to keep the various crews working efficiently and safely.

Cash Flow Schedule:

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>Overall</u>
Internal Labor	-		-	-	-	-	-
Materials	79,000.00	45,000.00	45,000.00	45,000.00	45,000.00	-	259,000.00
Subcontractor	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
(CIAC) Reim	-	-	-	-	-	-	-
Subtotal:	\$ 79,000.00	\$ 45,000.00	\$ 45,000.00	\$ 45,000.00	\$ 45,000.00	\$ -	\$ 259,000.00
Impact Fee %	0%	0%	0%	0%	0%		0%
Net Amount:	<u>\$ 79,000.00</u>	<u>\$ 45,000.00</u>	<u>\$ 45,000.00</u>	<u>\$ 45,000.00</u>	<u>\$ 45,000.00</u>	<u>\$ -</u>	<u>\$ 259,000.00</u>

Heber Light & Power

Project Analysis Form

Board Approved: 12/17/2018

Project Name: 2019 Vehicle Maintenance Tools

Project Driver: Replacement

Priority Level: High

Purpose & Necessity:

HLP has grown its fleet to a point at which it has become economical to have a full-time fleet mechanic on staff. In order for this employee to function effectively, proper tooling must be acquired first. This project would cover the acquisition and set-up of all the necessary tooling.

Risk Assessment:

Stranded labor resource as the employee would not have the proper tooling to complete their tasks.

Cash Flow Schedule:

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>Overall</u>
Internal Labor	-	-	-	-	-	-	-
Materials	94,000.00	-	-	-	-	-	94,000.00
Subcontractor	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
(CIAC) Reim	-	-	-	-	-	-	-
Subtotal:	\$ 94,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 94,000.00
Impact Fee %	0%						
Net Amount:	<u>\$ 94,000.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 94,000.00</u>



Vehicles

- 1) 2019 Annual Program

Heber Light & Power

Project Analysis Form

Board Approved: 12/17/2018

Project Name: 2019 Capital Improvements - Vehicles

Project Driver: Replacement

Priority Level: Medium

Purpose & Necessity:

The following vehicles are planned to be purchased in 2019:

- Bucket Truck (\$250,000)
- Dump Truck (\$100,000)

Risk Assessment:

These vehicles are deemed necessary to adequately service the territory. These vehicle purchases are meant to replace existing vehicles that are 10 years old based upon company policy.

Cash Flow Schedule:

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>Overall</u>
Internal Labor	-		-	-	-	-	-
Materials	-	-	-	-	-	-	-
Subcontractor	-	-	-	-	-	-	-
Miscellaneous	1,160,000.00	(120,000.00)	220,000.00	50,000.00	220,000.00	250,000.00	1,780,000.00
(CIAC) Reim	-	-	-	-	-	-	-
Subtotal:	\$ 1,160,000.00	\$ (120,000.00)	\$ 220,000.00	\$ 50,000.00	\$ 220,000.00	\$ 250,000.00	\$ 1,780,000.00
Impact Fee %	0%	0%	0%	0%	0%		0%
Net Amount:	<u>\$ 1,160,000.00</u>	<u>\$ (120,000.00)</u>	<u>\$ 220,000.00</u>	<u>\$ 50,000.00</u>	<u>\$ 220,000.00</u>	<u>\$ 250,000.00</u>	<u>\$ 1,780,000.00</u>



Buildings

- 1) Generator Fire Suppression System
- 2) New Office Building
- 3) Fiber Building
- 4) Plant 1 Electrical Upgrades
- 5) Plant HVAC Upgrades
- 6) Gas Plant 2 Switchgear Upgrade
- 7) Plant Roof Access

Heber Light & Power

Project Analysis Form

Board Approved: 12/17/2018

Project Name: Generator Fire Suppression System

Project Driver: Safety

Priority Level: Medium

Purpose & Necessity:

Small fires are occasionally generated on and around the generators as a result of the excessive amounts of heat, fuel and available catalysts. As a result, the dispatchers and generation employees are using handheld extinguishing tools to extinguish these fires when they arise. Our insurance reviews are frequently critical of the lack of suppression systems on our generators and thus this project will increase safety as well as increase our insurability.

Plant 1: \$161,000

Plant 2: \$213,000

Plant 3: \$110,000

System: \$46,000

Risk Assessment:

Potential exists to have a major fire that either drastically damages the structure, equipment, or both. The damage can result from the fire itself or from the firefighting methods that will be employed by the local fire department with their water-based fighting technology. A larger risk exists in that employees are typically called upon to be the first line of defense to which they are woefully under supplied and un-trained.

Cash Flow Schedule:

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>Overall</u>
Internal Labor	-	6,000.00	-	-	-	-	6,000.00
Materials	-	-	-	-	-	-	-
Subcontractor	-	150,000.00	-	231,000.00	161,000.00	-	542,000.00
Miscellaneous	-	-	-	-	-	-	-
(CIAC) Reim	-	-	-	-	-	-	-
Subtotal: \$	-	\$ 156,000.00	\$ -	\$ 231,000.00	\$ 161,000.00	\$ -	\$ 548,000.00
Impact Fee %	0%		0%		0%		0%
Net Amount: \$	-	<u>\$ 156,000.00</u>	<u>\$ -</u>	<u>\$ 231,000.00</u>	<u>\$ 161,000.00</u>	<u>\$ -</u>	<u>\$ 548,000.00</u>

Heber Light & Power

Project Analysis Form

Board Approved: 12/17/2018

Project Name: New Office Building

Project Driver: Upgrade

Priority Level: Medium

Purpose & Necessity:

Heber Light & Power has outgrown the existing work space for administrative operations. In addition, the building is older and not ADA compliant. Furthermore the division of Administration from Operations has made communications less-effective between departments. Finally, numerous secondary elements such as IT structure, and building security cannot be adequately addressed in the current state.

Risk Assessment:

Very little risk exists if this project is not approved. Efficiency is the main advantage to combining all of the administrative functions under one roof. In addition, the second use of the building is a real need as well and this project would effectively address it.

Cash Flow Schedule:

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>Overall</u>
Internal Labor	-	-	-	-	-	-	-
Materials	-	-	-	-	-	-	-
Subcontractor	-	-	-	-	-	-	-
Miscellaneous	1,000,000.00	100,000.00	1,500,000.00	-	-	-	2,600,000.00
(CIAC) Reim	-	-	-	-	-	-	-
Subtotal:	\$ 1,000,000.00	\$ 100,000.00	\$ 1,500,000.00	\$ -	\$ -	\$ -	\$ 2,600,000.00
Impact Fee %	0%	0%	0%				
Net Amount:	<u>\$ 1,000,000.00</u>	<u>\$ 100,000.00</u>	<u>\$ 1,500,000.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,600,000.00</u>

Heber Light & Power

Project Analysis Form

Board Approved: 12/17/2018

Project Name: Cold Storage Replacement

Project Driver: Upgrade

Priority Level: Medium

Purpose & Necessity:

Cold storage is an underutilized building space on the operations campus. As such the time has come to better utilize the space currently occupied by the cold storage building. This project would remove the existing structure and replace it with a new structure that is insulated and fitted with appropriate equipment to support operations purposes.

Risk Assessment:

Without this project, HLP will continue to place critical assets in harms way as the growth of the company has increased the number of vehicles and other necessary tools that merit protection from the elements and theft.

Cash Flow Schedule:

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>Overall</u>
Internal Labor	-	-	-	-	-	-	-
Materials	-	-	-	-	-	-	-
Subcontractor	167,000.00	-	-	-	-	-	167,000.00
Miscellaneous	-	-	-	-	-	-	-
(CIAC) Reim	-	-	-	-	-	-	-
Subtotal:	\$ 167,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 167,000.00
Impact Fee %	0%						
Net Amount:	<u>\$ 167,000.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 167,000.00</u>

Heber Light & Power

Project Analysis Form

Board Approved: 12/17/2018

Project Name: Plant 1 Electrical Upgrade

Project Driver: Upgrade

Priority Level: Medium

Purpose & Necessity:

The electrical system in Plant 1 is no longer sufficient for the equipment currently being used within the plant. This project will bring the system within the plant up to date as well as provide for the anticipated future equipment energy needs.

Risk Assessment:

Electrical shortages that will limit the effectiveness of the plant as well as run the risk of equipment failure due to overloaded circuits.

Cash Flow Schedule:

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>Overall</u>
Internal Labor	-	-	-	-	-	-	-
Materials	40,000.00	-	-	-	-	-	40,000.00
Subcontractor	10,000.00	-	-	-	-	-	10,000.00
Miscellaneous	-	-	-	-	-	-	-
(CIAC) Reim	-	-	-	-	-	-	-
Subtotal:	\$ 50,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000.00
Impact Fee %	0%						
Net Amount:	<u>\$ 50,000.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,000.00</u>

Heber Light & Power

Project Analysis Form

Board Approved: 12/17/2018

Project Name: Plant 2 Evaporative Cooler

Project Driver: Upgrade

Priority Level: Medium

Purpose & Necessity:

Plant 2 is presently cooled through the use of numerous evaporative coolers. These coolers are prone to failure and inefficient due to their advancing age. This project would provide for the replacement of multiple evaporative coolers with a more energy efficient newer evaporative cooler.

Risk Assessment:

Generators require cooling in order to maintain optimal efficiency and reduce the risk of fire caused by excessive heat.

Cash Flow Schedule:

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>Overall</u>
Internal Labor	-	-	-	-	-	-	-
Materials	-	-	-	-	-	-	-
Subcontractor	70,000.00	70,000.00	-	-	-	-	140,000.00
Miscellaneous	-	-	-	-	-	-	-
(CIAC) Reim	-	-	-	-	-	-	-
Subtotal:	\$ 70,000.00	\$ 70,000.00	\$ -	\$ -	\$ -	\$ -	\$ 140,000.00
Impact Fee %	0%	0%					
Net Amount:	<u>\$ 70,000.00</u>	<u>\$ 70,000.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 140,000.00</u>

Heber Light & Power

Project Analysis Form

Board Approved: 12/17/2018

Project Name: Plant 2 Switchgear Upgrade

Project Driver: Upgrade

Priority Level: Medium

Purpose & Necessity:

The switchgear system in plant 2 is no longer sufficient to adequately operate effectively to protect the generators.
This project will upgrade the switchgear for SCADA controlled protection scheme.

Risk Assessment:

In the event a system failure occurs, the generators in Plant 2 are protected only by an outdated manual system. Thus the generators could be significantly damaged if an event happens on the grid.

Cash Flow Schedule:

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>Overall</u>
Internal Labor	2,000.00	-	-	-	-	-	2,000.00
Materials	18,000.00	-	-	-	-	-	18,000.00
Subcontractor	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
(CIAC) Reim	-	-	-	-	-	-	-
Subtotal:	\$ 20,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,000.00
Impact Fee %	0%						
Net Amount:	<u>\$ 20,000.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,000.00</u>

Heber Light & Power

Project Analysis Form

Board Approved: 12/17/2018

Project Name: Plant Roof Access

Project Driver: Safety

Priority Level: Low

Purpose & Necessity:

Cooling systems for the generation units are located on the rooftops of the individual buildings. These cooling units require regular maintenance and inspections. Currently access to the units is provided via ladders or bucket trucks. Although these egress means are available, they are not the most safe nor efficient. This project would permit the building of stair sets that would be anchored to the buildings thus providing a permanent, stable, and safe means of egress.

Risk Assessment:

Without the approval of this project, employees will continue to be at risk of falls from elevated surfaces while attempting to engage the ladder or bucket truck egress means. Furthermore, the task of locating an egress means will decrease response time and thus puts equipment at risk of overheating.

Cash Flow Schedule:

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>Overall</u>
Internal Labor	-	-	-	-	-	-	-
Materials	-	-	-	-	-	-	-
Subcontractor	42,000.00	-	-	-	-	-	42,000.00
Miscellaneous	-	-	-	-	-	-	-
(CIAC) Reim	-	-	-	-	-	-	-
Subtotal:	\$ 42,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 42,000.00
Impact Fee %	0%						
Net Amount:	<u>\$ 42,000.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 42,000.00</u>



Metering

- 1) 2019 Metering Installs

Heber Light & Power

Project Analysis Form

Board Approved: 12/17/2018

Project Name: 2019 Capital Improvements - Metering

Project Driver: Growth

Priority Level: Medium

Purpose & Necessity:

The following collective list of minor capital assets are various metering components that will be purchased over 2019 for installation:

- (800)-Generation 4 CL 200 Meters...\$120,800
- (6) CL320 Meters...\$1,260
- (4) - 3S Meters...\$800
- (8) - 16S Meters...\$3,312
- (6) - 9S Meters...\$2,640
- Test Switches...\$1,130
- (19) - Current Transformers...\$3,000
- Meter Wire...\$240

Risk Assessment:

New meters are typically required to meet the new connections demand. The only risk that is involved in the purchase of these metering components is the cash flow risk as these items are purchased and stored in advance of the collection of the impact fee from the customer.

Cash Flow Schedule:

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>Overall</u>
Internal Labor	-	-	-	-	-	-	-
Materials	133,200.00	-	-	-	-	-	133,200.00
Subcontractor	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
(CIAC) Reim	(111,888.00)	-	-	-	-	-	(111,888.00)
Subtotal:	\$ 21,312.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,312.00
Impact Fee %	0%						
Net Amount:	<u>\$ 21,312.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,312.00</u>