



Heber Light & Power

Fiscal Year 2022

Fees/Rates, Operating and Capital Budgets

[This Page Left Intentionally Blank]

Tentative

2022 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...
Temporary Meter Connection	500.00	Fee for new services that desire a temporary meter set
<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	14.90
1st 1,000 kWh	0.0893/kWh
All Additional	0.1097/kWh

Residential/Small Commercial - Pumping

Base/Customer Charge	17.00
Demand Rate	9.85/kW
All kWh	0.063/kWh

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

Base/Customer Charge	14.00
Demand Rate	10.10/kW
1st 500 kWh	0.081/kWh
All Additional	0.051/kWh

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

Base/Customer Charge	19.00
Demand Rate	10.10/kW
1st 500 kWh	0.081/kWh
All Additional	0.051/kWh

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

Base/Customer Charge	91.00
Demand Rate	12.45/kW
1st 500 kWh	0.0484/kWh
All Additional	0.0457/kWh

General Service - Medium (>30kW) - Pumping

Base/Customer Charge	91.00
Demand Rate	9.85/kW
All kWh	0.063/kWh

General Service - Large (> 250kW)

Base/Customer Charge	177.00
Demand Rate	15.10/kW
All kWh	0.045/kWh

Heber Light & Power Company

2022 Budget – Executive Summary (State Format)

	2020 Actual	2021 Budget	2021 Projected	2022 Budget
REVENUES				
Electricity Sales	\$20,255,718	\$20,955,112	\$21,111,800	\$21,730,674
Connect Fees	37,400	35,000	32,170	35,000
Receivables Penalty Income	36,588	40,000	42,585	40,000
Other / Miscellaneous Income	200,459	203,069	247,083	203,069
<i>Total Revenues</i>	<u>\$20,530,165</u>	<u>\$21,233,181</u>	<u>\$21,433,638</u>	<u>\$22,008,743</u>
COST OF ELECTRIC SERVICE				
Power Production Expense	(849,307)	(1,071,176)	(1,294,953)	(1,777,519)
Cost of Purchased Power	(10,462,883)	(10,810,464)	(11,069,252)	(11,436,745)
Dist Expense – Operations	(454,253)	(470,366)	(505,064)	(546,586)
Dist Expense – Maintenance	(2,314,752)	(2,267,315)	(1,868,408)	(2,861,994)
Customer Account Expense	(502,296)	(751,606)	(526,473)	(551,210)
Admin & General Expense	(2,903,422)	(2,421,821)	(2,316,392)	(2,638,426)
<i>Total Operating & Maint. Expense</i>	<u>(17,486,913)</u>	<u>(17,792,748)</u>	<u>(17,580,543)</u>	<u>(19,812,480)</u>
Depreciation	(2,325,393)	(2,625,000)	(2,690,501)	(2,860,000)
Interest on Long-Term Debt	(665,814)	(901,004)	(558,866)	(547,144)
<i>Total Cost of Electric Service</i>	<u>(20,478,120)</u>	<u>(21,318,752)</u>	<u>(20,829,910)</u>	<u>(23,219,624)</u>
OPERATION MARGIN	<i>52,045</i>	<i>(85,571)</i>	<i>603,728</i>	<i>(1,210,881)</i>
Interest Income	253,314	165,000	80,745	36,000
Non-Operating Margins-Other	4,703,979	3,015,000	7,319,469	4,515,000
Dividends	(300,000)	(300,000)	(300,000)	(300,000)
OPERATING MARGIN	<u>4,709,338</u>	<u>2,794,429</u>	<u>7,704,397</u>	<u>3,320,092</u>
CAPITAL EXPENDITURES				
Generation - Hydro	54,720	25,000	2,169	15,000
Generation – Gas Plant	322,785	1,250,000	1,410,000	2,329,000
Distribution	2,781,296	5,810,000	7,309,240	5,323,000
Substation	(235)	11,181,000	0	17,772,000
Metering	95,231	114,400	45,000	114,400
Buildings	171,095	1,737,085	780,000	8,982,000
Vehicles	496,009	435,000	140,902	325,000
Tools	21,696	54,700	71,202	288,000
Technology – IT	50,361	585,000	316,000	173,500
<i>Total Capital</i>	<u>3,993,048</u>	<u>21,187,185</u>	<u>10,074,512</u>	<u>35,321,900</u>

Heber Light & Power Company

2022 Budget – Executive Summary (Actuals Format)

	2019 Actual	2020 Actual	2021 Projected	2022 Budget
REVENUES				
Electricity Sales	\$19,046,457	\$20,255,718	\$21,111,800	\$21,730,674
Connect Fees	38,740	37,400	32,170	35,000
Receivables Penalty Income	47,010	36,588	42,585	40,000
Other / Miscellaneous Income	310,749	200,459	247,083	203,069
<i>Total Revenues</i>	<i>\$19,442,956</i>	<i>\$20,530,165</i>	<i>\$21,433,638</i>	<i>\$22,008,743</i>
COST OF ELECTRIC SERVICE				
Power Production Expense	(1,051,780)	(849,307)	(1,294,953)	(1,777,519) ¹
Cost of Purchased Power	(9,338,094)	(10,462,883)	(11,069,252)	(11,436,745) ²
Dist Expense – Operations	(503,399)	(454,253)	(505,064)	(546,586)
Dist Expense – Maintenance	(2,167,861)	(2,314,752)	(1,868,408)	(2,861,994) ³
Customer Account Expense	(405,546)	(502,296)	(526,473)	(551,210)
Admin & General Expense	(2,029,408)	(2,903,422)	(2,316,392)	(2,638,426) ⁴
<i>Total Operating & Maint. Expense</i>	<i>(15,496,088)</i>	<i>(17,486,913)</i>	<i>(17,580,543)</i>	<i>(19,812,480)</i>
Depreciation	(2,082,223)	(2,325,393)	(2,690,501)	(2,860,000)
Interest on Long-Term Debt	(612,779)	(665,814)	(558,866)	(547,144)
<i>Total Cost of Electric Service</i>	<i>(18,191,090)</i>	<i>(20,478,120)</i>	<i>(20,829,910)</i>	<i>(23,219,624)</i>
OPERATION MARGIN	1,251,866	52,045	603,728	(1,210,881)
Interest Income	124,000	253,314	80,745	36,000
Non-Operating Margins-Other	3,290,421	4,703,979	7,319,469	4,515,000 ⁵
Dividends	(300,000)	(300,000)	(300,000)	(300,000)
OPERATING MARGIN	4,366,287	4,709,338	7,704,397	3,320,092
CAPITAL EXPENDITURES				
Generation - Hydro	2,120	54,720	2,169	15,000
Generation – Gas Plant	5,481	322,785	1,410,000	2,329,000
Distribution	2,445,072	2,781,296	7,309,240	5,323,000
Substation	155,104	(235)	0	17,772,000
Metering	30,824	95,231	45,000	114,400
Buildings	82,423	171,095	780,000	8,982,000
Vehicles	24,543	496,009	140,902	350,000
Tools	97,875	21,696	71,202	288,000
Technology – IT	24,586	50,361	316,000	173,500
<i>Total Capital</i>	<i>2,868,028</i>	<i>3,993,048</i>	<i>10,074,512</i>	<i>35,321,900</i>

¹ Leading increase drivers: fuel costs, added generation employee

² Leading increase driver: CRSP reduction of energy and rate increase

³ Leading increase drivers: Tree trimming approach (1-year increase with future year decreases), added service employee

⁴ Leading increase drivers: COLA/Merit, added apprenticeship trainings, wage and rate studies

⁵ CIAC(\$3M) and Impact fees(\$1.5M)

Operating Expenditures Budget

Revenues

The 2022 electricity revenues are budgeted to increase 2.7% over the projected 2021 revenues. 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>2020 Actual</u>	<u>2021 Budget</u>	<u>2021 Projected</u>	<u>2022 Budget</u>
REVENUES				
Electricity Sales	\$20,255,718	\$20,955,112	\$21,111,800	\$21,730,674
Connect Fees	37,400	35,000	32,170	35,000
Receivables Penalty Income	36,588	40,000	42,585	40,000
Other / Miscellaneous Income	200,459	203,069	247,083	203,069
<i>Total Revenues</i>	<i>\$20,530,165</i>	<i>\$21,233,181</i>	<i>\$21,433,638</i>	<i>\$22,008,743</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
Committee Compensation	4,185.76

Repairs & Maintenance

Repairs and maintenance are anticipated to continue in 2022. Tree trimming costs will significantly increase by \$500,000. Furthermore, the addition of 3 new employees are included in this budget thus increasing the overall maintenance and repair costs.

Travel & Training

To maintain the advanced technical knowledge required in the industry, various training initiatives for staff are included in the 2022 Budget.

Capital Expenditures Budget

The Capital Budget for 2022 totals \$35,321,900. Heber Light & Power anticipates utilizing revenue from energy sales, debt financing, capital in aid of construction and through impact fees to complete the 2022 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 \$3.6 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	15,000	-	-	15,000
Generation – Gas Plant	2,329,000	-	-	2,329,000
Distribution	5,323,000	-	(3,000,000)	2,323,000
Substation	17,772,000	(3,800,000)	-	13,972,000
Metering	114,400	-	(96,000)	18,400
Buildings	8,982,000	-	-	8,982,000
Vehicles	325,000	-	-	325,000
Tools	288,000	-	-	288,000
Technology – IT	173,500	-	-	173,500
				<hr/>
			Total Capital Expenditures:	\$28,425,900
			Principal Payments on Long-Term Debt:	757,665
			Total Cash Requirements:	<u>\$29,183,565</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) Millflat Water Line Replacement
- 4) Gas Plant Security Upgrades
- 5) Plant AC Upgrades
- 6) Plant Analysis Fallout

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: \$660,963

Plant 2: \$679,000

Plant 3 phase 1: \$626,735

Plant 3 phase 2: \$497,539

Campus Wide Fire A&D System Communication Network: \$40,978

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>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>Overall</u>
Internal Labor	1,529.67	2,077.16	-	3,000.00	3,000.00	-	9,606.83
Materials	17.25	2,749.76	-	1,500.00	1,500.00	-	5,767.01
Subcontractor	328,191.65	292,169.40	497,539.00	679,000.00	660,963.00	-	2,457,863.05
Miscellaneous	-	-	-	-	-	-	-
(CIAC) Reim	-	-	-	-	-	-	-
Subtotal:	\$ 329,738.57	\$ 296,996.32	\$ 497,539.00	\$ 683,500.00	\$ 665,463.00	\$ -	\$ 2,473,236.89
Impact Fee %	0%	0%	0%	0%	0%	0%	0%
Net Amount:	<u>\$329,738.57</u>	<u>\$296,996.32</u>	<u>\$ 497,539.00</u>	<u>\$683,500.00</u>	<u>\$665,463.00</u>	<u>\$ -</u>	<u>\$2,473,236.89</u>

Heber Light & Power

Project Analysis Form

Project Name: New Office Building

Project Driver: Upgrade

Priority Level: High

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	6,527.83	1,500.00	10,000.00	-	-	-	18,027.83
Materials	-	-	-	-	-	-	-
Subcontractor	69,585.60	25,000.00	8,300,000.00	-	-	-	8,394,585.60
Miscellaneous	-	-	-	-	-	-	-
(CIAC) Reim	-	-	-	-	-	-	-
Subtotal:	\$ 76,113.43	\$ 26,500.00	\$ 8,310,000.00	\$ -	\$ -	\$ -	\$ 8,412,613.43
Impact Fee %	0%	0%	0%				
Net Amount:	\$ 76,113.43	\$ 26,500.00	\$ 8,310,000.00	\$ -	\$ -	\$ -	\$ 8,412,613.43

Heber Light & Power

Project Analysis Form

Project Name: Millflat Water Line Replacement

Project Driver: Replacement

Priority Level: High

Purpose & Necessity:

The main water line that feeds the Upper Snake Creek and ultimately the Lower Snake Creek Hydro plants is in serious need of replacement. As it currently stands, the line is old and exposed to damage by vehicles and the Forest Service as they access the upper reaches of Snake Creek Canyon. This project will be completed in unison with Midway Irrigation and as such might be delayed beyond 2022 as it was in 2021.

Risk Assessment:

Risk exists that given the right damage instance, loss of the use of both hydro plants will occur. This loss will lead to the curtailment of production which would then result in replacement energy being purchased on the spot market.

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	-	-	-	-	-	-	-
Materials	-	-	-	-	-	-	-
Subcontractor	-	50,000.00	-	-	-	-	50,000.00
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: Gas Plant Security

Project Driver: Upgrade

Priority Level: Medium

Purpose & Necessity:

HLP has been in the process of installing security access controls on all HLP facilities. The generation plants are the next in line to receive such security upgrades. Some work has been completed in 2021, while others will be required in 2022.

Risk Assessment:

Uncontrolled access is currently available to anyone that is able to penetrate the exterior fence of the campus. Such access could place the generation fleet at an unacceptable level of risk of tampering and potential destruction.

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	-	5,000.00	-	-	-	-	5,000.00
Materials	5,000.00	35,000.00	-	-	-	-	40,000.00
Subcontractor	-	10,000.00	-	-	-	-	10,000.00
Miscellaneous	-	-	-	-	-	-	-
(CIAC) Reim	-	-	-	-	-	-	-
Subtotal:	\$ 5,000.00	\$ 50,000.00	\$ -	\$ -	\$ -	\$ -	\$ 55,000.00
Impact Fee %	0%	0%					0%
Net Amount:	<u>\$ 5,000.00</u>	<u>\$ 50,000.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 55,000.00</u>

Heber Light & Power

Project Analysis Form

Project Name: Plant AC 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>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>Overall</u>
Internal Labor	3,433.73	2,000.00	2,000.00	2,000.00	-	-	9,433.73
Materials	1,700.49	1,500.00	1,500.00	1,500.00	-	-	6,200.49
Subcontractor	79,634.98	70,000.00	80,000.00	80,000.00	-	-	309,634.98
Miscellaneous	-	-	-	-	-	-	-
(CIAC) Reim	-	-	-	-	-	-	-
Subtotal:	\$ 84,769.20	\$ 73,500.00	\$ 83,500.00	\$ 83,500.00	\$ -	\$ -	\$ 325,269.20
Impact Fee %	0%	0%	0%	0%	0%	0%	0%
Net Amount:	\$ 84,769.20	\$ 73,500.00	\$ 83,500.00	\$ 83,500.00	\$ -	\$ -	\$ 325,269.20

Heber Light & Power

Project Analysis Form

Project Name: Plant Analysis Fallouts

Project Driver: Upgrade

Priority Level: Medium

Purpose & Necessity:

The development of a new building for HLP as well as the current status of each existing facility lays in wait for finalization of direction from the Board of Directors with respect to the new building. If the new building is to be built, certain existing facilities will need some remodel work, while some structures will need to be removed entirely. This project is a placeholder to be fleshed out a later date. The value presented herein is the estimated amount to safely remove the structures known as Cold Storage and Line Shop assuming the new building is built.

Risk Assessment:

Facilities requiring significant adjustments for operational and safety needs will remain in a state of unfit if this project is not approved.

Cash Flow Schedule:

	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>Overall</u>
Internal Labor	-	5,000.00	-	-	-	-	5,000.00
Materials	-	-	-	-	-	-	-
Subcontractor	-	95,000.00	-	-	-	-	95,000.00
Miscellaneous	-	-	-	-	-	-	-
(CIAC) Reim	-	-	-	-	-	-	-
Subtotal:	\$ -	\$ 100,000.00	\$ -	\$ -	\$ -	\$ -	\$ 100,000.00
Impact Fee %	0%	0%	0%	0%	0%	0%	0%
Net Amount:	\$ -	\$ 100,000.00	\$ -	\$ -	\$ -	\$ -	\$ 100,000.00



Generation

- 1) Annual Generation Capital Improvements
- 2) Lower Snake Creek Plant Upgrade
- 3) Upper Snake Creek Capital Improvements
- 4) Lake Creek Capital Improvements
- 5) New Generation Assets
- 6) Unit Overhauls
- 7) Gas Plant 1 Transformer Upgrade
- 8) Gas Plant 2 Transformer Upgrade
- 9) Gas Plant 2 Switchgear
- 10) Gas Plant 2 Radiator
- 11) Gas Plant 2 Mufflers
- 12) Gas Plant 3 Switchgear Upgrade
- 13) Lake Creek Bearing Replacement
- 14) Gas Plant Exhaust Compliance
- 15) Mobile Standby Generator

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>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</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>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</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	14,000.00	4,000.00	4,000.00	4,000.00	4,000.00	-	30,000.00
Subcontractor	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
(CIAC) Reim	-	-	-	-	-	-	-
Subtotal:	\$ 15,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ -	\$ 35,000.00
Impact Fee %	0%	0%	0%	0%	0%		
Net Amount:	\$ 15,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ -	\$ 35,000.00

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>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</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>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</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	14,000.00	4,000.00	-	30,000.00
Subcontractor	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
(CIAC) Reim	-	-	-	-	-	-	-
Subtotal:	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 15,000.00	\$ 5,000.00	\$ -	\$ 35,000.00
Impact Fee %	0%	0%	0%	0%	0%		0%
Net Amount:	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 15,000.00	\$ 5,000.00	\$ -	\$ 35,000.00

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 4 - 2022
- Unit 11 - 2023
- Unit 1&2 - 2024

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>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>Overall</u>
Internal Labor	-	8,000.00	8,000.00	8,000.00	-	-	24,000.00
Materials	-	-	-	-	-	-	-
Subcontractor	-	180,000.00	75,000.00	180,000.00	-	-	435,000.00
Miscellaneous (CIAC) Reim	-	-	-	-	-	-	-
Subtotal: \$	-	\$ 188,000.00	\$ 83,000.00	\$ 188,000.00	\$ -	\$ -	\$ 459,000.00
Impact Fee %	0%	0%	0%	0%	0%	0%	0%
Net Amount: \$	-	\$ 188,000.00	\$ 83,000.00	\$ 188,000.00	\$ -	\$ -	\$ 459,000.00

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>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</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%
Net Amount:	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 500,000.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 500,000.00</u>

Heber Light & Power

Project Analysis Form

Project Name: Gas Plant 2 Transformer Upgrade

Project Driver: Growth

Priority Level: Low

Purpose & Necessity:

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 2. Projected loads will not be adequately met by the company unless the generator portfolio is maintained at the proper level.

Cash Flow Schedule:

	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</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%
Net Amount:	\$ -	\$ -	\$ -	\$ 500,000.00	\$ -	\$ -	\$ 500,000.00

Heber Light & Power

Project Analysis Form

Project Name: Lake Creek Bearing Replacement

Project Driver: Upgrade

Priority Level: High

Purpose & Necessity:

The bearing on the Lake Creek plant is showing signs of aging and normal wear. In order to extend the life of this plant, the bearing will need to be replaced.

Risk Assessment:

In the event a system failure occurs, the generator at the Lake Creek Hydro Plant will be offline. Thus the low-cost generator would not be supplying its regular energy at its reduced rate. Higher cost unplanned market energy would need to be secured to fill the hole in supply.

Cash Flow Schedule:

	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>Overall</u>
Internal Labor	-	-	-	2,000.00	-	-	2,000.00
Materials	-	-	-	8,000.00	-	-	8,000.00
Subcontractor	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
(CIAC) Reim	-	-	-	-	-	-	-
Subtotal:	\$ -	\$ -	\$ -	\$ 10,000.00	\$ -	\$ -	\$ 10,000.00
Impact Fee %				0%			
Net Amount:	\$ -	\$ -	\$ -	\$ 10,000.00	\$ -	\$ -	\$ 10,000.00

Heber Light & Power

Project Analysis Form

Project Name: Mobile Standby Generator Purchase

Project Driver: Reliability

Priority Level: Medium

Purpose & Necessity:

In coordination with the Heber City Corporation, HLP will be purchasing a mobile 1MW standby generator. This generator would be dispatched by either the Heber City Corporation or HLP to needed locations during periods of upheaval on the system.

Risk Assessment:

Critical infrastructure such as water pumps or critical facilities such as rest homes or emergency back-up locations would need energy in critical outages due to multiple scenarios. This unit would be used to secure the energy for these critical locations until energy can be restored.

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	-	1,000.00	-	-	-	-	1,000.00
Materials	-	130,000.00	-	-	-	-	130,000.00
Subcontractor	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
(CIAC) Reim	-	(65,000.00)	-	-	-	-	(65,000.00)
Subtotal: \$	-	\$ 66,000.00	\$ -	\$ -	\$ -	\$ -	\$ 66,000.00
Impact Fee %		0%					0%
Net Amount: \$	-	<u>\$66,000.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 66,000.00</u>



Distribution

- 1) Cross-Valley Transmission Line (2nd POI)
- 2) Underground System Improvements
- 3) Aged & Environmental Distribution Replacement / Upgrade
- 4) Fault Indicator - Underground System
- 5) Rebuild PR 201: Main Street to Burgi Lane
- 6) Additional Circuits out of Jailhouse to the East
- 7) Additional Circuits out of College to South and East
- 8) Install Voltage Regulators at Timber Lakes Gate
- 9) Heber Substation Additional Circuits (South & West)
- 10) Reconductor HB305_600 West - Substation to 300 South
- 11) Midway Substation - Get Aways
- 12) Load to Parsons (Reconductor)
- 13) Reconductor Heber City Main Street: 600 South to 1000 South
- 14) Jailhouse Tap T-Line and East Extension
- 15) Reconductor Pine Canyon Road - Midway
- 16) Reconductor JH 502/503: Old Mill Drive - 800 South to 1200 South
- 17) Reconductor MW 101/102: 4/0 to 477
- 18) Rebuild CL 402: 600 West to Tate Lane
- 19) Tie Line from 305 to 402 to 303
- 20) Tie from 702 up to 500 East in Heber (HB304)

Heber Light & Power

Project Analysis Form

Project Name: Cross-Valley Transmission Line (2nd POI)

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	497.87	19,134.91	46,735.07	331,801.46	-	-	398,169.31
Materials	-	-	309,479.91	388,420.50	-	-	697,900.41
Subcontractor	3,830.05	56,637.70	78,623.48	1,370,693.61	-	-	1,509,784.84
Miscellaneous (CIAC) Reim	-	-	-	-	3,955,000.00	-	3,955,000.00
Subtotal:	\$ 4,327.92	\$ 75,772.61	\$ 434,838.46	\$ 2,090,915.57	\$ 3,955,000.00	\$ -	\$ 6,560,854.56
Impact Fee %	0%	0%	0%	0%	0%	0%	100%
Net Amount:	<u>\$ 4,327.92</u>	<u>\$ 75,772.61</u>	<u>\$ 434,838.46</u>	<u>\$ 2,090,915.57</u>	<u>\$ 3,955,000.00</u>	<u>\$ -</u>	<u>\$ 6,560,854.56</u>

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>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</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:	\$ -	\$ 80,000.00	\$ -	\$ -	\$ -	\$ -	\$ 80,000.00

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>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>Overall</u>
Internal Labor	-	15,000.00	-	-	-	-	15,000.00
Materials	-	85,000.00	-	-	-	-	85,000.00
Subcontractor	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
(CIAC) Reim	-	-	-	-	-	-	-
Subtotal:	\$ -	\$ 100,000.00	\$ -	\$ -	\$ -	\$ -	\$ 100,000.00
Impact Fee %		0%					0%
Net Amount:	<u>\$ -</u>	<u>\$ 100,000.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100,000.00</u>

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 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. 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>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>Overall</u>
Internal Labor	-	15,000.00	-	-	-	-	15,000.00
Materials	-	85,000.00	-	-	-	-	85,000.00
Subcontractor	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
(CIAC) Reim	-	-	-	-	-	-	-
Subtotal:	\$ -	\$ 100,000.00	\$ -	\$ -	\$ -	\$ -	\$ 100,000.00
Impact Fee %							
Net Amount:	\$ -	\$ 100,000.00	\$ -	\$ -	\$ -	\$ -	\$ 100,000.00

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 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. 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>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</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:	\$ -	\$ -	\$ 72,000.00	\$ -	\$ -	\$ -	\$ 72,000.00



Substation

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

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	11,096.15	36,073.50	30,737.89	24,072.04	100,000.00	-	201,979.58
Materials	-	-	-	752.04	-	-	752.04
Subcontractor	66,658.85	61,826.73	61,784.00	428,483.00	10,200,000.00	-	10,818,752.58
Miscellaneous	-	2,100,000.00	-	50,000.00	1,620,000.00	-	3,770,000.00
(CIAC) Reim	-	-	-	-	-	-	-
Subtotal:	\$ 77,755.00	\$ 2,197,900.23	\$ 92,521.89	\$ 503,307.08	\$ 11,920,000.00	\$ -	\$ 14,791,484.20
Impact Fee %		91%		70%	70%		70%
Net Amount:	\$ 77,755.00	\$ 197,811.02	\$ 92,521.89	\$ 150,992.12	\$ 3,576,000.00	\$ -	\$ 14,791,483.50

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:

- 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>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>Overall</u>
Internal Labor	1,200.00	600.00	-	-	-	-	1,800.00
Materials	4,800.00	2,400.00	-	-	-	-	7,200.00
Subcontractor	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
(CIAC) Reim	-	-	-	-	-	-	-
Subtotal:	\$ 6,000.00	\$ 3,000.00	\$ -	\$ -	\$ -	\$ -	\$ 9,000.00
Impact Fee %	0%	0%	0%	0%			
Net Amount:	\$ 6,000.00	\$ 3,000.00	\$ -	\$ -	\$ -	\$ -	\$ 9,000.00

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>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</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: 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>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>Overall</u>
Internal Labor	1,500.00	-	3,000.00	1,000.00	-	-	5,500.00
Materials	8,000.00	-	16,000.00	7,000.00	-	-	31,000.00
Subcontractor	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
(CIAC) Reim	-	-	-	-	-	-	-
Subtotal:	\$ 9,500.00	\$ -	\$ 19,000.00	\$ 8,000.00	\$ -	\$ -	\$ 36,500.00
Impact Fee %							0%
Net Amount:	<u>\$ 9,500.00</u>	<u>\$ -</u>	<u>\$ 19,000.00</u>	<u>\$ 8,000.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,500.00</u>

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>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>Overall</u>
Internal Labor	-	-	100,000.00	-	-	-	100,000.00
Materials	-	-	2,556,000.00	-	-	-	2,556,000.00
Subcontractor	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
(CIAC) Reim	-	-	-	-	-	-	-
Subtotal:	\$ -	\$ -	\$ 2,656,000.00	\$ -	\$ -	\$ -	\$ 2,656,000.00
Impact Fee %			90%				90%
Net Amount:	\$ -	\$ -	\$ 265,600.00	\$ -	\$ -	\$ -	\$ 265,600.00

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>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>Overall</u>
Internal Labor	-	-	-	-	-	-	-
Materials	-	-	20,000.00	-	-	-	20,000.00
Subcontractor	-	-	5,000.00	-	-	-	5,000.00
Miscellaneous	-	-	-	-	-	-	-
(CIAC) Reim	-	-	-	-	-	-	-
Subtotal:	\$ -	\$ -	\$ 25,000.00	\$ -	\$ -	\$ -	\$ 25,000.00
Impact Fee %							0%
Net Amount:	\$ -	\$ -	\$ 25,000.00	\$ -	\$ -	\$ -	\$ 25,000.00

Heber Light & Power

Project Analysis Form

Project Name: Jailhouse Lease Buyout or Extension

Project Driver: Reliability

Priority Level: Low

Purpose & Necessity:

When the Jailhouse Substation was originally built, it was placed on land owned by Wasatch County. A lease agreement between HLP and Wasatch County was entered into at the time. As the lease term is drawing to a close, HLP would prefer to outright procure the parcel as opposed to renew the lease. The preference will be to purchase the land but a renewed lease will be settled upon if agreement can't be reached on purchase terms and price.

Risk Assessment:

The first risk is that a lease will need to be re-entered into and a renewal will not be granted in the future. Thus the overall risk will be realized in that the substation will need to be relocated and the costs of doing such is far greater than that of purchasing the land outright.

Cash Flow Schedule:

	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>Overall</u>
Internal Labor	2,500.00	-	-	-	-	-	2,500.00
Materials	-	-	-	-	-	-	-
Subcontractor	12,000.00	-	-	-	-	-	12,000.00
Miscellaneous	85,500.00	-	-	-	-	-	85,500.00
(CIAC) Reim	-	-	-	-	-	-	-
Subtotal:	\$ 100,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100,000.00
Impact Fee %							0%
Net Amount:	<u><u>\$ 100,000.00</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 100,000.00</u></u>

Heber Light & Power

Project Analysis Form

Project Name: Jailhouse Fence Replacement

Project Driver: Replacement

Priority Level: Low

Purpose & Necessity:

The jailhouse substation currently has a chain-link fence that prohibits unauthorized access. This fence is subject to high winds and regularly requires maintenance and occasional replacement of portions. A new fence more suited to handling the wind and other environmental factors while meeting the security and operational needs would be installed as part of this project. The current fence is 790 linear feet long.

Risk Assessment:

The company will continue to spend OMAG dollars on maintaining a fence that is truly not the correct type of fence for the designed purpose. With inadequate security as a result of this fence, the company has an increased risk of liability for injury or life lost. Furthermore risk exists that critical infrastructure might be damaged leading to extended outages affecting customers.

Cash Flow Schedule:

	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>Overall</u>
Internal Labor	-	-	-	10,000.00	-	-	10,000.00
Materials	-	-	-	-	-	-	-
Subcontractor	-	-	-	119,000.00	-	-	119,000.00
Miscellaneous	-	-	-	-	-	-	-
(CIAC) Reim	-	-	-	-	-	-	-
Subtotal:	\$ -	\$ -	\$ -	\$ 129,000.00	\$ -	\$ -	\$ 129,000.00
Impact Fee %							0%
Net Amount:	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 129,000.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 129,000.00</u>



Information Technology

- 1) IT Upgrades
- 2) OT Upgrades
- 3) Smart Grid Investment
- 4) AMI North Tower

Tentative

Heber Light & Power

Project Analysis Form

Project Name: 2022 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 2022 for installation:

- Computer Replacement Program... \$50,000

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>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>Overall</u>
Internal Labor	5,000.00	10,000.00	2,000.00	5,000.00	2,000.00	5,000.00	29,000.00
Materials	45,000.00	75,000.00	20,000.00	39,000.00	20,000.00	39,000.00	238,000.00
Subcontractor	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
(CIAC) Reim	-	-	-	-	-	-	-
Subtotal:	\$ 50,000.00	\$ 85,000.00	\$ 22,000.00	\$ 44,000.00	\$ 22,000.00	\$ 44,000.00	\$ 267,000.00
Impact Fee %	0%	0%	0%	0%	0%	0%	0%
Net Amount:	<u>\$ 50,000.00</u>	<u>\$ 85,000.00</u>	<u>\$ 22,000.00</u>	<u>\$ 44,000.00</u>	<u>\$22,000.00</u>	<u>\$44,000.00</u>	<u>\$ 267,000.00</u>

Heber Light & Power

Project Analysis Form

Project Name: Fiber Improvements

Project Driver: Growth

Priority Level: Medium

Purpose & Necessity:

With the advanced equipment that HLP regularly installs on the system, the need for more advanced and clear communication continues to expand. Additional components need to be installed in order to match the new technology and the company communication needs.

Risk Assessment:

Equipment will not communicate either effectively or timely, thus leaving the system vulnerable to failures or delayed recovery from such.

Cash Flow Schedule:

	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>Overall</u>
Internal Labor	3,000.00	3,000.00	3,000.00	3,000.00	-	-	12,000.00
Materials	17,000.00	17,000.00	17,000.00	17,000.00	-	-	68,000.00
Subcontractor	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
(CIAC) Reim	-	-	-	-	-	-	-
Subtotal:	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ -	\$ -	\$ 80,000.00
Impact Fee %	0%	0%	0%	0%			0%
Net Amount:	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ -	\$ -	\$ 80,000.00

Heber Light & Power

Project Analysis Form

Project Name: 2021 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>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</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>

Heber Light & Power

Project Analysis Form

Project Name: AMI North Tower

Project Driver: Growth

Priority Level: High

Purpose & Necessity:

The recent annexation plan approval by Heber City Corporation has also expanded the potential customer territory for Heber Light & Power. As developers begin to establish buildable lots within this annexed area, HLP will begin to deploy meters for the collection and relay of usage data. In order to have these meters communicate the data, a new AMI tower will need to be erected with the appropriate equipment.

Risk Assessment:

Without installing this critical antenna, HLP will not be able to read the meter data within the newly annexed service territory.

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	-	10,000.00	-	-	-	-	10,000.00
Materials	-	60,000.00	-	-	-	-	60,000.00
Subcontractor	-	-	-	-	-	-	-
Miscellaneous (CIAC) Reim	-	-	-	-	-	-	-
Subtotal:	\$ -	\$ 70,000.00	\$ -	\$ -	\$ -	\$ -	\$ 70,000.00
Impact Fee %	0%	0%	0%	0%	0%	0%	0%
Net Amount:	\$ -	\$70,000.00	\$ -	\$ -	\$ -	\$ -	\$ 70,000.00



Tools / Equipment

- 1) 2022 Annual Program

Tentative

Heber Light & Power

Project Analysis Form

Project Name: 2022 Capital Improvements - Tools

Project Driver: Replacement

Priority Level: Medium

Purpose & Necessity:

The following collective list of tools are planned to be purchased over 2022:

-Substation

- Substation Tools \$6,000

- Distribution

- Trimble GPS Unit \$11,000

- Hoist and Grips (2) \$6,000 (3,000 each)

- Facilities

- Manlift (65 foot) \$85,000

- Telescoping Boom Forklift \$180,000

Risk Assessment:

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

Cash Flow Schedule:

	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>Overall</u>
Internal Labor	-	-	-	-	-	-	-
Materials	-	-	-	-	-	-	-
Subcontractor	-	-	-	-	-	-	-
Miscellaneous	288,000.00	105,000.00	45,000.00	45,000.00	45,000.00	45,000.00	573,000.00
(CIAC) Reim	-	-	-	-	-	-	-
Subtotal:	\$ 288,000.00	\$ 105,000.00	\$ 45,000.00	\$ 45,000.00	\$ 45,000.00	\$ 45,000.00	\$ 573,000.00
Impact Fee %	0%	0%	0%	0%	0%	0%	0%
Net Amount:	\$288,000.00	\$105,000.00	\$ 45,000.00	\$45,000.00	\$ 45,000.00	\$ 45,000.00	\$ 573,000.00



Vehicles

- 1) 2022 Annual Program

Tentative

Heber Light & Power

Project Analysis Form

Project Name: 2022 Capital Improvements - Vehicles

Project Driver: Replacement

Priority Level: Medium

Purpose & Necessity:

The following vehicles are planned to be purchased in 2022:

- One(1) Digger Derrick Line Truck (\$300,000) - Replaces truck 206 - International Bucket Truck (2021 replacement caught up by delayed deliveries)
- One (1) Flat bed trailer (25,000)

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>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>Overall</u>
Internal Labor	-	-	-	-	-	-	-
Materials	-	-	-	-	-	-	-
Subcontractor	-	-	-	-	-	-	-
Miscellaneous	325,000.00	170,000.00	635,000.00	1,270,000.00	-	670,000.00	3,070,000.00
(CIAC) Reim	-	-	-	-	-	-	-
Subtotal:	\$ 325,000.00	\$ 170,000.00	\$ 635,000.00	\$ 1,270,000.00	\$ -	\$ 670,000.00	\$ 3,070,000.00
Impact Fee %	0%	0%	0%	0%	0%	0%	0%
Net Amount:	\$ 325,000.00	\$ 170,000.00	\$ 635,000.00	\$ 1,270,000.00	\$ -	\$ 670,000.00	\$ 3,070,000.00



Metering

- 1) 2022 Metering Installs

Tentative

