



Heber Light & Power

Fiscal Year 2020

Fees/Rates, Operating and Capital Budgets

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2020 Rates/Fees

Fees

Description	Amount	Comments
<u>Billing/Office Fees</u>		
Convenience Fee	3%	Used on Impact Fee and Work Order credit card payments only
Late Payment Charge (Compounded)	1.5%	Applied on any past due amounts
Returned Payment Charge	15.00	
Reconnect Fee	20.00	
Service Application Fee	20.00	
Seasonal Disconnect Fee	50.00	
<u>Construction Fees</u>		
Impact Fee	Amperage Calc	Included in current schedule
Line Extension/New Development - Installation	Bid Estimate	Estimate for Labor, Materials, and Overhead provided upon request
Initiation/Will Serve	200.00	Check only
Design Fee	300.00	This is a per development phase fee
Design Fee (resubmit)	20.00	Per residential/commercial unit
Truck Roll Fee	50.00	Set fee for extra vehicle trips, i.e. reinspection, meter verification, troubleshooting customer side, etc...
<u>New Service / Meter Related Fees</u>		
Wire Pull (up to 400 amps)	300.00 plus meter	Customer responsible for wire on services larger than 400 amps.
Meter Installation Fee – Single Phase	235.00	All new meter issuances regardless of reason, does not include replacement meters.
Meter Installation Fee – 3-Phase	470.00	
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
Outside Lighting Maintenance	25.00 plus parts	

Rates

Residential

Base/Customer Charge	13.70
1st 1,000 kWh	0.0833/kWh
All Additional	0.1037/kWh

Residential/Small Commercial - Pumping

Base/Customer Charge	13.70
Demand Rate	8.90/kW
1st 500 kWh	0.061/kWh
All Additional	0.061/kWh

General Service - Small (1kW <X<= 30kW) (Single Phase)

Base/Customer Charge	11.00
Demand Rate	9.50/kW
1st 500 kWh	0.084/kWh
All Additional	0.049/kWh

General Service - Small (1kW <X<= 30kW) (3-Phase)

Base/Customer Charge	13.00
Demand Rate	9.50/kW
1st 500 kWh	0.084/kWh
All Additional	0.049/kWh

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

Base/Customer Charge	40.00
Demand Rate	10.80/kW
1st 500 kWh	0.0574/kWh
All Additional	0.0457/kWh

General Service - Medium (>30kW) - Pumping

Base/Customer Charge	40.00
Demand Rate	8.90/kW
1st 500 kWh	0.061/kWh
All Additional	0.061/kWh

General Service - Large (> 250kW)

Base/Customer Charge	77.00
Demand Rate	14.10/kW
All kWh	0.046/kWh

Heber Light & Power Company

2020 Budget – Executive Summary (State Format)

	2018 Actual	2019 Budget	2019 Projected	2020 Budget
REVENUES				
Electricity Sales	\$18,476,656	\$18,872,341	\$18,833,186	\$19,735,227
Connect Fees	35,195	51,000	39,620	41,000
Receivables Penalty Income	46,700	70,000	49,041	50,000
Other / Miscellaneous Income	304,423	451,815	315,379	233,390
<i>Total Revenues</i>	<i>\$18,862,784</i>	<i>\$19,445,156</i>	<i>\$19,237,226</i>	<i>\$20,059,617</i>
COST OF ELECTRIC SERVICE				
Power Production Expense	(894,387)	(957,475)	(1,046,928)	(895,774)
Cost of Purchased Power	(9,354,189)	(10,412,664)	(9,282,670)	(10,416,844)
Dist Expense – Operations	(307,870)	(343,659)	(304,508)	(355,848)
Dist Expense – Maintenance	(2,070,554)	(1,884,272)	(2,079,962)	(1,946,814)
Customer Account Expense	(8,087)	(25,000)	(1,597)	(1,200)
Admin & General Expense	(3,291,564)	(3,891,306)	(2,099,498)	(2,584,116)
<i>Total Operating & Maint. Expense</i>	<i>(15,926,651)</i>	<i>(17,514,376)</i>	<i>(14,815,163)</i>	<i>(16,200,596)</i>
Depreciation	(2,082,223)	(2,100,000)	(2,323,713)	(2,530,355)
Interest on Long-Term Debt	(498,354)	(493,229)	(881,687)	(967,813)
Other Deductions	(32,181)	(38,800)	(22,064)	(16,800)
<i>Total Cost of Electric Service</i>	<i>(18,763,434)</i>	<i>(20,146,405)</i>	<i>(18,042,627)</i>	<i>(19,715,564)</i>
OPERATION MARGIN	99,875	(701,249)	1,194,599	344,053
Interest Income	82,000	81,000	153,476	240,000
Non-Operating Margins-Other	2,913,563	2,850,000	3,238,894	2,800,000
Dividends	(300,000)	(300,000)	(300,000)	(300,000)
OPERATING MARGIN	2,795,438	1,929,751	4,286,969	3,084,053
CAPITAL EXPENDITURES				
Generation - Hydro	6,249	86,100	2,120	15,000
Generation – Gas Plant	(157,197)	487,000	53,716	1,398,000
Distribution	2,181,702	2,381,000	2,225,309	4,375,000
Substation	631,049	3,189,000	144,795	1,231,000
Metering	102,208	133,200	18,796	25,000
Buildings	(174,750)	1,353,000	82,423	1,067,000
Vehicles	495,649	1,160,000	12,865	660,000
Tools	(166,108)	199,000	46,000	240,000
Technology – IT	196,363	88,000	27,086	99,000
<i>Total Capital</i>	<i>3,112,165</i>	<i>9,076,300</i>	<i>2,613,110</i>	<i>9,110,000</i>

Heber Light & Power Company

2020 Budget – Executive Summary (Actuals Format)

	<u>2017 Actual</u>	<u>2018 Actual</u>	<u>2019 Projected</u>	<u>2020 Budget</u>
REVENUES				
Electricity Sales	\$17,750,435	\$18,476,656	\$18,833,186	\$19,735,227
Connect Fees	41,975	35,195	39,620	41,000
Receivables Penalty Income	49,187	46,700	49,041	50,000
Other / Miscellaneous Income	432,387	304,423	315,379	233,390
<i>Total Revenues</i>	<u>\$18,273,984</u>	<u>\$18,862,784</u>	<u>\$19,237,226</u>	<u>\$20,059,617</u>
COST OF ELECTRIC SERVICE				
Power Production Expense	(919,330)	(894,387)	(1,046,928)	(895,774)
Cost of Purchased Power	(8,754,285)	(9,354,189)	(9,282,670)	(10,416,844)
Dist Expense – Operations	(309,696)	(307,870)	(304,508)	(355,848)
Dist Expense – Maintenance	(1,831,416)	(2,070,554)	(2,079,962)	(1,946,814)
Customer Account Expense	(24,776)	(8,087)	(1,597)	(1,200)
Admin & General Expense	(3,828,996)	(3,291,564)	(2,099,498)	(2,584,116)
<i>Total Operating & Maint. Expense</i>	<u>(15,668,499)</u>	<u>(17,514,376)</u>	<u>(14,815,163)</u>	<u>(16,200,596)</u>
Depreciation	(1,908,270)	(2,082,223)	(2,323,713)	(2,530,355)
Interest on Long-Term Debt	(525,008)	(498,354)	(881,687)	(967,813)
Other Deductions	(14,815)	(32,181)	(22,064)	(16,800)
<i>Total Cost of Electric Service</i>	<u>(18,116,592)</u>	<u>(18,763,434)</u>	<u>(18,042,627)</u>	<u>(19,715,564)</u>
OPERATION MARGIN	<i>157,392</i>	<i>99,875</i>	<i>1,194,599</i>	<i>344,053</i>
Interest Income	46,982	82,000	153,476	240,000
Non-Operating Margins-Other	2,682,978	2,913,563	3,238,894	2,800,000
Dividends	(300,000)	(300,000)	(300,000)	(300,000)
OPERATING MARGIN	<u>2,587,352</u>	<u>2,795,438</u>	<u>4,286,969</u>	<u>3,084,053</u>
CAPITAL EXPENDITURES				
Generation - Hydro	22,389	6,249	2,120	15,000
Generation – Gas Plant	130,133	(157,197)	53,716	1,398,000
Distribution	1,634,883	2,181,702	2,225,309	4,375,000
Substation	229,304	631,049	144,795	1,231,000
Metering	120,592	102,208	18,796	25,000
Buildings	44,716	(174,750)	82,423	1,067,000
Vehicles	24,187	495,649	12,865	660,000
Tools	11,713	(166,108)	46,000	240,000
Technology – IT	117,096	196,363	27,086	99,000
<i>Total Capital</i>	<u>2,335,013</u>	<u>3,112,165</u>	<u>2,613,110</u>	<u>9,110,000</u>

Operating Expenditures Budget

Revenues

The 2020 electricity revenues are budgeted to increase 3.4% over the projected 2019 revenues for residential and 7.4% for general service accounts. This represents a conservative estimate for the trended load growth and implementation of a rate increase adopted during 2019.

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.

	<u>2018 Actual</u>	<u>2019 Budget</u>	<u>2019 Projected</u>	<u>2020 Budget</u>
REVENUES				
Electricity Sales	\$18,476,656	\$18,872,341	\$18,833,186	\$19,735,227
Connect Fees	35,195	51,000	39,620	41,000
Receivables Penalty Income	46,700	70,000	49,041	50,000
Other / Miscellaneous Income	304,423	451,815	315,379	233,390
<i>Total Revenues</i>	<i>\$18,862,784</i>	<i>\$19,455,156</i>	<i>\$19,237,226</i>	<i>\$20,059,617</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 2020.

Travel & Training

To maintain the advanced technical knowledge required in the industry, various training initiatives for staff are included in the 2020 Budget.

Capital Expenditures Budget

The Capital Budget for 2020 totals \$9,110,000. Heber Light & Power anticipates utilizing revenue from energy sales, debt financing, capital in aid of construction and through impact fees to complete the 2020 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 can use additional debt-financing in the event additional funds are required to complete 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 \$3.2 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	15,000	-	-	15,000
Generation – Gas Plant	1,398,000	-	-	1,398,000
Distribution	4,375,000	(2,000,000)	(1,800,000)	575,000
Substation	1,231,000	-	-	1,231,000
Metering	25,000	-	(25,000)	0
Buildings	1,067,000	-	-	1,067,000
Vehicles	660,000	-	-	660,000
Tools	240,000	-	-	240,000
Technology – IT	99,000	-	-	99,000
				<hr/>
			Total Capital Expenditures:	\$5,285,000
			Principal Payments on Long-Term Debt:	1,817,250
			Total Cash Requirements:	<hr/> <u>\$7,102,250</u>

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



Buildings

- 1) Generator Fire Suppression System
- 2) New Office Building
- 3) Cold Storage Replacement
- 4) Plant 3 Roof Replacement
- 5) Security Gate Upgrade
- 5) Plant 1 Electrical Upgrades
- 6) Plant HVAC Upgrades

Heber Light & Power

Project Analysis Form

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: \$108,000

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	-	102,000.00	46,000.00	213,000.00	161,000.00	-	522,000.00
Miscellaneous	-	-	-	-	-	-	-
(CIAC) Reim	-	-	-	-	-	-	-
Subtotal: \$	\$ -	\$ 108,000.00	\$ 46,000.00	\$ 213,000.00	\$ 161,000.00	\$ -	\$ 528,000.00
Impact Fee %	0%	0%	0%	0%	0%	0%	0%
Net Amount: \$	\$ -	\$ 108,000.00	\$ 46,000.00	\$ 213,000.00	\$ 161,000.00	\$ -	\$ 528,000.00

Heber Light & Power

Project Analysis Form

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. The building is currently surrounded on all four sides with rights-of-ways for other entities which causes expansion limitations. Parking for employees and customers is extremely limited. Finally, numerous secondary elements such as IT structure, and building security cannot be adequately addressed in the current state.

Risk Assessment:

Efficiency is the main advantage to combining all of the administrative functions under one roof. In addition, by remaining non-compliant with appropriate ADA standards, the company remains at risk of not accommodating customer needs. Furthermore the transition to 138kV service in the valley also opens the company to additional cyber-security scrutiny and controls. The current building set-up will require extensive adjustments to obtain compliance with NERC CIPS requirements.

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	-	-	-	-	-	-	-
Materials	-	-	-	-	-	-	-
Subcontractor	-	-	-	-	-	-	-
Miscellaneous	500,000.00	1,500,000.00	-	-	-	-	2,000,000.00
(CIAC) Reim	-	-	-	-	-	-	-
Subtotal:	\$ 500,000.00	\$ 1,500,000.00	\$ -	\$ -	\$ -	\$ -	\$ 2,000,000.00
Impact Fee %	0%	0%	0%				
Net Amount:	\$ 500,000.00	\$ 1,500,000.00	\$ -	\$ -	\$ -	\$ -	\$ 2,000,000.00

Heber Light & Power

Project Analysis Form

Project Name: Plant 1 Electrical Upgrade

Project Driver: Upgrade

Priority Level: Medium

Purpose & Necessity:

The electrical system in Plant 1 reflects multiple decades of different generator types and configurations. As a result there is legacy wiring throughout the plant that is in the way of current operations. In addition, some of the electrical equipment is rather aged and is in need of an upgrade. Furthermore, the electrical panel is overloaded and could use additional space for plant operations.

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. The largest risk is that of an electrical fire.

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	-	-	-	-	-	-	-
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%						0%
Net Amount:	\$ -	\$ -	\$ -	\$ -	\$ 50,000.00	\$ -	\$ 50,000.00

Heber Light & Power

Project Analysis Form

Project Name: Plant HVAC Upgrades

Project Driver: Upgrade

Priority Level: High

Purpose & Necessity:

The generation plants are 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. These updates will happen over the course of multiple years. The first such upgrade happened in 2019. Each year an additional set of coolers will be replaced until all have been taken care of.

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>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>Overall</u>
Internal Labor	-	-	-	-	-	-	-
Materials	-	-	-	-	-	-	-
Subcontractor	77,000.00	70,000.00	80,000.00	80,000.00	80,000.00	-	387,000.00
Miscellaneous	-	-	-	-	-	-	-
(CIAC) Reim	-	-	-	-	-	-	-
Subtotal:	\$ 77,000.00	\$ 70,000.00	\$ 80,000.00	\$ 80,000.00	\$ 80,000.00	\$ -	\$ 387,000.00
Impact Fee %	0%	0%	0%	0%	0%	0%	0%
Net Amount:	\$ 77,000.00	\$ 70,000.00	\$ 80,000.00	\$ 80,000.00	\$ 80,000.00	\$ -	\$ 387,000.00



Generation

- 1) Annual Generation Capital Improvements
- 2) Lower Snake Creek Plant Upgrade
- 3) Upper Snake Creek Capital Improvements
- 4) Lake Creek Capital Improvements
- 5) Gas Plant 2 Switchgear Upgrade
- 6) New Generator
- 7) Unit Overhauls
- 8) Gas Plant 1 Transformer Upgrade
- 9) Gas Plant 3 Switchgear Upgrade

Heber Light & Power

Project Analysis Form

Project Name: Capital Improvements - Generation

Project Driver: Reliability

Priority Level: High

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.

2024 has additional funds for Plant 1 roof replacement, exhaust fans, and a new gas line in Plant 2

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. The gas line in plant 2 is a fire hazard as presently constituted.

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	10,000.00	10,000.00	10,000.00	10,000.00	25,000.00	-	65,000.00
Materials	40,000.00	40,000.00	40,000.00	40,000.00	175,000.00	-	335,000.00
Subcontractor	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
(CIAC) Reim	-	-	-	-	-	-	-
Subtotal:	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 200,000.00	\$ -	\$ 400,000.00
Impact Fee %	0%	0%	0%	0%	0%		0%
Net Amount:	<u>\$ 50,000.00</u>	<u>\$ 50,000.00</u>	<u>\$ 50,000.00</u>	<u>\$ 50,000.00</u>	<u>\$ 200,000.00</u>	<u>\$ -</u>	<u>\$ 400,000.00</u>

Heber Light & Power

Project Analysis Form

Project Name: Lower Snake Creek Plant Upgrade

Project Driver: Reliability

Priority Level: Medium

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>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>Overall</u>
Internal Labor	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	-	5,000.00
Materials	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	-	20,000.00
Subcontractor	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
(CIAC) Reim	-	-	-	-	-	-	-
Subtotal:	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ -	\$ 25,000.00
Impact Fee %	0%	0%	0%	0%	0%		
Net Amount:	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ -	\$ 25,000.00

Heber Light & Power

Project Analysis Form

Project Name: Upper Snake Creek Plant Upgrade

Project Driver: Reliability

Priority Level: Medium

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>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>Overall</u>
Internal Labor	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	-	5,000.00
Materials	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	-	20,000.00
Subcontractor	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
(CIAC) Reim	-	-	-	-	-	-	-
Subtotal:	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ -	\$ 25,000.00
Impact Fee %	0%	0%	0%	0%	0%		
Net Amount:	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ -	\$ 25,000.00

Heber Light & Power

Project Analysis Form

Project Name: Lake Creek Improvements

Project Driver: Reliability

Priority Level: Medium

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>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>Overall</u>
Internal Labor	1,000.00	1,000.00	1,000.00	1,000.00	3,000.00	-	7,000.00
Materials	4,000.00	4,000.00	4,000.00	4,000.00	12,000.00	-	28,000.00
Subcontractor	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
(CIAC) Reim	-	-	-	-	-	-	-
Subtotal:	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 15,000.00	\$ -	\$ 35,000.00
Impact Fee %	0%	0%	0%	0%	0%		0%
Net Amount:	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 15,000.00	\$ -	\$ 35,000.00

Heber Light & Power

Project Analysis Form

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 other generating sources. Load growth is projected to be regular and consistent. The generator portfolio is used regularly to defer the market risk that is inherent with the increasing resource needs of the company.

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>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>Overall</u>
Internal Labor	15,000.00	-	15,000.00	15,000.00	-	-	45,000.00
Materials	1,105,000.00	-	1,105,000.00	1,105,000.00	-	-	3,315,000.00
Subcontractor	80,000.00	-	80,000.00	80,000.00	-	-	240,000.00
Miscellaneous	-	-	-	-	-	-	-
(CIAC) Reim	-	-	-	-	-	-	-
Subtotal:	\$ 1,200,000.00	\$ -	\$ 1,200,000.00	\$ 1,200,000.00	\$ -	\$ -	\$ 3,600,000.00
Impact Fee %							
Net Amount:	<u>\$ 1,200,000.00</u>	<u>\$ -</u>	<u>\$ 1,200,000.00</u>	<u>\$ 1,200,000.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,600,000.00</u>

Heber Light & Power

Project Analysis Form

Project Name: Unit Overhauls

Project Driver: Reliability

Priority Level: Medium

Purpose & Necessity:

The generating units are operated as needed until a requisite number of engine hours have been expired. As a measure of standard preventative maintenance, the engine is taken out of service and the engine is overhauled. The following engines are scheduled to reach their operating hours as follows:

- Unit 11 - 2020
- Unit 12 - 2021
- Unit 4 - 2022
- Unit 1 - 2024
- Unit 2 - 2025

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>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>Overall</u>
Internal Labor	8,000.00	8,000.00	8,000.00	-	8,000.00	8,000.00	40,000.00
Materials	-	-	-	-	-	-	-
Subcontractor	120,000.00	120,000.00	120,000.00	-	120,000.00	120,000.00	600,000.00
Miscellaneous (CIAC) Reim	-	-	-	-	-	-	-
Subtotal:	\$ 128,000.00	\$ 128,000.00	\$ 128,000.00	\$ -	\$ 128,000.00	\$ 128,000.00	\$ 640,000.00
Impact Fee %	0%	0%	0%	0%	0%	0%	0%
Net Amount:	<u>\$ 128,000.00</u>	<u>\$ 128,000.00</u>	<u>\$ 128,000.00</u>	<u>\$ -</u>	<u>\$ 128,000.00</u>	<u>\$ 128,000.00</u>	<u>\$ 640,000.00</u>

Heber Light & Power

Project Analysis Form

Project Name: Gas Plant 1 Transformer Upgrade

Project Driver: Growth

Priority Level: Low

Purpose & Necessity:

Gas Plant 1 currently sits with an open generator bay. Growth in the valley will necessitate the placement of a generator in the vacant position. The current transformer is only rated for 7 MW. Additional generator load will require an upgraded transformer capable of handling 10 MW.

Risk Assessment:

The largest risk associated with the failure to complete this project is the inability to place a needed generator in the open bay of Plant 1. Projected loads will not be adequately met by the company unless the generator portfolio is maintained at the proper level.

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	-	-	-	-	45,000.00	-	45,000.00
Materials	-	-	-	-	455,000.00	-	455,000.00
Subcontractor	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
(CIAC) Reim	-	-	-	-	-	-	-
Subtotal:	\$ -	\$ -	\$ -	\$ -	\$ 500,000.00	\$ -	\$ 500,000.00
Impact Fee %	0%	0%	0%	0%	0%	0%	0%
Net Amount:	\$ -	\$ -	\$ -	\$ -	\$ 500,000.00	\$ -	\$ 500,000.00

Heber Light & Power

Project Analysis Form

Project Name: Plant 3 Switchgear Upgrade

Project Driver: Upgrade

Priority Level: Low

Purpose & Necessity:

The switchgear system in Plant 3 will no longer be adequate to operate effectively to protect the generators within Plant 3. This project will upgrade the switchgear for SCADA controlled protection scheme.

Risk Assessment:

In the event a system failure occurs, the generators in Plant 3 are protected only by an outdated system. Thus the generators could be significantly damaged if an event happens on the grid.

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	-	-	-	-	6,000.00	-	6,000.00
Materials	-	-	-	-	74,000.00	-	74,000.00
Subcontractor	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
(CIAC) Reim	-	-	-	-	-	-	-
Subtotal:	\$ -	\$ -	\$ -	\$ -	\$ 80,000.00	\$ -	\$ 80,000.00
Impact Fee %	0%	0%	0%	0%	0%	0%	
Net Amount:	\$ -	\$ -	\$ -	\$ -	\$ 80,000.00	\$ -	\$ 80,000.00



Distribution

- 1) Reconductor PR 201: Substation to River Road
- 2) Midway Substation - Get Aways
- 3) Tie from 702 up to 500 East in Heber (HB304)
- 4) 2nd Point of Interconnect (POI) Transmission Line
- 5) Additional Circuits out of Jailhouse to the East
- 6) Underground System Improvements
- 7) Aged & Environmental Distribution Replacement / Upgrade
- 8) Additional Circuits out of College to South and East
- 9) Fault Indicator - Underground System
- 10) Reconductor HB305_600 West - Substation to 300 South
- 11) Rebuild PR 201: Main Street to Burgi Lane
- 12) Install Voltage Regulators at Timber Lakes Gate
- 13) Heber Substation Additional Circuits (South & West)
- 14) Load to Parsons (Reconductor)
- 15) Reconductor Heber City Main Street: 600 South to 1000 South
- 16) 1200 South Transmission Line
- 17) Reconductor Pine Canyon Road - Midway
- 18) Reconductor JH 502/503: Old Mill Drive - 800 South to 1200 South
- 19) Reconductor MW 101/102: 4/0 to 477
- 20) Rebuild CL 402: 600 West to Tate Lane

Heber Light & Power

Project Analysis Form

Project Name: Midway Substation - Get Aways

Project Driver: Upgrade

Priority Level: High

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>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</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 %	0%	0%	50%	0%	0%	0%	50%
Net Amount:	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 80,000.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 80,000.00</u>

Heber Light & Power

Project Analysis Form

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

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

Project Name: Load to Parsons (Reconductor)

Project Driver: Upgrade

Priority Level: High

Purpose & Necessity:

The feeder line that supplies energy to the Parson Gravel Pit and equipment is undersized and will need to be upgraded.

Risk Assessment:

The customer has expensive equipment that requires regular and stable voltage at higher levels to satisfy their needs. If the line voltage drops, the customer stands to experience damaged equipment increasing the risk to HLP of expensive insurance claims.

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:	\$ -	\$ -	\$ -	\$ -	\$ 100,000.00	\$ -	\$ 100,000.00

Heber Light & Power

Project Analysis Form

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. This project will achieve N-1 standard on this circuit. It is currently below this standard and as such the system reliability is at risk.

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

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

Heber Light & Power

Project Analysis Form

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. This project will achieve N-1 standard on this circuit. It is currently below this standard and as such the system reliability is at risk.

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	-	-	-	-	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 %		0%			60%		60%
Net Amount:	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 72,000.00</u>	<u>\$ -</u>	<u>\$ 72,000.00</u>



Substation

- 1) 2nd Point of Interconnect
- 2) Replacement Recloser for Joslyn Reclosers
- 3) Substation Bird Guard
- 4) Cloyes LTC Rebuild
- 5) Provo River Substation Rebuild
- 6) East Substation
- 7) Battery Replacement Program
- 8) Midway Substation - High Side Rebuild
- 5) Heber Relay Upgrade

Heber Light & Power

Project Analysis Form

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	31,794.14	25,000.00	15,000.00	35,000.00	-	-	106,794.14
Materials	-	2,461,497.01	950,000.00	1,450,000.00	-	-	4,861,497.01
Subcontractor	81,708.85	300,000.00	235,000.00	5,250,000.00	-	-	5,866,708.85
Miscellaneous	-	-	-	50,000.00	-	-	50,000.00
(CIAC) Reim	-	-	-	-	-	-	-
Subtotal:	\$ 113,502.99	\$ 2,786,497.01	\$ 1,200,000.00	\$ 6,785,000.00	\$ -	\$ -	\$ 10,885,000.00
Impact Fee %	70%	70%	70%	70%			70%
Net Amount:	\$ 34,050.90	\$ 835,949.10	\$ 360,000.00	\$ 2,035,500.00	\$ -	\$ -	\$ 3,265,500.00

Heber Light & Power

Project Analysis Form

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:

- 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>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>Overall</u>
Internal Labor	1,200.00	1,200.00	600.00	-	-	-	3,000.00
Materials	4,800.00	4,800.00	2,400.00	-	-	-	12,000.00
Subcontractor	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
(CIAC) Reim	-	-	-	-	-	-	-
Subtotal:	\$ 6,000.00	\$ 6,000.00	\$ 3,000.00	\$ -	\$ -	\$ -	\$ 15,000.00
Impact Fee %	0%	0%	0%	0%			
Net Amount:	<u>\$ 6,000.00</u>	<u>\$ 6,000.00</u>	<u>\$ 3,000.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,000.00</u>

Heber Light & Power

Project Analysis Form

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:	\$ -	\$ -	\$ 40,000.00	\$ -	\$ -	\$ -	\$ 40,000.00

Heber Light & Power

Project Analysis Form

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	-	500,000.00
Materials	-	-	-	750,000.00	2,000,000.00	-	2,750,000.00
Subcontractor	-	-	-	-	1,750,000.00	-	1,750,000.00
Miscellaneous	-	-	-	-	-	-	-
(CIAC) Reim	-	-	-	-	-	-	-
Subtotal:	\$ -	\$ -	\$ -	\$ 1,000,000.00	\$ 4,000,000.00	\$ -	\$ 5,000,000.00
Impact Fee %				100%	100%		100%
Net Amount:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Heber Light & Power

Project Analysis Form

Project Name: Battery Replacement Program

Project Driver: Replacement

Priority Level: Low

Purpose & Necessity:

The batteries in Plant 2 will have reached their cycle life in 2022. The batteries at College Substation and the Lower Snake Creek Plant will reach their life cycle end in 2024. This project will see that they are 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>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>Overall</u>
Internal Labor	-	-	1,500.00	-	3,000.00	-	4,500.00
Materials	-	-	8,000.00	-	16,000.00	-	24,000.00
Subcontractor	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
(CIAC) Reim	-	-	-	-	-	-	-
Subtotal:	\$ -	\$ -	\$ 9,500.00	\$ -	\$ 19,000.00	\$ -	\$ 28,500.00
Impact Fee %							0%
Net Amount:	\$ -	\$ -	\$ 9,500.00	\$ -	\$ 19,000.00	\$ -	\$ 28,500.00

Heber Light & Power

Project Analysis Form

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>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</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

Project Name: Heber Relay Upgrade

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. The relays in the Heber Substation are an older version no longer supported after 2024.

Risk Assessment:

Without the upgrade of these relays, the Heber Substation will not be properly monitored and controlled by the Dispatch department. Lack of proper monitoring and supervisory control creates serious risk to life and 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	-	-	-	-	-	-	-
Materials	-	-	-	-	-	25,000.00	25,000.00
Subcontractor	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
(CIAC) Reim	-	-	-	-	-	-	-
Subtotal:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,000.00	\$ 25,000.00
Impact Fee %							0%
Net Amount:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,000.00	\$ 25,000.00



Information Technology

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

Heber Light & Power

Project Analysis Form

Project Name: 2020 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 2020 for installation:

- Computer Replacement Program...\$22,000 (2020, 2021, 2023, 2025)

2022

- Server replacements ...\$63,000

- Computer Replacement Program...\$22,000

2024

- Camera Server replacement ...\$22,000

- Computer Replacement Program...\$22,000

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>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>Overall</u>
Internal Labor	6,000.00	2,000.00	10,000.00	2,000.00	5,000.00	2,000.00	27,000.00
Materials	75,000.00	20,000.00	75,000.00	20,000.00	39,000.00	20,000.00	249,000.00
Subcontractor	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
(CIAC) Reim	-	-	-	-	-	-	-
Subtotal:	\$ 81,000.00	\$ 22,000.00	\$ 85,000.00	\$ 22,000.00	\$ 44,000.00	\$ 22,000.00	\$ 276,000.00
Impact Fee %	0%	0%	0%	0%	0%	0%	0%
Net Amount:	\$ 81,000.00	\$ 22,000.00	\$ 85,000.00	\$ 22,000.00	\$ 44,000.00	\$ 22,000.00	\$ 276,000.00

Heber Light & Power

Project Analysis Form

Project Name: 2020 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 2020 for installation:

- Virtualize SCADA Terminals...\$6,000
- Dispatch Screen Upgrade ...\$2,000

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>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>Overall</u>
Internal Labor	1,000.00	6,000.00	6,000.00	6,000.00	6,000.00	-	25,000.00
Materials	7,000.00	24,000.00	24,000.00	24,000.00	244,000.00	-	323,000.00
Subcontractor	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
(CIAC) Reim	-	-	-	-	-	-	-
Subtotal:	\$ 8,000.00	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00	\$ 250,000.00	\$ -	\$ 348,000.00
Impact Fee %	0%	0%	0%	0%	0%	0%	0%
Net Amount:	\$ 8,000.00	\$30,000.00	\$ 30,000.00	\$ 30,000.00	\$ 250,000.00	\$ -	\$ 348,000.00

Heber Light & Power

Project Analysis Form

Project Name: 2020 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>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>Overall</u>
Internal Labor	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	-	10,000.00
Materials	8,000.00	8,000.00	8,000.00	8,000.00	8,000.00	-	40,000.00
Subcontractor	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
(CIAC) Reim	-	-	-	-	-	-	-
Subtotal:	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ -	\$ 50,000.00
Impact Fee %	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>\$ -</u>	<u>\$ 50,000.00</u>



Tools / Equipment

- 1) 2020 Annual Program

Heber Light & Power

Project Analysis Form

Project Name: 2020 Capital Improvements - Tools

Project Driver: Replacement

Priority Level: Medium

Purpose & Necessity:

The following collective list of tools are planned to be purchased over 2020:

- Generation
 - No large tool purchases
- Meter
 - No large tool purchases
- Substation
 - Power Factor Tester...\$70,000
- Distribution
 - Line Locater...\$10,000

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	80,000.00	45,000.00	45,000.00	45,000.00	45,000.00	-	260,000.00
Subcontractor	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
(CIAC) Reim	-	-	-	-	-	-	-
Subtotal:	\$ 80,000.00	\$ 45,000.00	\$ 45,000.00	\$ 45,000.00	\$ 45,000.00	\$ -	\$ 260,000.00
Impact Fee %	0%	0%	0%	0%	0%		0%
Net Amount:	\$ 80,000.00	\$ 45,000.00	\$ 45,000.00	\$45,000.00	\$ 45,000.00	\$ -	\$ 260,000.00



Vehicles

- 1) 2020 Annual Program

Heber Light & Power

Project Analysis Form

Project Name: 2020 Capital Improvements - Vehicles

Project Driver: Replacement

Priority Level: Medium

Purpose & Necessity:

The following vehicles are planned to be purchased in 2020:

- One(1) Digger Derrick Line Truck (\$300,000) - Replaces the Ford
- Two (2) 1500 Series Light-Duty Truck (\$70,000) - Replace the 2006 Ranger and the 2013 Explorer
- One (1) 3500 Series Heavy Duty Truck (\$50,000) - Replace the 2013 F-350 Hydro Truck
- One (1) 5500 Series Heavy Duty Truck (\$120,000) - Replace the 2013 F-550 Substation Truck

Risk Assessment:

These vehicles are deemed necessary to adequately service the territory. These vehicle purchases are meant to replace existing vehicles that have reached their useful life based upon company policy.

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	-	-	-	-	-	-	-
Materials	-	-	-	-	-	-	-
Subcontractor	-	-	-	-	-	-	-
Miscellaneous	660,000.00	360,000.00	400,000.00	300,000.00	420,000.00	-	2,140,000.00
(CIAC) Reim	-	-	-	-	-	-	-
Subtotal:	\$ 660,000.00	\$ 360,000.00	\$ 400,000.00	\$ 300,000.00	\$ 420,000.00	\$ -	\$ 2,140,000.00
Impact Fee %	0%	0%	0%	0%	0%		0%
Net Amount:	\$ 660,000.00	\$ 360,000.00	\$ 400,000.00	\$ 300,000.00	\$ 420,000.00	\$ -	\$ 2,140,000.00



Metering

- 1) 2020 Metering Installs

