



Heber Light & Power
Capital and Operating Budgets
For Fiscal 2017

Heber Light & Power Company

2017 Budget – Executive Summary

	<u>2015 Actual</u>	<u>2016 Budget</u>	<u>2016 Projected</u>	<u>2017 Budget</u>
REVENUES				
Electricity Sales	\$15,468,459.50	\$16,207,386	\$16,670,000	\$16,850,000
Connect Fees	29,975.19	30,000	32,200	35,000
Receivables Penalty Income	42,484.80	35,000	43,400	42,000
Other / Miscellaneous Income	350,529.70	130,000	239,400	299,000
<i>Total Revenues</i>	<u>\$15,891,449.19</u>	<u>\$16,402,386</u>	<u>\$16,985,000</u>	<u>17,226,000</u>
COST OF ELECTRIC SERVICE				
Power Production Expense	923,195.38	1,254,688	920,900	1,090,271
Cost of Purchased Power	7,559,939.36	8,582,902	8,093,000	8,008,035
Dist Expense – Operations	253,901.72	226,720	370,000	265,500
Dist Expense – Maintenance	1,486,520.31	1,279,123	1,980,000	1,405,700
Customer Account Expense	19,158.85	--	20,000	20,000
Admin & General Expense	2,871,356.01	3,214,598	3,329,300	4,024,155
<i>Total Operating & Maint. Expense</i>	<u>13,114,071.63</u>	<u>14,558,031</u>	<u>14,713,200</u>	<u>14,813,661</u>
Depreciation	1,753,484.40	1,864,972	1,460,000	1,580,000
Interest on Long-Term Debt	362,323	536,168	533,418	517,039
Other Deductions	21,271.34	12,500	14,000	20,200
<i>Total Cost of Electric Service</i>	<u>15,251,150.37</u>	<u>16,971,671</u>	<u>16,720,618</u>	<u>16,930,900</u>
OPERATION MARGIN	<i>640,298.82</i>	<i>(569,285)</i>	<i>264,382</i>	<i>295,100</i>
Interest Income	19,448.98	15,000	25,000	25,000
Non-Operating Margins-Other	2,075,020.14	1,465,000	3,373,000	1,570,000
Dividends	(300,000)	(300,000)	(300,000)	(300,000)
OPERATING MARGIN	<u><i>2,434,767.94</i></u>	<u><i>610,715</i></u>	<u><i>3,362,382</i></u>	<u><i>1,590,100</i></u>
CAPITAL EXPENDITURES				
Generation - Hydro	--	--	--	30,000
Generation – Gas Plant	148,812.68	248,000	56,000	312,000
Distribution	993,766.40	735,000	910,000	1,172,000
Substation	553,644.07	620,000	510,000	125,000
Metering	72,095.56	139,000	146,000	104,664
Buildings	143,409.77	464,000	159,500	1,078,000
Vehicles	(48,385.54)	50,000	24,500	350,000
Tools	9,313.15	60,000	7,900	61,200
Technology – IT	49,280.73	151,000	44,000	146,000
Technology – OT	--	--	--	30,500
<i>Total Capital</i>	<u>1,921,936.82</u>	<u>2,467,000</u>	<u>1,857,900</u>	<u>3,409,364</u>

Management is pleased to present the Operating Budgets and Capital Expenditures for 2017. The following is presented to highlight the major purchases and projects for 2017.

Operating Budget

Revenues

The 2017 electricity revenues are budgeted to increase 2% over the projected 2017 revenues. This represents a very modest estimate for the new rate structure, additional customers and limited load growth.

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

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REVENUES				
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Expenses

Power Purchased

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

Wages and Board Compensation

Included in the wages and board compensation expense are amounts for the current complement of employees. The decrease in budgeted wages reflects the increased inclusion of capitalized labor in the capital projects.

Board Compensation

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

Repairs & Maintenance

Repairs and maintenance are anticipated to continue in 2017.

Travel & Training

To maintain the advanced technical knowledge required in the industry, various training initiatives for staff are included in the 2017 Budget.

	<u>2015 Actual</u>	<u>2016 Budget</u>	<u>2016 Projected</u>	<u>2017 Budget</u>
COST OF ELECTRIC SERVICE				
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Dist Expense – Maintenance	1,486,520.31	1,279,123	1,980,000	1,405,700
Customer Account Expense	19,158.85	--	20,000	20,000
Admin & General Expense	<u>2,871,356.01</u>	<u>3,214,598</u>	<u>3,329,300</u>	<u>4,024,155</u>
<i>Total Operating & Maint. Expense</i>	13,114,071.63	14,558,031	14,713,200	14,813,661
Depreciation	1,753,484.40	1,864,972	1,460,000	1,580,000
Interest on Long-Term Debt	362,323	536,168	533,418	517,039
Other Deductions	<u>21,271.34</u>	<u>12,500</u>	<u>14,000</u>	<u>20,200</u>
<i>Total Cost of Electric Service</i>	15,251,150.37	16,971,671	16,720,618	16,930,900
OPERATION MARGIN	<i>640,298.82</i>	<i>(569,285)</i>	<i>264,382</i>	<i>295,100</i>
Interest Income	19,448.98	15,000	25,000	25,000
Non-Operating Margins-Other	2,075,020.14	1,465,000	3,373,000	1,570,000
Dividends	<u>(300,000)</u>	<u>(300,000)</u>	<u>(300,000)</u>	<u>(300,000)</u>
OPERATING MARGIN	<u>2,434,767.94</u>	<u>610,715</u>	<u>3,362,382</u>	<u>1,590,100</u>

Capital Expenditures

The Capital Budget for 2017 totals \$3,409,364. Heber Light & Power anticipates utilizing revenue from energy sales, capital in aid of construction and through impact fees to complete the 2017 capital program. In the event these resources are insufficient to meet these anticipated capital addition expenditures, Heber Light & Power has two other payment mechanisms at its disposal. The first, Heber Light & Power has the ability to use debt-financing in the event energy rates are unavailable to fund the needed capital expansion projects. The second is through reserve accounts of which Heber Light & Power maintains two such funds. The first such fund is a contingency fund with a current balance of roughly \$2.5 million which is available to address certain large capital purchases and /or reserve requirements associated with internal generation, rate stabilization and power market escalation. The second such fund is a capital reserve fund meant to supply quick access to funds in order to complete major projects considered in the Company's current Strategic Plan.

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

<u>Classification</u>	<u>Expenditure</u>	<u>Impact</u>	<u>CIAC</u>	<u>Net Amount</u>
Generation - Hydro	30,000	-	-	30,000
Generation – Gas Plant	312,000	-	-	312,000
Distribution	1,172,000	(865,000)	-	307,000
Substation	125,000	-	-	125,000
Metering	104,664	-	(87,218)	17,446
Buildings	1,078,000	-	-	1,078,000
Vehicles	350,000	-	-	350,000
Tools	61,200	-	-	61,200
Technology – IT	146,000	-	-	146,000
Technology – OT	30,500	-	-	30,500
				Total Capital Expenditures: \$2,457,146
				Principal Payments on Long-Term Debt: 470,426
				Total Cash Requirements: \$2,927,572

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



Generation

Hydro Generation

- 1) Upper Snake Creek Improvements
- 2) Lower Snake Creek Improvements
- 3) Lake Creek Improvements

Gas Plant Generation

- 4) Unit Overhauls
- 5) Annual Generation Improvements

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Heber Light & Power

Project Analysis Form

Project Name: Upper Snake Creek Plant Upgrade

Project Driver: Upgrade

Priority Level: Medium

Purpose & Necessity:

This hydro facility is in need of some repairs if HL&P is going to plan on using it for any amount of time in the future. The current head gates on the penstocks at the point of entry are flaking apart and screening is temporarily being used to stop wood particles from entering the turbine and needle valves. In addition, the cavitation on the turbine has caused some pitting and material loss on a few turbine runners. The 2017 efforts will focus on the replacement of the plant battery system.

Risk Assessment:

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

Cash Flow Schedule:

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>Overall</u>
Internal Labor	1,500.00	5,000.00	5,000.00	5,000.00	-	-	16,500.00
Materials	4,000.00	25,000.00	-	-	-	-	29,000.00
Subcontractor	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
(CIAC) Reim	-	-	-	-	-	-	-
Subtotal:	\$ 5,500.00	\$ 30,000.00	\$ 5,000.00	\$ 5,000.00	\$ -	\$ -	\$ 45,500.00
Impact Fee %							
Net Amount:	\$ 5,500.00	\$ 30,000.00	\$ 5,000.00	\$ 5,000.00	\$ -	\$ -	\$ 45,500.00

Heber Light & Power

Project Analysis Form

Project Name: Lower Snake Creek Plant Upgrade

Project Driver: Upgrade

Priority Level: Medium

Purpose & Necessity:

This hydro facility is in need of some repairs if HL&P is going to plan on using it for any amount of time in the future. The current penstocks are almost in a state of non-repair as a result of years of minimum maintenance efforts. Additional upgrades are also needed inside the station itself to prolong the life of this asset.

Risk Assessment:

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

Cash Flow Schedule:

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>Overall</u>
Internal Labor	-	2,000.00	5,000.00	5,000.00	5,000.00	-	17,000.00
Materials	-	5,000.00	-	-	-	-	5,000.00
Subcontractor	5,000.00	8,000.00	-	-	-	-	13,000.00
Miscellaneous	-	-	-	-	-	-	-
(CIAC) Reim	-	-	-	-	-	-	-
Subtotal:	\$ 5,000.00	\$ 15,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ -	\$ 35,000.00
Impact Fee %							
Net Amount:	\$ 5,000.00	\$ 15,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ -	\$ 35,000.00

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Project Analysis Form

Project Name: Lake Creek Improvements

Project Driver: Upgrade

Priority Level: Medium

Purpose & Necessity:

The seals and lower bearing on this hydro facility will require replacement. In addition, work needs to be performed on the UG8 Governor that will prolong its useful life. Furthermore, annual investment should be made to bring this facility into a better position to continue to operate.

Risk Assessment:

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

Cash Flow Schedule:

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>Overall</u>
Internal Labor	5,000.00	1,000.00	1,000.00	1,000.00	-	-	8,000.00
Materials	4,000.00	4,000.00	4,000.00	4,000.00	-	-	16,000.00
Subcontractor	10,500.00	-	-	-	-	-	10,500.00
Miscellaneous	-	-	-	-	-	-	-
(CIAC) Reim	-	-	-	-	-	-	-
Subtotal:	\$ 19,500.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ -	\$ -	\$ 34,500.00
Impact Fee %							
Net Amount:	\$ 19,500.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ -	\$ -	\$ 34,500.00

Heber Light & Power

Project Analysis Form

Project Name: Unit Overhauls

Project Driver: Reliability

Priority Level: Medium

Purpose & Necessity:

2017 - Units 5, 7 & 8 are approaching the usage hours that will qualify them for the overhaul of the top-end of the engine. This is a standard preventative maintenance interval that will extend the useful life of the units.
 2018 - Units 4 & 6 top-end overhaul (Unit 6 is much like Unit 5 in its use and required overhaul timing)
 2019 - Units 1 & 2 top-end overhauls

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>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>Overall</u>
Internal Labor	60,000.00	60,000.00	90,000.00	-	-	-	210,000.00
Materials	202,000.00	100,000.00	150,000.00	-	-	-	452,000.00
Subcontractor	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
(CIAC) Reim	-	-	-	-	-	-	-
Subtotal:	\$ 262,000.00	\$ 160,000.00	\$ 240,000.00	\$ -	\$ -	\$ -	\$ 662,000.00
Impact Fee %							
Net Amount:	\$ 262,000.00	\$ 160,000.00	\$ 240,000.00	\$ -	\$ -	\$ -	\$ 662,000.00

Heber Light & Power

Project Analysis Form

Project Name: Capital Improvements - Generation

Project Driver: Reliability

Priority Level: Medium

Purpose & Necessity:

The following collective list of minor capital improvement projects are capital in nature and provide for the advancement of HL&P generation capabilities:

2017 Known Upgrades

- Throttle...(2) at \$15,000/each...\$30,000
- Radiator Fan Motors...(6) at \$2,500/each...\$15,000
- Compressor Bypass Valve... at \$5,000

Risk Assessment:

Equipment will wear down to a point of non-function thus requiring additional expense to restore them to functionality again. An additional risk is that of an 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>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>Overall</u>
Internal Labor	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	60,000.00
Materials	40,000.00	40,000.00	40,000.00	40,000.00	40,000.00	40,000.00	240,000.00
Subcontractor	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
(CIAC) Reim	-	-	-	-	-	-	-
Subtotal:	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 300,000.00
Impact Fee %							
Net Amount:	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 300,000.00



Distribution

- 1) Cloyes 401 Rebuild (Charleston Reconductor)
- 2) Tie from 702 up to 500 East in Heber (HB304)
- 3) 3000 South Daniels Road to HWY 189 Rebuild
- 4) Airport Road - Repipe and Conductor
- 5) Distribution Capacitors / VAR Control
- 6) Additional Circuits out of Jailhouse to the East
- 7) Underground System Improvements
- 8) Aged & Environmental Distribution Replacement / Upgrade
- 9) Fault Indicator - Underground System

Heber Light & Power

Project Analysis Form

Project Name: CL 401 Rebuild (Charleston Reconductor)

Project Driver: Upgrade

Priority Level: High

Purpose & Necessity:

Age and capacity of CL 401 has become an issue. With the Commercial growth around the Cloyes substation as well as schools, care centers, and residential areas the need to upgrade this line has become important. Because of the existing design flaws we will be forced to put a large portion of this circuit underground.

Risk Assessment:

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

Cash Flow Schedule:

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>Overall</u>
Internal Labor	30,000.00	56,000.00	14,000.00	-	-	-	100,000.00
Materials	90,000.00	94,000.00	60,000.00	-	-	-	244,000.00
Subcontractor	80,000.00	-	26,000.00	-	-	-	106,000.00
Miscellaneous	-	-	-	-	-	-	-
(CIAC) Reim	-	-	-	-	-	-	-
Subtotal:	\$ 200,000.00	\$ 150,000.00	\$ 100,000.00	\$ -	\$ -	\$ -	\$ 450,000.00
Impact Fee %	60%	60%	60%				
Net Amount:	\$ 80,000.00	\$ 60,000.00	\$ 40,000.00	\$ -	\$ -	\$ -	\$ 180,000.00

Heber Light & Power

Project Analysis Form

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

Project Driver: Growth

Priority Level: High

Purpose & Necessity:

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

By completing this project in 2017, the customer intends on providing an easement to enable the building of this line.

Risk Assessment:

Without completing this tie, an outage in North Heber City could result in an extended outage due to the current strain on the system capacity. A series of careful switching maneuvers would be necessary to shed the load sufficient to bring this area back online while increasing the risk of failure in other areas of the system.

Cash Flow Schedule:

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>Overall</u>
Internal Labor	55,000.00	-	-	-	-	-	55,000.00
Materials	100,000.00	-	-	-	-	-	100,000.00
Subcontractor	95,000.00	-	-	-	-	-	95,000.00
Miscellaneous	-	-	-	-	-	-	-
(CIAC) Reim	-	-	-	-	-	-	-
Subtotal:	\$ 250,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 250,000.00
Impact Fee %	100%						
Net Amount:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Heber Light & Power

Project Analysis Form

Project Name: 3000 South Daniels Road to Hwy 189 Rebuild

Project Driver: Growth

Priority Level: High

Purpose & Necessity:

A particular customer at the end of this line approached the company some years ago about the need for additional capacity in the future. The point has arrived by which the customer, as well as others in the area, require this upgrade. This project will complete the work necessary to ensure adequate load potential.

Risk Assessment:

Without completing this tie, HLP will be unable to meet the customers needs as previously negotiated and agreed to. Furthermore others on the circuit will experience voltage concerns and fluctuations. Such changes will result in potential insurance claims.

Cash Flow Schedule:

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>Overall</u>
Internal Labor	75,000.00	-	-	-	-	-	75,000.00
Materials	90,000.00	-	-	-	-	-	90,000.00
Subcontractor	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
(CIAC) Reim	-	-	-	-	-	-	-
Subtotal:	\$ 165,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 165,000.00
Impact Fee %	100%						
Net Amount:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Heber Light & Power

Project Analysis Form

Project Name: Airport Road - Repipe and Reconductor

Project Driver: Growth

Priority Level: Medium

Purpose & Necessity:

The existing lines across the highway are meeting existing loads. However, enough growth has happened in the area to merit increasing the conductor size and upgrading the existing facilities. It also enhances the switching capabilities to as to increasing the loop feed on multiple Jailhouse circuits and one Heber circuit.

Risk Assessment:

This project if completed will provide a stronger backbone to the circuits in the area. If not completed, voltage issues will become more apparent. In addition, the ability to switch service between circuits so as to limit disruptions will be curtailed.

Cash Flow Schedule:

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>Overall</u>
Internal Labor	45,000.00	-	-	-	-	-	45,000.00
Materials	55,000.00	-	-	-	-	-	55,000.00
Subcontractor	150,000.00	-	-	-	-	-	150,000.00
Miscellaneous	-	-	-	-	-	-	-
(CIAC) Reim	-	-	-	-	-	-	-
Subtotal:	\$ 250,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 250,000.00
Impact Fee %	100%						
Net Amount:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Heber Light & Power

Project Analysis Form

Project Name: Distribution Capacitors / VAR Control

Project Driver: Reliability

Priority Level: Low

Purpose & Necessity:

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

Risk Assessment:

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

Cash Flow Schedule:

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>Overall</u>
Internal Labor	12,000.00	12,000.00	12,000.00	12,000.00	-	-	48,000.00
Materials	20,000.00	20,000.00	20,000.00	20,000.00	-	-	80,000.00
Subcontractor	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
(CIAC) Reim	-	-	-	-	-	-	-
Subtotal:	\$ 32,000.00	\$ 32,000.00	\$ 32,000.00	\$ 32,000.00	\$ -	\$ -	\$ 128,000.00
Impact Fee %							
Net Amount:	\$ 32,000.00	\$ 32,000.00	\$ 32,000.00	\$ 32,000.00	\$ -	\$ -	\$ 128,000.00

Heber Light & Power

Project Analysis Form

Project Name: Additional Circuits out of Jailhouse to the East

Project Driver: Growth

Priority Level: Medium

Purpose & Necessity:

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

Risk Assessment:

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

Cash Flow Schedule:

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>Overall</u>
Internal Labor	42,000.00	84,000.00	42,000.00	-	-	-	168,000.00
Materials	98,000.00	196,000.00	98,000.00	-	-	-	392,000.00
Subcontractor	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
(CIAC) Reim	-	-	-	-	-	-	-
Subtotal:	\$ 140,000.00	\$ 280,000.00	\$ 140,000.00	\$ -	\$ -	\$ -	\$ 560,000.00
Impact Fee %	100%	100%	100%				
Net Amount:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Heber Light & Power

Project Analysis Form

Project Name: Underground System Improvements

Project Driver: Reliability

Priority Level: Low

Purpose & Necessity:

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

Risk Assessment:

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

Cash Flow Schedule:

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>Overall</u>
Internal Labor	17,000.00	17,000.00	17,000.00	17,000.00	17,000.00	-	85,000.00
Materials	33,000.00	33,000.00	33,000.00	33,000.00	33,000.00	-	165,000.00
Subcontractor	25,000.00	25,000.00	25,000.00	25,000.00	25,000.00	-	125,000.00
Miscellaneous	-	-	-	-	-	-	-
(CIAC) Reim	-	-	-	-	-	-	-
Subtotal:	<u>\$ 75,000.00</u>	<u>\$ 75,000.00</u>	<u>\$ 75,000.00</u>	<u>\$ 75,000.00</u>	<u>\$ 75,000.00</u>	<u>\$ -</u>	<u>\$ 375,000.00</u>
Impact Fee %							
Net Amount:	<u><u>\$ 75,000.00</u></u>	<u><u>\$ 75,000.00</u></u>	<u><u>\$ 75,000.00</u></u>	<u><u>\$ 75,000.00</u></u>	<u><u>\$ 75,000.00</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 375,000.00</u></u>

Heber Light & Power

Project Analysis Form

Project Name: Aged & Environmental Distribution Replacement/Upgrade

Project Driver: Reliability

Priority Level: Medium

Purpose & Necessity:

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

A six year replacement plan has been developed and this represents the first four years of the plan.

Risk Assessment:

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

Cash Flow Schedule:

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>Overall</u>
Internal Labor	20,000.00	20,000.00	20,000.00	20,000.00	-	-	80,000.00
Materials	130,000.00	130,000.00	130,000.00	130,000.00	-	-	520,000.00
Subcontractor	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
(CIAC) Reim	-	-	-	-	-	-	-
Subtotal:	\$ 150,000.00	\$ 150,000.00	\$ 150,000.00	\$ 150,000.00	\$ -	\$ -	\$ 600,000.00
Impact Fee %							
Net Amount:	\$ 150,000.00	\$ 150,000.00	\$ 150,000.00	\$ 150,000.00	\$ -	\$ -	\$ 600,000.00

Heber Light & Power

Project Analysis Form

Project Name: Fault Indicator - Underground System

Project Driver: Reliability

Priority Level: Low

Purpose & Necessity:

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

Risk Assessment:

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

Cash Flow Schedule:

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</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 %							
Net Amount:	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ -	\$ 50,000.00



Substation

- 1) 2nd Point of Interconnect
- 2) Joslyn Recloser Replacment

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Heber Light & Power

Project Analysis Form

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

Project Driver: Reliability

Priority Level: Medium

Purpose & Necessity:

HL&P has become a 36MW utility as a result of growth in the valley. As a result, HL&P continues to invest in infrastructure to ensure reliability in meeting this ever increasing load profile. The current transmission line located in Provo Canyon is tapped out and thus a redundant feed from the North is required if HL&P intends on continuing to supply the high-level of service reliability that it has become known for.

Risk Assessment:

The system is at high-risk of being without adequate energy in the event loads exceed the localized generator capabilities if something was to happen to the transmission line in Provo canyon. Events happen periodically that push the current system to its full capacity and the failure of a critical piece of equipment could easily transform this risk into a reality.

Cash Flow Schedule:

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>Overall</u>
Internal Labor	10,000.00	10,000.00	15,000.00	35,000.00	-	-	70,000.00
Materials	-	-	300,000.00	1,850,000.00	-	-	2,150,000.00
Subcontractor	-	90,000.00	150,000.00	3,000,000.00	-	-	3,240,000.00
Miscellaneous	-	-	-	50,000.00	-	-	50,000.00
(CIAC) Reim	-	-	-	-	-	-	-
Subtotal:	\$ 10,000.00	\$ 100,000.00	\$ 465,000.00	\$ 4,935,000.00	\$ -	\$ -	\$ 5,510,000.00
Impact Fee %							
Net Amount:	<u>\$ 10,000.00</u>	<u>\$ 100,000.00</u>	<u>\$ 465,000.00</u>	<u>\$ 4,935,000.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,510,000.00</u>

Heber Light & Power

Project Analysis Form

Project Name: Replacement Recloser for Joslyn Reclosers

Project Driver: Replacement

Priority Level: Medium

Purpose & Necessity:

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

Risk Assessment:

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

Cash Flow Schedule:

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>Overall</u>
Internal Labor	-	-	-	-	-	-	-
Materials	25,000.00	25,000.00	25,000.00	25,000.00	25,000.00	25,000.00	150,000.00
Subcontractor	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
(CIAC) Reim	-	-	-	-	-	-	-
Subtotal:	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 150,000.00
Impact Fee %							
Net Amount:	<u>\$ 25,000.00</u>	<u>\$ 25,000.00</u>	<u>\$ 25,000.00</u>	<u>\$ 25,000.00</u>	<u>\$ 25,000.00</u>	<u>\$ 25,000.00</u>	<u>\$ 150,000.00</u>



Metering

- 1) 2017 Metering Installs

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Heber Light & Power

Project Analysis Form

Project Name: 2017 Capital Improvements - Metering

Project Driver: Growth

Priority Level: Medium

Purpose & Necessity:

The following collective list of minor capital assets are various metering components that will be purchased over 2017 for installation:

- (600)-Generation 4 CL 200 Meters...\$90,000
- (12) - 3S Meters...\$2,400
- (8) - 16S Meters...\$3,312
- (6) - 9S Meters...\$2,640
- (11) - Test Switches...\$1,356
- (7) - Meter Bases...\$1,356
- (19) - Current Transformers...\$3,000
- (300 ft) - Meter Wire...\$600

Risk Assessment:

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

Cash Flow Schedule:

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>Overall</u>
Internal Labor	-		-	-	-	-	-
Materials	104,664.00	-	-	-	-	-	104,664.00
Subcontractor	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
(CIAC) Reim	(87,218.00)	-	-	-	-	-	(87,218.00)
Subtotal:	\$ 17,446.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,446.00
Impact Fee %							
Net Amount:	<u>\$ 17,446.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,446.00</u>



Buildings

- 1) Fire Suppression System
- 2) Gas Plant 2 Switchgear Upgrade
- 3) EVAP Cooler Replacement
- 4) Office Building Remodel
- 5) Fiber Building
- 6) Operations Asphalt Upgrade - Phase 3
- 7) Training Room Furniutre

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Heber Light & Power

Project Analysis Form

Project Name: Generator Fire Suppression System

Project Driver: Safety

Priority Level: Medium

Purpose & Necessity:

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

Plant 1: \$161,000

Plant 2: \$213,000

Plant 3: \$110,000

System: \$46,000

Risk Assessment:

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

Cash Flow Schedule:

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>Overall</u>
Internal Labor	6,000.00	-	-	-	-	-	6,000.00
Materials	-	-	-	-	-	-	-
Subcontractor	150,000.00	-	213,000.00	-	161,000.00	-	524,000.00
Miscellaneous	-	-	-	-	-	-	-
(CIAC) Reim	-	-	-	-	-	-	-
Subtotal:	\$ 156,000.00	\$ -	\$ 213,000.00	\$ -	\$ 161,000.00	\$ -	\$ 530,000.00
Impact Fee %							
Net Amount:	<u>\$ 156,000.00</u>	<u>\$ -</u>	<u>\$ 213,000.00</u>	<u>\$ -</u>	<u>\$ 161,000.00</u>	<u>\$ -</u>	<u>\$ 530,000.00</u>

Heber Light & Power

Project Analysis Form

Project Name: Plant 2 Switchgear Upgrade

Project Driver: Upgrade

Priority Level: Medium

Purpose & Necessity:

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

Risk Assessment:

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

Cash Flow Schedule:

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>Overall</u>
Internal Labor	-	-	-	-	-	-	-
Materials	80,000.00	-	-	-	-	-	80,000.00
Subcontractor	-	85,280.00	-	-	-	-	85,280.00
Miscellaneous	-	-	-	-	-	-	-
(CIAC) Reim	-	-	-	-	-	-	-
Subtotal:	\$ 80,000.00	\$ 85,280.00	\$ -	\$ -	\$ -	\$ -	\$ 165,280.00
Impact Fee %							
Net Amount:	\$ 80,000.00	\$ 85,280.00	\$ -	\$ -	\$ -	\$ -	\$ 165,280.00

Heber Light & Power

Project Analysis Form

Project Name: Plant 2 Evaporative Cooler

Project Driver: Upgrade

Priority Level: Medium

Purpose & Necessity:

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

Risk Assessment:

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

Cash Flow Schedule:

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>Overall</u>
Internal Labor	-	-	-	-	-	-	-
Materials	-	-	-	-	-	-	-
Subcontractor	70,000.00	-	-	-	-	-	70,000.00
Miscellaneous	-	-	-	-	-	-	-
(CIAC) Reim	-	-	-	-	-	-	-
Subtotal:	\$ 70,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 70,000.00
Impact Fee %							
Net Amount:	\$ 70,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 70,000.00

Heber Light & Power

Project Analysis Form

Project Name: Office Building Remodel

Project Driver: Upgrade

Priority Level: Medium

Purpose & Necessity:

Heber Light & Power has outgrown the existing work space for administrative operations. In addition, the building is older and not ADA compliant. This project will provide for the engineering, procurement and construction of an office remodel thus making the space more flexible for future staffing as well as consistent with current building codes.

Risk Assessment:

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

Cash Flow Schedule:

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>Overall</u>
Internal Labor	-	-	-	-	-	-	-
Materials	-	-	-	-	-	-	-
Subcontractor	5,500.00	450,000.00	-	-	-	-	455,500.00
Miscellaneous (CIAC) Reim	-	-	-	-	-	-	-
Subtotal:	\$ 5,500.00	\$ 450,000.00	\$ -	\$ -	\$ -	\$ -	\$ 455,500.00
Impact Fee %							
Net Amount:	\$ 5,500.00	\$ 450,000.00	\$ -	\$ -	\$ -	\$ -	\$ 455,500.00

Heber Light & Power

Project Analysis Form

Project Name: Fiber Building

Project Driver: Reliability

Priority Level: Medium

Purpose & Necessity:

Heber Light & Power needs to upgrade the communications system connecting the system assets together. As such a new Fiber Building that will serve as a hub for the system needs to be constructed. This project will be undertaken in conjunction with the County and the School District as all three entities presently rely heavily on the existing fiber system in the valley. The existing system provides a radial communication feed. this project will supply a loop feed thus eliminating the risk of failure due to a single source interruption.

Risk Assessment:

Continued system interruptions resulting from an undersized and outdated fiber system.

Cash Flow Schedule:

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>Overall</u>
Internal Labor	20,000.00	-	-	-	-	-	20,000.00
Materials	-	-	-	-	-	-	-
Subcontractor	180,000.00	-	-	-	-	-	180,000.00
Miscellaneous	-	-	-	-	-	-	-
(CIAC) Reim	-	-	-	-	-	-	-
Subtotal:	\$ 200,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,000.00
Impact Fee %							
Net Amount:	<u>\$ 200,000.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 200,000.00</u>

Heber Light & Power

Project Analysis Form

Project Name: Operations Asphalt/Curb Improvements

Project Driver: Upgrade

Priority Level: Low

Purpose & Necessity:

In an effort to improve safer more efficient utilization of HL&P facilities, additional upgrades to the parking lot and asphalt are merited. These changes will allow for a better parking configuration for employees, directors and members of the community.

Risk Assessment:

If this asphalt project is not completed, HL&P runs a risk of having inadequate parking for employees, directors, and community members thus compelling them to park in areas not properly suited for their needs. By so doing, HL&P exposes itself to additional risk of safety incidents and lost productivity.

Cash Flow Schedule:

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>Overall</u>
Internal Labor	-	-	-	-	-	-	-
Materials	-	-	-	-	-	-	-
Subcontractor	119,073.00	130,502.00	90,000.00	-	-	-	339,575.00
Miscellaneous	-	-	-	-	-	-	-
(CIAC) Reim	-	-	-	-	-	-	-
Subtotal:	\$ 119,073.00	\$ 130,502.00	\$ 90,000.00	\$ -	\$ -	\$ -	\$ 339,575.00
Impact Fee %							
Net Amount:	<u>\$ 119,073.00</u>	<u>\$ 130,502.00</u>	<u>\$ 90,000.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 339,575.00</u>

Heber Light & Power

Project Analysis Form

Project Name: Training Room Furniture

Project Driver: Upgrade

Priority Level: Low

Purpose & Necessity:

No new furniture was included with the new training room that was built in 2013. In order to establish appropriate training and testing resources for continuing education and training of employees, furniture will need to be purchased. Part of the building plan encompassed a plan to purchase furniture in a future period so as to accommodate cash flow concerns.

Risk Assessment:

No apparent risk to reliability or safety exists if this project is not approved. However, the delay in approval also delays the proper training facility typically used by the industry.

Cash Flow Schedule:

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>Overall</u>
Internal Labor	-	-	-	-	-	-	-
Materials	32,000.00	-	-	-	-	-	32,000.00
Subcontractor	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
(CIAC) Reim	-	-	-	-	-	-	-
Subtotal:	\$ 32,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 32,000.00
Impact Fee %							
Net Amount:	\$ 32,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 32,000.00



Vehicles

- 1) 2017 Annual Program

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Heber Light & Power

Project Analysis Form

Project Name: 2017 Capital Improvements - Vehicles

Project Driver: Replacement

Priority Level: Medium

Purpose & Necessity:

The following vehicles are planned to be purchased in 2017:

- Spring Delivery - Service Truck (\$125,000)
- Fall Delivery - Service Truck (\$125,000)
- (2) 1/2-ton Fleet Addition and Replacement Trucks...\$50,000 each

Risk Assessment:

These vehicles are deemed necessary to adequately service the territory. As noted, most of these are meant to replace existing vehicles that are getting enough miles that the reliability of said vehicles is now being called into question.

Cash Flow Schedule:

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>Overall</u>
Internal Labor	-	-	-	-	-	-	-
Materials	-	-	-	-	-	-	-
Subcontractor	-	-	-	-	-	-	-
Miscellaneous	350,000.00	50,000.00	50,000.00	200,000.00	50,000.00	-	700,000.00
(CIAC) Reim	-	-	-	-	-	-	-
Subtotal:	\$ 350,000.00	\$ 50,000.00	\$ 50,000.00	\$ 200,000.00	\$ 50,000.00	\$ -	\$ 700,000.00
Impact Fee %							
Net Amount:	\$ 350,000.00	\$ 50,000.00	\$ 50,000.00	\$ 200,000.00	\$ 50,000.00	\$ -	\$ 700,000.00



Tools / Equipment

- 1) 2017 Annual Program

DRAFT

Heber Light & Power

Project Analysis Form

Project Name: 2017 Capital Improvements - Tools

Project Driver: Replacement

Priority Level: Medium

Purpose & Necessity:

The following collective list of tools are planned to be purchased over 2017:

- Hydro
 - Digital Hydrometer ... \$4,000
- Generation
 - Emission Analyzer...\$38,000
- Meter
 - Sensus Meter Programmer...\$3,200
- Substation
 - Flier Camera...\$10,000
 - Various Tools ... \$6,000

Risk Assessment:

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

Cash Flow Schedule:

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>Overall</u>
Internal Labor	-	-	-	-	-	-	-
Materials	61,200.00	45,000.00	110,000.00	45,000.00	45,000.00	-	306,200.00
Subcontractor	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
(CIAC) Reim	-	-	-	-	-	-	-
Subtotal:	\$ 61,200.00	\$ 45,000.00	\$ 110,000.00	\$ 45,000.00	\$ 45,000.00	\$ -	\$ 306,200.00
Impact Fee %							
Net Amount:	<u><u>\$ 61,200.00</u></u>	<u><u>\$ 45,000.00</u></u>	<u><u>\$ 110,000.00</u></u>	<u><u>\$ 45,000.00</u></u>	<u><u>\$ 45,000.00</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 306,200.00</u></u>



Information Technology

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

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Heber Light & Power

Project Analysis Form

Project Name: 2017 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 2017 for installation:

- Office 365 Implementation...\$6,500
- Computer Replacement Program...\$40,000
- Network Switch...\$14,000
- Operations Copy Machine...\$13,500
- Offsite Back-up Hardware/Software Install...\$11,000
- Equipment Peripherals...\$8,000
- Server Replacement...\$25,000
- Fiber Loop to Office...\$15,000
- Fiber into Jailhouse...\$13,000

Risk Assessment:

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

Cash Flow Schedule:

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>Overall</u>
Internal Labor	6,000.00			-	-	-	6,000.00
Materials	140,000.00	40,000.00	150,000.00	50,000.00	50,000.00	-	430,000.00
Subcontractor	-	-	-	-	-	-	-
Miscellaneous (CIAC) Reim	-	-	-	50,000.00	-	-	50,000.00
Subtotal:	\$ 146,000.00	\$ 40,000.00	\$ 150,000.00	\$ 100,000.00	\$ 50,000.00	\$ -	\$ 486,000.00
Impact Fee %							
Net Amount:	<u>\$ 146,000.00</u>	<u>\$ 40,000.00</u>	<u>\$ 150,000.00</u>	<u>\$ 100,000.00</u>	<u>\$ 50,000.00</u>	<u>\$ -</u>	<u>\$ 486,000.00</u>

Heber Light & Power

Project Analysis Form

Project Name: 2017 Capital Improvements - OT

Project Driver: Reliability

Priority Level: Medium

Purpose & Necessity:

The following collective list of minor capital assets are various technology components that will be purchased over 2017 for installation:

- Gas Plant 1 PLC Rebuild...\$10,500
- SCADA Changes/Upgrades...\$20,000

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>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>Overall</u>
Internal Labor	5,000.00			-	-	-	5,000.00
Materials	25,500.00	40,000.00	150,000.00	50,000.00	50,000.00	-	315,500.00
Subcontractor	-	-	-	-	-	-	-
Miscellaneous (CIAC) Reim	-	-	-	50,000.00	-	-	50,000.00
Subtotal:	\$ 30,500.00	\$ 40,000.00	\$ 150,000.00	\$ 100,000.00	\$ 50,000.00	\$ -	\$ 370,500.00
Impact Fee %							
Net Amount:	<u>\$ 30,500.00</u>	<u>\$ 40,000.00</u>	<u>\$ 150,000.00</u>	<u>\$ 100,000.00</u>	<u>\$ 50,000.00</u>	<u>\$ -</u>	<u>\$ 370,500.00</u>

Heber Light & Power

Project Analysis Form

Project Name: 2017 SmartGrid 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>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>Overall</u>
Internal Labor	15,000.00	15,000.00	15,000.00	15,000.00	15,000.00	15,000.00	90,000.00
Materials	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	60,000.00
Subcontractor	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
(CIAC) Reim	-	-	-	-	-	-	-
Subtotal:	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 150,000.00
Impact Fee %							
Net Amount:	<u>\$ 25,000.00</u>	<u>\$25,000.00</u>	<u>\$ 25,000.00</u>	<u>\$ 25,000.00</u>	<u>\$ 25,000.00</u>	<u>\$ 25,000.00</u>	<u>\$ 150,000.00</u>