Summary of Impact Fee Study Report
by Utility Financial Solutions, LLC

Purpose of Impact Fees

Impact fees are used to fund capital-related costs (e.g., new buildings) incurred in providing governmental service to "new" development. The basic philosophy behind impact fees is that "new" development should bear the additional or "incremental" capital cost incurred and necessary to provide service to the "new" development. This establishes a cost causation or "nexus" requirement between the cost incurred in providing the service and those who benefit from the service. To be clear however, impact fees are not intended to recover annual operating expenses (e.g., utility costs) or to pay for capital expenditures related to the correction of an existing deficiency in the service provided.

The Company currently imposes an impact fee on a request for a new connection or additional service. This impact fee helps the pay a portion of the costs for the new system improvements required to serve the new development. The Company has retained Utility Financial Solutions, LLC to assist in developing an impact fee based on current conditions.

Method of Calculating Impact Fees

The UFS Report determines the allowable impact fee based on: (1) the projected additional demand for electricity from the future growth and (2) the Company's cost of constructing system improvements required to deliver this electricity to customers. The additional demand for electricity is based on the Company's projection of future growth in electricity sales caused by new customers added to the system. This projection is consistent with the recent historical growth on the HLP system. The UFS Report uses the Company's growth projections to determine the total, maximum annual demand for electricity from all classes of customers and to determine that projected increase in demand for electricity is 30,845 kW for the period 2021 through 2026.

The cost of system improvements required to serve this additional demand was provided by the Company's Impact Fee Facilities Plan. The UFS Report divides these projected costs by the projected increase in demand to determine the cost/kW of these system improvements. This amount was adjusted by a utilization factor to reflect that typical customers typically use less electric power than the size of a typical connection.

Range of Impact Fees

The UFS Report recognizes that the Company's Board may not wish to impose the fully allowable impact fee. It includes a calculation of the value brought to the system by a new customer. A comparison of impact fees from other local entities is included to demonstrate where the HLP rate will settle.

The report is as follows:

Heber Light & Power
Impact Fee Study Results

Mark Beauchamp
President
Utility Financial Solutions, LLC

Utility Financial Solutions, LLC

Utility Financial Solutions, LLC

- International consulting firm providing cost of service and financial plans and services to utilities across the country, Canada, Guam and the Caribbean
- Instructors for cost of service and financial planning for APPA, speakers for organizations across the country including AWWA.
- Hometown Connections preferred vendor for cost of service and financial analysis.

UFS Utility Financial Solutions, LLC

Hometown Connections® partner

Discussion
Growth Pays for Growth

- Impacts caused by New Customers
  - Growth causes additional capacity investments
  - The investments tend to occur intermittently

- Value New Customers Provide
  - New customers generate contribution margins in the rates to fund fixed infrastructure costs
  - Cost of service study identifies the fixed and variable cost components used to identify a customer’s value

Investments in System Capacity

Fund Balance		$ 2,868,079		
Cost Component	**Gross Investment**	**Percent of total**	**Allocation of Fund Balance**	**Net Impact**
Distribution Local & Substations	$ 10,742,000	25%	716,188	10,025,812
Distribution Substation	$ 11,917,000	28%	794,527	11,122,473
System Substations	16,253,900	38%	1,083,676	15,170,224
Transmission System	4,105,000	10%	273,688	3,831,312
Total	**$ 43,017,900**			**$ 40,149,821**

	Distribution Local & Substations	**System Substations**	**Transmission System**	**Total**
Total Investment	$ 21,148,284	$ 15,170,224	$ 3,831,312	$ 40,149,821
Projected New Loadings	30,845	91,830	27,258	
Residential Loading Average	9.54	2.38	2.38	
Residential Equivalents	**3,233**	**38,603**	**11,459**	
Average Cost per RE	6,542	393	334	7,269
Contribution Value	-	-	-	2,585
Impact Average	**$ 6,542**	**$ 393**	**$ 334**	**$ 4,684**

Value from a New Customer

Customer Class	COS Revenue Requirement	Fixed Costs Contribution	Recovery Period (Years)	Utility Investment		Maximum Utility Investment per Customer
Residential	$ 11,782,845	$ 4,896,097	7	$ 0.2870	per kWh	$ 2,586
Small Commercial	2,464,627	930,437	5	41.02	per kW	2,608
Medium Commercial	2,915,961	1,143,436	5	42.59	per kW	37,338
Large Commercial	1,602,373	643,665	5	41.57	per kW	180,757

Proposed Impact Fees

	Current 120/240 Volt	Proposed 120/240 Volt	Proposed 120/208 Volt	Proposed 277/480 Volt	Dollar Adjustment	Percent Adjustment
10 A	$ 169.25	$ 234.19	$ 351.54	$ 811.24	$ 330.72	38.4%
20 A	338.48	468.37	703.06	1,622.42	661.37	38.4%
30 A	507.73	702.57	1,054.61	2,433.66	992.09	38.4%
40 A	676.96	936.74	1,406.13	3,244.84	1,322.75	38.4%
50 A	846.21	1,170.94	1,757.67	4,056.08	1,653.46	38.4%
60 A	1,015.45	1,405.11	2,109.19	4,867.26	1,984.12	38.4%
70 A	1,184.69	1,639.31	2,460.74	5,678.49	2,314.83	38.4%
80 A	1,353.93	1,873.49	2,812.26	6,489.67	2,645.48	38.4%
90 A	1,523.18	2,107.68	3,163.80	7,300.91	2,976.20	38.4%
100 A	1,692.41	2,341.86	3,515.32	8,112.09	3,306.85	38.4%
125 A	2,115.52	2,927.33	4,394.16	10,140.13	4,133.59	38.4%
150 A	2,538.62	3,512.80	5,272.99	12,168.17	4,960.32	38.4%
175 A	2,961.73	4,098.26	6,151.83	14,196.21	5,787.05	38.4%
200 A	3,384.82	4,683.72	7,030.64	16,224.19	6,613.72	38.4%
300 A	5,077.25	7,025.59	10,545.98	24,336.34	9,920.63	38.4%
400 A	6,769.66	9,367.45	14,061.30	32,448.43	13,227.49	38.4%
500 A	8,462.07	11,709.31	17,576.62	40,560.52	16,514.34	38.4%
600 A	10,154.49	14,051.16	21,091.94	48,672.62	19,841.21	38.4%
700 A	11,846.90	16,393.02	24,607.26	56,784.71	23,148.06	38.4%
800 A	13,539.32	18,734.90	28,122.60	64,896.86	26,454.98	38.4%
900 A	15,231.73	21,076.75	31,637.92	73,008.95	29,761.83	38.4%
1000 A	16,924.15	23,418.61	35,153.24	81,121.05	33,068.70	38.4%
1100 A		25,760.47	38,668.57	89,179.25	36,321.66	38.4%
1200 A		28,102.33	42,183.88	97,286.58	39,623.75	38.4%

Proposed Impact Fees

	Proposed 120/208 Volt	Proposed 277/480 Volt	Dollar Adjustment	Percent Adjustment
1300 A	45,699.20	105,393.91	42,925.91	38.4%
1400 A	49,214.53	113,501.24	46,227.94	38.4%
1500 A	52,729.85	121,608.57	49,530.04	38.4%
1600 A	56,245.18	129,714.52	52,830.75	38.4%
1700 A	59,760.51	137,821.85	56,132.85	38.4%
1800 A	63,275.83	145,929.18	59,434.94	38.4%
1900 A	66,791.16	154,036.51	62,737.04	38.4%
2000 A	70,306.47	162,143.84	66,039.13	38.4%
2500 A	87,883.10	202,680.49	82,549.60	38.4%
3000 A	105,459.71	243,217.14	99,060.08	38.4%

Survey of Impact Charges

	Description / Panel Rating	Other Municipals & Co-ops St. George	Santa Clara City	Hurricane City (3)	Dixie Power	Heber City (5)	Average
		(c)	(d)	(f)	(f)	(g)	(h)
	Residential (120/240. 1 phase)						
1	200 Amp	4,809	3,798	1,946	3,950	4,684	3,837
2	400 Amp	8,244	7,596	3,892	6,900	9,367	7,200
	Commercial (120/240. 1 phase)						
3	200 Amp	6,529	4,185	3,676	3,950	4,684	4,605
4	400 Amp	13,058	8,370	7,352	7,900	9,367	9,209
5	600 Amp	19,587	12,554	11,028	9,850	14,051	13,414
	Commercial (200Y/120V. 3 phase)						
6	200 Amp	13,068	6,282	5,518	6,666	7,031	7,713
7	400 Amp	26,136	12,563	11,036	11,850	14,061	15,129
8	600 Amp	39,204	18,845	16,555	17,775	21,092	22,694
	Commercial (480Y/277V. 3 phase)						
9	200 Amp	30,157	14,496	12,734	15,386	16,224	17,799
10	400 Amp	60,315	28,992	25,468	27,354	32,448	34,915
11	800 Amp	120,629	57,985	38,202	54,708	64,897	67,284
12	1200 Amp	180,944	86,977	76,406	82,061	97,287	104,735

Transformer Loading based on Non Coincident Peaks

*Engineer recommends that transformer not be regulary loaded above 50% of Maximum Transformer Rating for redundancy and to preserve transformer life — KVA divided by KW — Without Capital Improvents

Substation Transformer	2021 NCP kW	2021 %Base	2021 %Total	Transformer Load at 100% PF ----------- Actual Power Factor	KW Rating ----- Current Loading -------------- Optimal Loading*	Base Transformer Rating (kW)	Mid Transformer Rating (kW)	Max (Total) Transformer Rating (kW) --------- NCP KW -------------- Optimal Load (50% of MAX)	% of Optimal* Transformer Loading	KW above(+) or Below (-) Optimal Transformer Capacity	Substation Transformer	2025 NCP kW	2025 %Base	2025 %Total	Transformer Load at 100% PF ----------Actual Power Factor	KW Rating ----- Current Loading -------------- Optimal Loading*	Base Transformer Rating (kW)	Mid Transformer Rating (kW)	Max (Total) Transformer Rating (kW) --------- NCP KW -------------- Optimal Load (50% of MAX)	% of Optimal* Transformer Loading	KW above(+) or Below (-) Optimal Transformer Capacity	2021 Load KW above (+) or below (-) Max Transformer Capacity	2022 Load KW above (+) or below (-) Max Transformer Capacity
						kW	kW	kW									kW	kW	kW				
Midway Transformer				8330.612245	KW	10000	12500	14000			Midway Transformer				12,954	KW	10,000	12,500	14,000				
10/12.5/14 MVA	8,164	83%	58%		Current Loading	8164.00		8164			10/12.5/14 MVA	12,954	130%	93%		Current Loading	12,954		12,954				
46 kV – 12.47 kV				98%	Optimal Loading*			6860	119%	1,304	46 kV – 12.47 kV				100%	Optimal Loading*			7,000	185%	5,954	6,094	5,954
Provo River				5535.353535	KW	5000.00		5000			Provo River				8,034	KW	12,000		20,000				
5 MVA (with fans)	5,480	111%	100%		Current Loading	5480.00		5480			(2)12/16/20 MVA	8,034	67%	40%		Current Loading			8,034		5221.00		
46 kV – 12.47 kV				99%	Optimal Loading*			2475.00	221%	3005	46 kV – 12.47 kV				100%	Optimal Loading*			10,000	80%	-1966	5,559	(1,966)
Heber T1				8174.468085	KW	12000	16000	20000			Heber T1				10,096	KW	12,000	16,000	20,000				
12/16/20 MVA	7,684	68%	38%		Current Loading	7684.00		7223			12/16/20 MVA	9,591	84%	48%		Current Loading	9,591		11,363				
46 kV – 12.47 kV				94%	Optimal Loading*			9400	77%	(2,177)	46 kV – 12.47 kV				95%	Optimal Loading*			9,500	120%	1,863	191	1,863
Heber T2				9480	KW	12000	16000	20000			Heber T2				16,031	KW	12,000	16,000	20,000				
12/16/20 MVA	9,444	80%	47%		Current Loading	9444		9255			12/16/20 MVA	16,031	134%	80%		Current Loading	16,031		16,031				
46 kV – 12.47 kV				98%	Optimal Loading*			9800	94%	(545)	46 kV – 12.47 kV				100%	Optimal Loading*			10,000	160%	6,031	6,231	6,031
Cloyes				5475	KW	7500		9375			Cloyes				6,349	KW	7,500		9,375				
7.5/9.375 MVA	6,032	86%	64%		Current Loading	6032		5610			7.5/9.375 MVA	6,032	85%	64%		Current Loading	6,032		6,032				
46 kV – 4.16 kV				93%	Optimal Loading*			4359	129%	1,250	46 kV – 4.16 kV				95%	Optimal Loading*			4,453	135%	1,579	1,673	1579
Jailhouse T1				6900	KW	10000	12500	14000			Jailhouse T1				13,408	KW	10,000	12,500	14,000				
10/12.5/14 MVA	6,789	69%	48%		Current Loading	6789		6789			10/12.5/14 MVA	13,408	134%	96%		Current Loading	13,408		13,408				
46 kV – 12.47 kV				99%	Optimal Loading*			6930	98%	(141)	46 kV – 12.47 kV				100%	Optimal Loading*			7,000	192%	6,408	6,478	6408
Jailhouse T2				10200	KW	12000	16000	20000			Jailhouse T2				11,770	KW	12,000	16,000	20,000				
12/16/20 MVA	9,944	85%	50%		Current Loading	9944		9944			12/16/20 MVA	11,652	98%	58%		Current Loading	11,652		11,652				
46 kV – 12.47 kV				97%	Optimal Loading*			9700	103%	244	46 kV – 12.47 kV				99%	Optimal Loading*			9,900	118%	1,752	1,952	1752
College				1440	KW	12000	16000	20000			College				8,238	KW	12,000	16,000	20,000				
(2) 12/16/20 MVA	1394	12%	7%		Current Loading	1394		1394			(2) 12/16/120 MVA	8073.61	69%	40%		Current Loading	8,074		8,073				
46 kV – 12.47 kV				97%	Optimal Loading*			10000			46 kV – 12.47 kV				98%	Optimal Loading*			9,800	82%	(1,727)	-1,926	-1727
East Substation				0	KW	12000	16000	20000			East Substation				-	KW	12,000	16,000	20,000				
(2) 12/16/120 MVA	0	0%	0%		Current Loading						(2) 12/16/120 MVA	0	0%	0%		Current Loading	-		-				
46 kV – 12.47 kV				0%	Optimal Loading*						46 kV – 12.47 kV				0%	Optimal Loading*			10,000	0%	(10,000)		(10,000)
Total City	54,931				KW	63500.00	73000.00	97375.00			Total City				89,260	KW	87,500	89,000	117,375			26,251	9,893
Not including College		87%	56%	97%	Current Loading	54931.00	0.00	53858.84			including College & East	85,775	102%	73%	98%	Current Loading	77,741	-	84,427		29173 (above optimal at 2021 transformer cap)	NCP KW above optimal loading of existing 2021 Capacity	KW above optimal loading of 2025 Capacity
					Optimal Loading*			59524.38	90%	(5,666)						Optimal Loading*			59,624	142%	9,893	30,844	
												30,844											

Proposed Improvements

Proposed system improvements are summarized in the following tables. A brief description and explanation of each improvement are given. Project numbers match system maps that show proposed improvements.

Proposed System Improvements				
Proposed Improvement	**Reason/Explanation**	Approximate Cost	Approximate Time Frame	Added Capacity
1. Install new 2nd point of interconnection Substation.	Heber needs a second point of interconnection substation with PacifiCorp in order to keep up with load growth. The single point of interconnection that they have now is not large enough to accommodate future load growth. New substation will include a 60/80/100/112 MVA 138 kV to 46 kV transformer with room for a future transformer.	$15,336,985	2021-2023	100 MVA
2. Install a new distribution substation located at the new 2nd point of interconnection.	Provo River transformer is out of capacity according to nameplate rating during peak load when Snake Creek Hydro generation is off. Transformer fans have been added that are not reflected on the nameplate which increases the transformer capacity, but it is unknown by how much. During an outage of Midway transformer the Provo River transformer needs to have more capacity in order to be able to restore power to MW101 and MW102 circuits. It is proposed to replace the Provo River substation with a new substation located at the 2nd point of interconnection. Substation will include (2) 12/16/20 MVA transformers.	$4,964,466	2021-2023	13 MVA
3. Rebuild the 46 kV front end of Midway substation.	The 46 kV front end of Midway substation is in need of an upgrade. A new switchrack with (4) 46 kV breakers will be installed.	$2,655,926	2024	0 MVA
4. Demolition of Provo River Substation	Provo River substation is not large enough to be able to keep up with future load growth. It is being replaced by a new substation located at the 2nd PacifiCorp interconnection. Provo River substation has reached end of life and will be demolished.	$70,920	2023	Needed as part of project 2
5. Rebuild 46 kV line from Jailhouse tap to Jailhouse. Line should be built at 138 kV, but energized at 46 kV.	In order to accommodate a new substation in the east part of Heber the 46 kV line from Jailhouse tap to Jailhouse needs to be rebuilt. The line should be built at 138 kV, but energized at 46 kV.	$1,248,298	2024	Needed as part of project 7

Proposed System Improvements				
Proposed Improvement	**Reason/Explanation**	Approximate Cost	Approximate Time Frame	Added Capacity
6. New 46 kV line from Jailhouse to new substation in the east of Heber. Line should be built at 138 kV, but energized at 46 kV.	In order to accommodate a new substation in the east part of Heber a new 46 kV line from Jailhouse to the new substation needs to be built. The line should be built at 138 kV, but energized at 46 kV.	$2,010,606	2024	Needed as part of project 7
7. Install a new substation in the east part of Heber.	A new substation in the east part of Heber is required to be built due to load growth. The new substation should include (2) 12/16/20 MVA transformers.	$5,771,942	2026	18 MVA
8. Install double circuit 12.47 kV underbuild on existing 46 kV transmission.	It is necessary to install double circuit 12.47 kV underbuild on existing 46 kV transmission in order to get two circuits from the new distribution substation located at the new 2nd point of interconnection over to the area currently fed by Provo River substation. The new substation will feed the Provo River circuits since Provo River substation is being taken out of service and demolished.	$654,525	2022	Needed as part of project 2
9. Rebuild part of PR201 circuit with 477 ACSR conductor.	During an outage of the Midway transformer, upgrades to PR201 circuit are needed to be able to restore power to MW101 and MW102 circuits. This upgrade will improve capacity and help reduce voltage drop. It is proposed to upgrade PR201 from Provo River substation to approximately 600 East Main Street. Existing conductor is 4/0 ACSR and it is proposed to upgrade to 477 ACSR.	$325,943	2022	6.4 MVA
10. Rebuild part of PR201 circuit with 477 ACSR conductor.	When Snake Creek Hydro generation is off, part of the PR201 main trunk line is overloaded during peak load. During an outage of the Midway transformer, upgrades to PR201 circuit are needed to be able to restore power to MW101 and MW102 circuits. This upgrade will improve capacity and help reduce voltage drop. It is proposed to upgrade PR201 along River Road from Main Street to 300 North and from 700 North to Burgi Lane. Existing conductor is #2 ACSR and it is proposed to upgrade to 477 ACSR.	$444,969	2022	9.5 MVA

Proposed System Improvements				
Proposed Improvement	**Reason/Explanation**	Approximate Cost	Approximate Time Frame	Added Capacity
11. Rebuild part of CL402 circuit with 477 ACSR conductor.	During an outage of the Midway transformer, upgrades to circuit CL402 are needed so that circuit CL402 can be used to restore power to circuit MW104. During an outage of the Cloyes transformer, upgrades to circuit CL402 are needed so that circuit HB303 can be used to restore power to circuit CL402. It is proposed to upgrade CL402 from Cloyes substation to Tate Lane Hwy 113, from 1900 South Casperville Road to 2400 South 2650 West and from 600 West 800 South to 600 West 1000 South. Existing conductor is #2 ACSR and it is proposed to upgrade to 477 ACSR.	$1,296,001	2025	9.5 MVA
12. Rebuild part of MW101 and MW102 circuits with 477 ACSR conductor.	During an outage of the Provo River transformer, upgrades to circuit MW101 are needed so that circuit MW101 can be used to restore power to circuit PR201. It is proposed to upgrade MW101 from Midway substation to Main Street Center Street. Existing conductor is 4/0 ACSR and it is proposed to upgrade to 477 ACSR. It is proposed to upgrade MW101 and MW102 circuits from 220 W Main Street to 300 East Main Street. Existing conductor is 4/0 ACSR and it is proposed to upgrade to 477 ACSR. It is proposed to upgrade MW102 circuit from 300 W Main Street to 200 N 300 W. Existing conductor is 4/0 ACSR and it is proposed to upgrade to 477 ACSR.	$938,108	2025	6.4 MVA
13. Install a 1 MW Battery System in the Timber Lakes area.	Model shows voltage issues at the end of JH502 circuit during peak load (4% drop). It is proposed to install a 1 MW Battery System on JH502 circuit in the Timber Lakes area. Battery will help support voltage by reducing current flow on JH502 during peak load.	$1,000,000 *No cost estimate developed. Cost was estimated by Heber City Light & Power.	2022	1 MW

Proposed System Improvements				
Proposed Improvement	**Reason/Explanation**	Approximate Cost	Approximate Time Frame	Added Capacity
14. Rebuild part of HB305 circuit with 477 ACSR conductor.	During an outage of Heber T1 transformer, upgrades to circuit HB305 are needed so that circuit HB305 can be used to restore power to circuit HB303. It is proposed to upgrade HB305 circuit from 600 W 200 S to 600 W 300 S. Existing conductor is #2 ACSR and it is proposed to upgrade to 477 ACSR.	$67,262	2022	9.5 MVA
15. Rebuild part of JH502 and JH503 circuits with 1100 kcmil.	During an outage of Jailhouse T2 transformer, upgrades to circuits JH502 and JH503 are needed so that circuit JH503 can be used to restore power to half of circuit JH502. Power to the other half of JH502 circuit can be restored by circuit HB304. It is proposed to upgrade JH502 and JH503 circuits from 800 South Old Mill Drive to 2200 South Old Mill Drive Mill Drive. Existing conductor is #2 underground cable and it is proposed to upgrade to 1100 kcmil underground cable.	$528,958	2026	8.1 MVA
16. Install CO703 and CO704 circuits.	Install College substation circuits CO703 and CO704. The circuits are going to be needed to in order to support load growth. This project gets the circuits ready to use. Developers will extend the circuits as necessary as load is added to them.	$203,514	2024	12.9 MVA
17. Install underground line on circuit CO701.	Install underground line on circuit CO701. This is new underground line is necessary to feed additional load on the CO701 circuit.	$1,349,869	2023	12.9 MVA
	Total	$38,868,292		

Heber Light & Power - Five Year Forecast and Capital Improvement Plan

Project Status	Added Capacity	Funding Source	Upcoming Projects	Impact Fee Related %	Total	Impact Fee	Projected Cost ($1,000) Prior	2021	2022	2023	2024	2025	2026	Priority
Buildings														
Partial Completion	N/A	Operations Cash	Generator Fire Suppression System	0%	$ 2,515	$ -	376	291	498	684	666	-	-	M
Ongoing	N/A	2023 Bond	New Office Building	0%	$ 8,423	$ -	113	300	8,010	-	-	-	-	M
Fall - 2021 Completion	N/A	Operations Cash	EV Charging Systems	0%	$ 130	$ -	-	130	-	-	-	-	-	M
Partner Driven Hold	N/A	Operations Cash	Millflat Water Line Replacement	0%	$ 50	$ -	-	50	-	-	-	-	-	H
Completed	N/A	Operations Cash	Plant 2 Switchgear Room AC Unit	0%	$ 18	$ -	-	18	-	-	-	-	-	M
Ongoing	N/A	Operations Cash	Gas Plant Security Measures	0%	$ 55	$ -	-	55	-	-	-	-	-	M
2021 Portion Complete	N/A	Operations Cash	Plant HVAC Upgrades	0%	$ 327	$ -	-	85	74	84	84	-	-	H
Not Started	N/A	Operations Cash	Plant 1 Electrical Backroom Upgrades	0%	$ 50	$ -	-	50	-	-	-	-	-	M
					$ 11,568	*$ -*	*489*	*979*	*8,582*	*768*	*750*	*-*	*-*	
Generation														
Ongoing	N/A	Operations Cash	Annual Generation Capital Improvements	0%	$ 350	$ -	-	50	50	50	200	-	-	H
Ongoing	N/A	Operations Cash	Lower Snake Creek Plant Upgrade	0%	$ 35	$ -	-	15	5	5	5	5	-	M
Ongoing	N/A	Operations Cash	Upper Snake Creek Capital Improvements	0%	$ 25	$ -	-	5	5	5	5	5	-	M
Ongoing	N/A	Operations Cash	Lake Creek Capital Improvements	0%	$ 30	$ -	-	5	5	5	15	5	-	M
2021 Completed	(2.3MW, 1MW)	Mix (Operations/Bond)	New Generation (Battery, Engine)	100%	$ 4,830	$ 4,830	-	1,000	1,315	-	1,215	1,300	-	M
Ongoing	N/A	Operations Cash	Unit Overhauls	0%	$ 459	$ -	-	-	188	83	188	-	-	M
Planning	N/A	2023 Bond	Gas Plant 1 XFMR Upgrade	0%	$ 500	$ -	-	-	-	-	500	-	-	L
Planning	N/A	Operations Cash	Gas Plant 2 XFMR Upgrade	0%	$ 500	$ -	-	-	-	-	-	500	-	L
2022 scheduled	N/A	Operations Cash	Gas Plant 3 Switchgear Upgrade	0%	$ 280	$ -	100	-	180	-	-	-	-	L
Planning	N/A	Operations Cash	Lake Creek Bearing Replacement	0%	$ 10	$ -	-	-	-	-	-	10	-	L
Waiting on DAQ	N/A	Operations Cash	Gas Plant Exhaust Compliance (WO 10813)	0%	$ 300	$ -	-	-	300	-	-	-	-	M
Completed	N/A	Operations Cash	Unit 8 Jacket Heater (WO 10017)	0%	$ 8	$ -	-	8	-	-	-	-	-	M
August 2021 Completed	N/A	Operations Cash	Unit 8 Generator Replacement (WO 10843)	0%	$ 178	$ -	-	178	-	-	-	-	-	H
Pushing to 2022	N/A	Operations Cash	Lake Creek Breaker Replacement (WO 10016)	100%	$ 75	$ 75	-	75	-	-	-	-	-	M
Partner Decision Pend	N/A	Partner/Operations	Mobile Standby Generator	0%	$ 66	$ -	-	-	66	-	-	-	-	H
					$ 7,646	*$ 4,905*	*100*	*1,336*	*2,114*	*148*	*2,128*	*1,825*	*-*	
Lines														
October 2021 Complete	0 MVA	2019 Bond / Impact	Cross Valley Transmission Line (2nd POI)	100%	$ 6,819	$ 6,819	2,864	3,300	655	-	-	-	-	H
Ongoing	0 MVA	Operations Cash	Underground System Improvements	0%	$ 756	$ -	6	150	150	150	150	150	-	L
Ongoing	0 MVA	Operations Cash	Aged & Environmental Distribution Replacement/Upgrade	0%	$ 900	$ -	150	150	150	150	150	150	-	L
Ongoing	0 MVA	Operations Cash	Fault Indicator - Underground System	0%	$ 50	$ -	-	10	10	10	10	10	-	L
Planning	15.9 MVA	Impact Fees	Rebuild PR201_Main Street to Burgi Lane	100%	$ 771	$ 771	-	-	771	-	-	-	-	H
Partial / Planning	25 MVA	Impact Fees	Additional Circuits out of Jailhouse to the East	100%	$ 560	$ 560	280	-	140	140	-	-	-	H
Planning	25.8 MVA	Impact Fees	Additional Circuits out of College to South and East	100%	$ 1,554	$ 1,554	-	-	-	1,350	204	-	-	H
Planning	0 MVA	Impact Fees	Install Voltage Regulators at Timber Lakes Gate	100%	$ 100	$ 100	-	-	100	-	-	-	-	M
Planning	25 MVA	Impact Fees	Heber Substation Additional Circuits (South & West)	100%	$ 280	$ 280	-	-	280	-	-	-	-	M
Planning	9.5 MVA	Impact Fees	Reconductor HB305_600 West - Substation to 300 South	100%	$ 67	$ 67	-	-	67	-	-	-	-	H
Planning	0 MVA	Impact/Operations	Midway Substation - Get Aways	50%	$ 160	$ 80	-	-	-	160	-	-	-	H
Planning	5 MVA	Operations Cash	Load to Parsons (Reconductor)	0%	$ 100	$ -	-	-	-	100	-	-	-	L
Planning	9.5 MVA	Impact Fees	Reconductor Heber City Main 600 S to 1000 S	100%	$ 100	$ 100	-	-	-	100	-	-	-	L
Planning	0 MVA	Impact Fees/2023 Bond	Jailhouse Tap Transmission Line and East Extension	100%	$ 3,259	$ 3,259	-	-	-	-	3,259	-	-	L
Planning	8 MVA	Impact/Operations	Reconductor Pine Canyon Road - Midway	60%	$ 180	$ 108	-	-	-	-	180	-	-	H
Planning	8.1 MVA	Impact Fees	Reconductor JH502/503_Old Mill Drive - 800 South to 1200 South	100%	$ -	$ -	-	-	-	-	-	-	529	L
Planning	6.4 MVA	Impact Fees/2025 Bond	Reconductor MW101/102 from 4/0 to 477	100%	$ 938	$ 938	-	-	-	-	-	938	-	L
Planning	9.5 MVA	Impact Fees/2025 Bond	Rebuild CL402_600 West to Tate Lane	100%	$ 1,296	$ 1,296	-	-	-	-	-	1,296	-	L
Completed	0 MVA	Impact Fees	Holmes Homes Subdivision Asset Purchase	100%	$ 150	$ 150	-	150	-	-	-	-	-	H
Design/Contractor Queue	9.5 MVA	Impact Fees	New Circuit to Hwy 32	100%	$ 720	$ 720	-	720	-	-	-	-	-	H
Planning	5 MVA	Impact Fees	Tie line from 305 to 402 to 303	100%	$ -	$ -	-	-	-	-	-	-	-	M
Customer Driven	5 MVA	Impact Fees	Tie from 702 up to 500 East in Heber (HB304)	100%	$ -	$ -	-	-	-	-	-	-	-	H
					$ 18,760	*$ 16,802*	*3,300*	*4,480*	*2,323*	*2,160*	*3,953*	*2,544*	*529*	
Substation														
Design - Summer 2022	100 MVA	2019 Bond / Impact F	2nd Point of Interconnect Substation	70%	$ 15,337	$ 10,736	2,432	2,605	10,300	-	-	-	-	H
Ongoing	0	Operations Cash	Replacement Recloser for Joslyn Reclosers	0%	$ 100	$ -	75	25	-	-	-	-	-	L
Ongoing	0	Operations Cash	Substation Bird Guard	0%	$ 15	$ -	6	6	3	-	-	-	-	H
Planning	18 MVA	Impact Fees/2025 Bond	East Substation	100%	$ 750	$ 750	-	750	-	-	-	-	5,772	M
Planning	0	Operations Cash	Cloyes LTC Rebuild	0%	$ 40	$ -	-	-	-	-	40	-	-	M
Design - Summer 2022	13 MVA	2019 Bond / Impact F	Provo River Substation Rebuild	100%	$ 5,035	$ 5,035	-	-	4,964	71	-	-	-	M
CY2022	0	Operations Cash	Battery Replacement Program	0%	$ 29	$ -		-	10	-	19	8	-	L
Planning	0	Impact Fees/2025 Bond	Midway Substation - High Side Rebuild	90%	$ 2,656	$ 2,390	-	-	-	-	2,656	-	-	L
Planning	0	Operations Cash	Heber Relay Upgrade	0%	$ 25	$ -	-	-	-	-	25	-	-	L
Planning	0	Operations Cash	Jailhouse Lease Buyout or Extension	0%	$ 100	$ -	-	-	100	-	-	-	-	L
Planning	0	Operations Cash	Jailhouse Fence Replacement	0%	$ 129	$ -	-	-	-	-	-	129	-	M
					$ 24,216	*$ 18,911*	*2,513*	*3,386*	*15,377*	*71*	*2,740*	*137*	*5,772*	
Systems & Technology														
Ongoing	N/A	Operations Cash	Annual IT Upgrades	0%	$ 309	$ -	-	124	50	85	50	44	-	M
Ongoing	N/A	Operations Cash	Annual OT Upgrades	0%	$ 408	$ -	-	318	30	30	30	30	-	M
Ongoing	N/A	Operations Cash	Fiber Improvements	0%	$ 110	$ -	-	50	20	20	20	20	-	M
Ongoing	N/A	Operations Cash	Smart Grid Investment	0%	$ 50	$ -	-	10	10	10	10	10	-	M
Ongoing	N/A	Operations Cash	AMI Tower - North Village	0%	$ 70	$ -	-	-	70	-	-	-	-	M
					$ 947	*$ -*	*-*	*502*	*180*	*145*	*110*	*104*	*-*	
Tools & Equipment														
Ongoing	N/A	Operations Cash	Annual Tool & Equipment Purchases	0%	$ 235	$ -	-	*55*	45	45	45	45	45	M
Vehicle														
Ongoing	N/A	Operations Cash	Annual Vehicle Program	0%	$ 2,360	$ -	-	435	300	170	635	820	500	M
					$ 65,732	**$ 40,618**	6,402	**11,173**	**28,921**	**3,507**	**10,361**	**5,475**	**6,846**	

HEBER LIGHT & POWER COMPANY
BOARD RESOLUTION NO. 2021-__

RESOLUTION ADOPTING IMPACT FEES AND APPROVING IMPACT FEE FACILITIES PLAN AND IMPACT FEE ANALYSIS

WHEREAS the Heber Light & Power Company ("Company") is an energy services interlocal entity created by Heber City, Midway City, and Charleston Town to provide electric service to customers within the municipalities and surrounding areas.

WHEREAS the Company has caused to be prepared an Impact Fee Capital Facilities Plan and an Impact Fee Analysis, each of which comply with the Utah Impact Fees Act, Utah Code Ann. § 11-36a-101, et seq (the "Act").

WHEREAS, on October 13, 2021, the Company caused to be published a notice of the public hearing and of the availability of the Impact Fee Capital Facilities Plan, the Impact Fee Analysis, and the draft impact fee enactment resolution (collectively, "Notice") in the Wasatch Wave, a newspaper in general circulation in Wasatch County and in the Company's service area, and caused the Notice to be posted on the Utah Public Notice Website.

WHEREAS, on October 27, 2021, the Company held a public hearing to take public comment on the Company's Impact Fee Facilities Plan, Impact Fee Analysis, draft impact fee enactment, and proposed impact fees.

WHEREAS, for at least ten days prior to the public hearing, the Company posted the Notice and made available to the public the Company's Impact Fee Capital Plan and summary, Impact Fee Analysis and summary, and draft impact fee enactment as follows: (1) at the Wasatch County Public Library, 465 East 1200 South, Heber City, Utah, (2) at Heber Light & Power Company, 31 South 100 West, Heber City, Utah, (3) on Heber Light & Power Company's website, and (4) on the Utah Public Notice website.

WHEREAS the Company Board has carefully considered the information provided at the public hearing and contained in the Impact Fee Facilities Plan and Impact Fee Analysis.

WHEREAS the Company Board has assessed the Company's electrical system and need for capital expenditures to safely and reliably provide electric service to new development within the Company's service territory.

WHEREAS the Company Board has considered and investigated the resources available to fund the Company's capital needs to provide safe and reliable electric service.

WHEREAS, based on the foregoing as well as other information, the Company Board deems it necessary for the peace, health, safety, convenience, and general welfare of its existing and future customers to approve the Impact Fee Facilities Plan and Impact Fee Analysis and to adopt the impact fees as more fully provided herein below.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF HEBER LIGHT & POWER COMPANY AS FOLLOWS:

A. <u>Definitions</u>.

The Act's definitions apply to this enactment. Other terms are defined in the text.

B. <u>Company's Impact Fee Facilities Plan and Impact Fee Analysis</u>.

1. As provided in Utah Code Ann. § 11-36a-302, the Company's Impact Fee Facilities Plan reasonably identifies the demands placed upon existing public facilities by new development activity and the proposed means by which the Company will meet those demands at the Company's existing level of service.

2. As required by Utah Code Ann. § 11-36a-304, the Board finds that the Impact Fee Analysis

a. identifies the impact on system improvements of anticipated development activity;

b. demonstrates how those impacts on system improvements are reasonably related to the anticipated development activity to maintain the established level of service;

c. estimates the proportionate share of the costs of impacts on system improvements that are reasonably related to the new development activity; and

d. based upon those factors and the requirements of the Impact Fees Act, identifies how the impact fee was calculated.

The Board therefore finds that the Impact Fee Analysis provides a reasonable basis for the recommended impact fee.

3. In analyzing whether or not the proportionate share of the costs of system improvements are reasonably related to the new development activity and as required by Utah Code Ann. § 11-36a-304(2), the Impact Fee Analysis and the Impact Fee Capital Facilities Plan have properly considered the following factors, to the extent applicable:

a. the cost of each existing public facility that has excess capacity to serve the anticipated development resulting from the new development activity;

b. the cost of system improvements of the Company;

c. other than impact fees, the manner of financing for each system improvement, such as user charges, special assessments, bonded indebtedness, general taxes, or federal grants;

d. the relative extent to which development activity will contribute to financing existing system improvements of the Company, by such means as user charges, special assessments, or payment from the proceeds of general taxes;

e. the relative extent to which development activity will contribute to the cost of existing public facilities and system improvements in the future;

f. the extent to which the development activity is entitled to a credit against impact fees because the development activity will dedicate system improvements that will offset the demand for system improvements, inside or outside the proposed development;

g. extraordinary costs, if any, in servicing the newly developed properties; and

h. the time-price differential inherent in fair comparisons of amounts paid at different times.

4. In adopting the recommended impact fees, the Board has carefully considered the Impact Fee Analysis by Utility Financial Solutions dated October 2021 and the Impact Fee Facilities Plan prepared by the Company, and adopts and approves the Impact Fee Analysis and Impact Fee Facilities Plan.

5. The Impact Fee Analysis concludes that impact fees as shown on Exhibit A would permit the Company to recover the projected costs of new system improvements required to serve projected load growth from new development.

C. Computation and Imposition of Impact Fee.

1. The Company's management has recommended that the Board impose an impact fee of **$97.58 per kVA**, calculated as shown below:

Impact Fee Calculation
New service size (in Amps)
multiplied by line-to-line voltage in kilovolts (kV = voltage divided by 1,000)
multiplied by a constant (1.000 for single-phase service, 1.732 for three-phase service)
multiplied by the impact fee per kilovolt-ampere ($97.58 per kVA)
equals the impact fee due for that customer.

2. The Board has considered the recommendation of the Company's management, has determined to adopt that recommendation and impose an impact fees on new development as shown on Exhibit A based on management's recommendation, the Impact Fee Analysis, the Impact Fees Facilities Plan, and other information provided in the public hearing and meeting on the impact fee.

3. Subject to the exemptions in Paragraph D, the Company shall charge an impact fee in the amount computed pursuant to the formula set forth above and in the Impact Fee Analysis.

4. As required by Utah Code Ann. § 11-36a-402(1)(a), the Company establishes one service area within which it shall calculate and impose impact fees as a condition to obtaining electric service.

5. Any person who wishes to obtain new electric service or an upgrade of existing service is hereby required to pay an impact fee in the manner and amount set forth in this resolution.

6. Unless and until the impact fee is paid, the Company will not approve or service any new connection or upgrade of an existing service.

7. As shown by the Impact Fee Analysis and the Board's findings herein, the collection of an impact fee is necessary to achieve an equitable allocation of the system improvement costs borne in the past and borne in the future, in comparison to the benefits already received and yet to be received.

D. Refunds.

1. As provided in Section 11-36a-603 of the Impact Fees Act, the Company shall refund an impact fee, with interest at the annual rate of the impact fee account, only if:

a. development approval or building permit expires before the commencement of the development activity, and

b. the Company has not spent or encumbered fees, and

c. no impact has resulted, and

d. the person who paid the impact fee timely files a refund application with the Company as provided in Paragraph G.2.

2. The person who paid the impact fee may deliver to the Company offices a refund application within thirty (30) days of the expiration of the development approval or building permit. The application shall show that applicant has fulfilled the refund conditions of Paragraph G. l. The Company may request that the applicant provide additional information or documents proving the applicant's compliance with the refund conditions, and that the applicant reimburse the Company for its out-of-pocket expenses, if any, in processing or investigating the application.

3. The Company may set-off against any refund amounts past due fees and charges on the property for which the refund is requested.

E. Adjustments to Impact Fee.

1. As required by Utah Code Ann. § 1l -36a-402(1)(c), the Company may adjust the standard impact fee at the time the fee is charged: (a) to respond to unusual circumstances in specific cases or a request for an individualized impact fee review by the state, a school district or a charter school; and (b) to ensure that the impact fees are imposed fairly.

2. As required by Utah Code Ann. § 1l -36a-402(1)(d), the Company may adjust the amount of the impact fee to be imposed on a particular development based upon studies and data submitted by the developer.

3. As required by Utah Code Ann. § 1l-36a-402(2), a developer, including a school district or a charter school, may receive a credit against or proportionate reimbursement of an impact fee if the developer:

   a. dedicates land for a system improvement;

   b. builds and dedicates some or all of a system improvement; or

   c. dedicates a public facility that the Company and the developer agree will reduce the need for a system improvement.

4. As required by Utah Code Ann. § 11-36a-402(3), the Company shall grant a credit against impact fees for any dedication of land for, improvement to, or new construction of, any system improvements provided by the developer if the facilities:

   a. are system improvements; or

   b. are dedicated to the public and offset the need for an identified system improvement.

5. The Company shall not grant an impact fee adjustment under this Paragraph H unless the owner or developer applies for the adjustment no later than 30 days prior to submitting the application for development approval or a building permit.

F. Adoption of Impact Fee Analysis and Impact Fee Facilities Plan.

The Company hereby adopts the Impact Fee Analysis prepared by UFS dated September 2019 and the Impact Fee Facilities Plan dated October 30, 2019 as prepared by Company staff.

G. Effective Date.

This resolution shall take effect immediately upon adoption. As required by § 11-36a-401(2), the impact fee of $97.58 per kVA shall take effect 90 days after the adoption of this resolution, which date is January 25, 2022, and shall repeal and replace the current impact fees on that date.

APPROVED AND ADOPTED the 27th day of October 2021.

HEBER LIGHT & POWER COMPANY

____
Kelleen Potter, Board Chair

Attest:

____
Karly Schindler, Board Secretary