

MEETING NOTICE & AGENDA



Heber Light & Power Company

31 South 100 West
Heber City, Utah 84032

Title:	Heber Light & Power Board of Directors Regular Meeting
Location:	Heber Light & Power Business Office, 31 S 100 W, Heber City, UT 84032
Date:	Wednesday, April 27, 2016
Time:	3:30 pm

Board Members	
1	Mayor Alan McDonald
2	Mayor Colleen Bonner
3	Mayor Bob Kowallis
4	County Council Chair Kendall Crittenden
5	Heber City Council Representative Jeff Bradshaw
6	Heber City Council Representative Jeff Smith
Agenda Items	
1	Consent Agenda - Items for Approval:
	a. March 23, 2016 Board Meeting Minutes
	b. March 2016 Financial Statements
	c. March 2016 Warrants
2	Presentation and Acceptance of Annual Audited Financial Statements (Paul Skeen, Eide Bailly)
3	Approval of 1st Quarter 2016 Distributions to Members – Resolution 2016-03 (Bart Miller)
4	Discussion and Approval Distributed Generation Policies (Jason Norlen)
5	Mountain Community Solar Presentation (Bill Goodall)
6	Review and Approval of IPP Renewal Documents (Joe Dunbeck)
7	General Manager's Report
	<ul style="list-style-type: none"> • Street Lights • RMP Update • Website Revisions • Customer Survey • Questar Gas Firm Transportation
8	Discussion of SEC Municipalities Continuing Disclosure Cooperation Initiative (closed session) and approval of proposed resolution (open session)
9	Strategy session to discuss possible sale, lease or exchange of real property located adjacent to and west of the power plant (closed session)
10	Approval of location and configuration of the proposed substation on property located adjacent to and west of the power plant
11	Discussion of personnel matters (closed session)
NOTE: The Board reserves the right to move into Closed Session on any of the above items.	



Heber Light & Power

31 South 100 West
Heber City, Utah 84032
March 23, 2016

Regular Board Meeting
4:00 p.m.

The Board of Directors of Heber Light & Power met on March 23, 2016, in the Heber Light & Power Business Office at 31 South 100 West, Heber City, Utah.

Present:

Mayor	Colleen Bonner
Mayor	Bob Kowallis
Heber City Council Member	Jeff Smith
Heber City Council Member	Jeff Bradshaw
County Council Chair	Kendall Crittenden

Excused: Mayor Alan McDonald

Others Present: Jason Norlen, Joe Dunbeck, Karly Schindler, Harold Wilson, Jake Parcell, Bart Miller, and Tim Cowell.

Mayor Colleen Bonner opened the meeting and excused Mayor McDonald due to a death in the family.

CONSENT AGENDA

Items for Approval: February 24, 2016 Board Meeting Minutes, February 2016 Financial Statements and February 2016 Warrants: Director Bonner asked for any modifications to the above listed Consent Agenda items and when none were given asked for a motion to approve. Director Bob Kowallis moved to approve the above-mentioned Consent Agenda items. Director Kendall Crittenden made the second.

Voting Aye: Council Member Jeff Bradshaw, Mayor Bob Kowallis, County Council Chairman Kendall Crittenden and Council Member Jeff Smith. Voting Nay: None. Mayor Alan McDonald was excused from the meeting.

Director Bonner turned the time over to Tim Cowell to present his concerns to the Board. Mr. Cowell stated he was the Pastor at the Grace Family Bible Church. He stated they had been at that location for three years and recently noticed their power bill had increased significantly due to the demand charge. He visited the billing

1 office and spoke to Jared who suggested things they could do to offset the demand. Mr. Cowell implemented
2 those changes, which resulted in only about a \$15/month savings. He stated it was still high and it was a
3 challenge for their church to pay, and he asked the Board to please consider their non-profit organization status
4 and asked for any assistance they could provide to help offset the increased power bill. Jason Norlen stated that
5 the demand charge on general service on less than 4-5 kw would be looked at in the next rate study in mid-
6 summer because it needed to be addressed holistically across the entire system.
7

8 Director Bonner asked for a motion to remove Item 8: General Manager Performance Review (Closed Session)
9 due to the absence of Chairman McDonald. Director Kendall Crittenden moved to remove Item 8: General
10 Manager Performance Review (Closed Session), due to the absence of Chairman McDonald. Director Jeff
11 Bradshaw seconded the motion.
12

13 Voting Aye: Council Member Jeff Bradshaw, Mayor Bob Kowallis, County Council Chairman Kendall
14 Crittenden and Council Member Jeff Smith. Voting Nay: None. Mayor Alan McDonald was excused from the
15 meeting.
16

17 **Review and Approval of Liability Insurance Renewal (Bart Miller):** Bart Miller stated that Darrell Child of
18 Olympus Insurance met with the Facilities Committee and presented the 2016/2017 insurance renewal. Miller
19 stated that the rates increased slightly over the previous year. Director Kowallis mentioned that Miller reviewed
20 the coverage and found areas where we may have been over-paying and also mentioned that due to a claim the
21 prior year there was a slight increase in the rate. Miller stated that later in the year the rate may increase with
22 the installation of the new transformer at the Heber Substation and the addition of another vehicle. Director
23 Bonner asked for a motion to approve the liability insurance renewal.
24

25 Director Jeff Smith moved to approve the liability insurance renewal as presented. Director Bob Kowallis made
26 the second.
27

28 Voting Aye: Council Member Jeff Bradshaw, Mayor Bob Kowallis, County Council Chairman Kendall
29 Crittenden and Council Member Jeff Smith. Voting Nay: None. Mayor Alan McDonald was excused from the
30 meeting.
31

32 **Audit Committee Report (Bart Miller):** Miller stated that the Audit Committee met earlier in the week. Paul
33 Skeen of Eide Bailly attended and briefed the Committee about the audit process and invited the Committee to
34 reach out to him if they had any questions or concerns. Miller stated that the audit should be finished by the
35 April Board meeting. He also mentioned that it needed to be posted on the Utah State Auditor's Financial
36 Reporting website by the end of June and would also be filed with the SEC Municipal Security Regulatory
37 Board.
38

39 **UAMPS Utility Tool-Kit Training For Utility Boards (Jason Norlen):** Norlen highly recommended the
40 UAMPS Tool-Kit training on March 30. He stated that there were guest speakers coming from APPA to give
41 presentations on rates, cost of service and strategic planning, as well as a local engineering firm to discuss the
42 valuation of electric systems.
43

44 Norlen also mentioned that the Utah League of Cities and Towns conference was April 6 in St. George and that
45 UAMPS was holding a meeting at the conference with regard to the small nuclear reactor and the Carbon-Free
46 Power Project. Norlen stated there would also be meetings held in August and in the fall.
47

1 **Discussion on Partial Month Billing on General Service Seasonal Loads (Jason Norlen):** Norlen asked the
2 Board for direction on pro-rating partial month billing for seasonal customers and stated that a policy was
3 needed as to when and how it should be done. Norlen stated he had reached out to other power companies and
4 none of them pro-rated seasonal customers. There was discussion among staff and the Board. Norlen
5 suggested reviewing this issue in the cost of service study to potentially find a solution to the issue and still
6 meet revenue requirements. His biggest concern was having a policy in place for staff to follow. Director
7 Bonner asked Miller to send her some payment histories for specific customers in Midway that she knew would
8 have concerns so that she could explain to them what to expect. Norlen stated that with the demand charge,
9 there were customers whose bills had risen, but there were also customers whose bills had dropped, so this was
10 something that needed to be looked at across the board. Norlen stated that Mr. Pender would look at these
11 issues within the cost of service study and a policy would be presented at that time.
12

13 **General Manager's Report:** Norlen stated that there were a lot of items on the agenda for the April meeting
14 and asked if the Board would like to break that into two meetings. He explained there may be some public in
15 attendance for the April meeting due to the topic of the distributed generation tariff. Other items for the April
16 meeting would be the audit and the IPP renewal documents. After discussion it was decided to move the
17 meeting time for the April Board meeting to 3:30 p.m.
18

19 Norlen stated that nothing much had changed with the status of the Carbon-Free Power project other than the
20 state of Oregon pulling out due to a state law that was recently passed. Regarding the Hunter plant, Norlen
21 stated that RMP, UAMPS, Deseret and UMPA were all in alignment on how to contest the EPA ruling. Norlen
22 stated that going forward; the issue would be how to mitigate the stranded investment that it brings with it.
23 There was discussion among the staff and Board with regard to this topic and Norlen and Dunbeck briefly
24 explained the rulings in Washington D.C. and how those decisions affected HL&P.
25

26 Norlen stated that the APPA convention was June 12-15 in Phoenix, Arizona and stated it was a good national
27 convention for the Board to attend. He stated that if anyone was interested to let him know and the
28 arrangements would be made.
29

30 Norlen stated HL&P hired Jake Duke as for the Utility Line Locator position. Norlen stated T.J. North would
31 move into more of a system planner position (which was mapping).
32

33 Norlen stated the renewal offers for IPP had been mailed and stated that would trigger a round of renewals. If
34 the project was not fully subscribed, another round of renewals would begin and then a third afterward to pick
35 up the orphan shares. Norlen stated he had attended the Generation and Transmission Subcommittee meeting
36 Monday in Las Vegas and there was still a lot of discussion with regard to what the size of the actual units were
37 going to be after they repowered and what the make-up of all of it would be.
38

39 Norlen stated that with regard to the Rocky Mountain Power line, Harold had been working intermittently with
40 their survey and right of way acquisition team, but there was not much to report currently. With regard to the
41 interconnect, Norlen expressed some concern regarding the proposed Heber City zoning and how it would
42 affect HL&P's property located near the Event Center. Staff felt there would need to be more involvement with
43 that process to protect HL&P. Norlen stated there had been a significant investment made for that project and
44 the Board was in agreement with his concern. Norlen stated they had attended meetings with Wasatch County
45 and with Heber Valley Railroad as well. He emphasized that the five acre parcel owned by HL&P was not for
46 sale, and that HL&P would work with Wasatch County with regard to what the future held for those properties.
47

1 With no further business to discuss, Director Kendall Crittenden moved to adjourn the meeting. Director Jeff
2 Bradshaw seconded the motion.

3
4 Voting Aye: Council Member Jeff Bradshaw, Mayor Bob Kowallis, County Council Chairman Kendall
5 Crittenden and Council Member Jeff Smith. Voting Nay: None. Mayor Alan McDonald was excused from the
6 meeting.

7
8 Director Bonner reiterated that the next Board Meeting would be held April 27 at 3:30 p.m.

9
10
11
12 _____
13 Amanda Anderson
14 Board Recorder

**General Ledger
Directors Report 2 - Detail**

MAR 2016

<u>Div</u>	<u>Account</u>	<u>Description</u>	<u>Budget YTD</u>	<u>Current YTD</u>	<u>Budget PTD</u>	<u>Current PTD</u>
0	414.0	OTHER INCOME	48,750.00	4,604.53	16,250.00	3,969.95
0	414.1	POLE ATTACHMENT FEE INCOME	0	0	0	0
0	414.2	CONNECTION FEE INCOME	0	6,295.84	0	2,100.00
0	414.3	PENALTY INCOME	0	11,542.24	0	3,768.82
0	440.0	ELECTRIC - RESIDENTIAL INCOME	2,053,348.29	3,910,297.83	684,449.43	1,107,214.25
0	442.0	ELECTRIC - COMMERCIAL INCOME	1,573,953.36	0	524,651.12	0
0	445.0	JORDANELLE POWER SALES	413,062.80	191,698.25	137,687.60	65,199.34
0	445.1	JORDANELLE O & M	0	13,176.85	0	4,158.00
0	451.0	WRITE OFFS COLLECTED	0	356.67	0	0
0	451.1	METER READING CHARGE	0	180.00	0	60.00
Line 1. Operating Revenue and Patronage Capital			4,089,114.45	4,138,152.21	1,363,038.15	1,186,470.36
0	542.0	HYDRO MAINTENANCE	0	877.59	0	752.88
0	547.0	GAS GENERATION - FUEL COSTS	127,285.74	46,809.87	42,428.58	15,380.42
0	548.0	GENERATION EXPENSE	164,819.31	190,295.68	54,939.77	34,589.73
Line 2. Power Production Expense			292,105.05	237,983.14	97,368.35	50,723.03
0	555.0	POWER PURCHASES	1,720,162.65	1,247,619.14	573,387.55	237,390.71
0	555.1	JORDANELLE PARTNER ENERGY	413,062.80	139,605.90	137,687.60	0
0	555.2	ENERGY REBATES	12,500.01	11,318.58	4,166.67	8,243.70
Line 3. Cost of Purchased Power			2,145,725.46	1,398,543.62	715,241.82	245,634.41
Line 4. Transmission Expense			0	0	0	0
Line 5. Regional Market Expense			0	0	0	0
0	401.0	OPERATION EXPENSE	78,294.51	66,719.56	26,098.17	21,239.56
0	402.0	MATERIALS - OPERATIONS	7,500.00	78,215.77	2,500.00	70,773.90
0	402.1	SAFETY MATERIALS	11,849.04	7,272.74	3,949.68	7,272.74
Line 6. Distribution Expense - Operation			97,643.55	152,208.07	32,547.85	99,286.20
0	591.0	MAINTENANCE OF STRUCTURES	162,133.05	438,705.75	54,044.35	94,797.65
0	592.0	MAINTENANCE OF STATION EQUIPMENT	122,991.78	181,878.98	40,997.26	41,703.74
0	597.0	METERING MAINTENANCE	500.01	2,556.35	166.67	0
Line 7. Distribution Expense - Maintenance			285,624.84	623,141.08	95,208.28	136,501.39
0	904.0	BAD DEBTS	0	0	0	0
Line 8. Customer Accounts Expense			0	0	0	0
Line 9. Customer Service and Informational Expense			0	0	0	0
Line 10. Sales Expense			0	0	0	0

04/22/2016 11:40:51 am

Page: 2

General Ledger Directors Report 2 - Detail

MAR 2016

Div	Account	Description	Budget YTD	Current YTD	Budget PTD	Current PTD
0	401.1	BUILDING EXPENSES	0	4,210.37	0	2,542.41
0	401.2	TRAINING & TRAVEL	0	7,791.85	0	6,384.45
0	920.0	SALARIES ADMINISTRATIVE	205,419.36	318,265.17	68,473.12	118,839.79
0	920.99	PAYROLL ALLOCATION (SICK, COMP, CAL	0	3,389.76	0	3,389.76
0	921.0	BUSINESS OFFICE SUPPLIES	2,198.85	2,379.11	732.95	840.66
0	921.1	OPERATIONS OFFICE SUPPLIES	1,655.01	1,468.26	551.67	51.16
0	921.2	LEGAL OFFICE SUPPLIES	3,740.49	1,231.00	1,246.83	1,171.00
0	921.3	POSTAGE/SHIPPING	21,399.99	13,593.88	7,133.33	2,600.05
0	921.4	CREDIT CARD FEES	19,500.00	19,637.67	6,500.00	6,565.94
0	923.0	OUTSIDE SERVICES	10,250.01	1,171.00	3,416.67	0
0	926.0	EMPLOYEE PENSION & BENEFITS	204,630.00	210,926.23	68,210.00	70,681.41
0	926.1	POST EMPLOYMENT BENEFITS	9,219.75	9,486.33	3,073.25	3,162.11
0	926.2	FICA - MEDICARE/SOC SECURITY	58,965.30	39,484.61	19,655.10	0
0	926.3	RETIREMENT	142,488.96	160,386.55	47,496.32	65,847.30
0	926.4	ACTUARIAL CALCULATED PENSION EXPE	0	0	0	0
0	930.2	MISCELLANEOUS	3,558.75	12,435.49	1,186.25	2,342.76
0	930.21	TRAINING/EDUCATION	0	4,612.66	0	0
0	935.0	MAINTENANCE OF GENERAL PLANT	2,750.01	2,370.35	916.67	1,163.38
0	935.1	COMMUNICATIONS	15,066.51	11,979.12	5,022.17	5,027.09
0	935.2	TRUCKS	29,250.00	48,568.05	9,750.00	22,609.08
0	935.3	IT MAINT/SUPPORT	60,455.16	27,358.47	20,151.72	9,611.52
0	935.4	GENERAL PLANT EXPENSE	0	15,049.29	0	0
Line 11. Administrative and General Expense			790,548.15	915,795.22	263,516.05	322,829.87
Line 12. Total Operation & Maintenance Expense (2 thru 11)			3,611,647.05	3,327,671.13	1,203,882.35	854,974.90
0	403.0	DEPRECIATION	498,249.99	399,545.86	166,083.33	125,645.59
Line 13. Depreciation & Amortization Expense			498,249.99	399,545.86	166,083.33	125,645.59
Line 14. Tax Expense - Property & Gross Receipts			0	0	0	0
Line 15. Tax Expense - Other			0	0	0	0
0	427.0	INTEREST EXPENSE	2,336.83	27,818.07	750.72	26,231.96
Line 16. Interest on Long-Term Debt			2,336.83	27,818.07	750.72	26,231.96
Line 17. Interest Charged to Construction - Credit			0	0	0	0
Line 18. Interest Expense - Other			0	0	0	0
0	426.4	COMMUNITY RELATIONS	3,125.01	4,966.24	1,041.67	4,000.00

04/22/2016 11:40:51 am

Page: 3

General Ledger Directors Report 2 - Detail

MAR 2016

Div	Account	Description	Budget YTD	Current YTD	Budget PTD	Current PTD
Line 19.		Other Deductions	3,125.01	4,966.24	1,041.67	4,000.00
Line 20.		Total Cost of Electric Service (12 thru 19)	4,115,358.88	3,760,001.30	1,371,758.07	1,010,852.45
Line 21.		Patronage Capital & Operating Margins (1 minus 20)	-26,244.43	378,150.91	-8,719.92	175,617.91
	0 419.0	INTEREST INCOME	3,750.00	6,207.82	1,250.00	2,249.30
Line 22.		Non Operating Margins - Interest	3,750.00	6,207.82	1,250.00	2,249.30
Line 23.		Allowance for Funds Used During Construction	0	0	0	0
Line 24.		Income (Loss) from Equity Investments	0	0	0	0
	0 415.0	CONSTRUCTION INCOME	198,750.00	336,176.07	66,250.00	139,105.40
	0 421.0	IMPACT FEE REVENUE	167,499.99	214,122.94	55,833.33	88,086.74
	0 421.1	GAIN ON SALE OF ASSET	0	-22,499.65	0	0
Line 25.		Non Operating Margins - Other	366,249.99	527,799.36	122,083.33	227,192.14
Line 26.		Generation and Transmission Capital Credits	0	0	0	0
Line 27.		Other Capital Credits and Patronage Dividends	0	0	0	0
Line 28.		Extraordinary Items	0	0	0	0
Line 29.		Patronage Capital or Margins (21 thru 28)	343,755.56	912,158.09	114,613.41	405,059.35
		Operating - Margin	343,755.56	912,158.09	114,613.41	405,059.35
		Non Operating - Margin	0	0	0	0
		Times Interest Earned Ratio - Operating		14.59		
		Times Interest Earned Ratio - Net		33.79		
		Times Interest Earned Ratio - Modified		33.79		

04/22/2016 11:40:51 am

General Ledger Directors Report 2 - Detail

Page: 4

PARAMETERS ENTERED:

Period : MAR 2016
Report Basis : Fiscal Year
Division : All
Budget Revision : Highest

04/22/2016 11:43:43 am

Page: 1

General Ledger Financial And Operating Report Electric Distribution

BALANCE SHEET FOR MAR 2016

	Last Year	This Year	Variance
ASSETS AND OTHER DEBITS			
1. Total Utility Plant in Service	54,180,336.25	55,500,596.49	1,320,260.24
2. Construction Work in Progress	29,967.48	332,598.29	302,630.81
3. Total Utility Plant (1 + 2)	54,210,303.73	55,833,194.78	1,622,891.05
4. Accum. Provision for Depreciation and Amort.	23,583,835.99	25,087,843.19	1,504,007.20
5. Net Utility Plant (3 - 4)	30,626,467.74	30,745,351.59	118,883.85
6. Non-Utility Property (Net)	0.00	0.00	0.00
7. Invest. in Subsidiary Companies	0.00	0.00	0.00
8. Invest. in Assoc. Org. - Patronage Capital	0.00	0.00	0.00
9. Invest. in Assoc. Org. - Other - General Funds	0.00	0.00	0.00
10. Invest. in Assoc. Org. - Other - Nongeneral Funds	0.00	0.00	0.00
11. Invest. in Economic Development Projects	0.00	0.00	0.00
12. Other Investments	0.00	0.00	0.00
13. Special Funds	0.00	0.00	0.00
14. Total Other Property & Investments (6 thru 13)	0.00	0.00	0.00
15. Cash - General Funds	1,807,447.84	2,952,246.15	1,144,798.31
16. Cash - Construction Funds - Trustee	330,965.74	331,297.77	332.03
17. Special Deposits	2,536,583.45	3,092,828.53	556,245.08
18. Temporary Investments	162,096.81	132,059.54	-30,037.27
19. Notes Receivable (Net)	0.00	0.00	0.00
20. Accounts Receivable - Sales of Energy (Net)	1,793,933.44	1,840,605.99	46,672.55
21. Accounts Receivable - Other (Net)	63,428.84	-6,205.04	-69,633.88
22. Renewable Energy Credits	0.00	0.00	0.00
23. Material and Supplies - Electric & Other	1,255,585.61	1,301,652.31	46,066.70
24. Prepayments	26,354.78	242,330.65	215,975.87
25. Other Current and Accrued Assets	1,175.46	1,175.46	0.00
26. Total Current and Accrued Assets (15 thru 25)	7,977,571.97	9,887,991.36	1,910,419.39
27. Regulatory Assets	0.00	0.00	0.00
28. Other Deferred Debits	0.00	0.00	0.00
29. Total Assets and Other Debits (5 + 14 + 26 thru 28)	38,604,039.71	40,633,342.95	2,029,303.24

04/22/2016 11:43:43 am

Page: 2

General Ledger Financial And Operating Report Electric Distribution

BALANCE SHEET FOR MAR 2016

	Last Year	This Year	Variance
LIABILITIES AND OTHER CREDITS			
30. Memberships	0.00	0.00	0.00
31. Patronage Capital	9,581,531.37	9,351,131.37	-230,400.00
32. Operating Margins - Prior Years	13,194,016.19	14,612,717.58	1,418,701.39
33. Operating Margins - Current Year	760,494.17	912,158.09	151,663.92
34. Non-Operating Margins	0.00	0.00	0.00
35. Other Margins and Equities	0.00	0.00	0.00
36. Total Margins & Equities (30 thru 35)	23,536,041.73	24,876,007.04	1,339,965.31
37. Long-Term Debt - RUS (Net)	9,169,999.66	8,824,196.34	-345,803.32
38. Long-Term Debt - FFB - RUS Guaranteed	0.00	0.00	0.00
39. Long-Term Debt - Other - RUS Guaranteed	0.00	0.00	0.00
40. Long-Term Debt - Other (Net)	764,459.00	748,719.00	-15,740.00
41. Long-Term Debt - RUS Econ. Devel. (Net)	0.00	0.00	0.00
42. Payments - Unapplied	0.00	0.00	0.00
43. Total Long-Term Debt (37 thru 41 - 42)	9,934,458.66	9,572,915.34	-361,543.32
44. Obligations Under Capital Leases - Noncurrent	2,310,923.50	2,100,673.19	-210,250.31
45. Accumulated Operating Provisions	0.00	0.00	0.00
46. Total Other Noncurrent Liabilities (44 + 45)	2,310,923.50	2,100,673.19	-210,250.31
47. Notes Payable	0.00	0.00	0.00
48. Accounts Payable	1,406,014.78	627,281.82	-778,732.96
49. Consumers Deposits	2,006.63	8,270.00	6,263.37
50. Current Maturities Long-Term Debt	0.00	0.00	0.00
51. Current Maturities Long-Term Debt - Econ. Devel.	0.00	0.00	0.00
52. Current Maturities Capital Leases	0.00	0.00	0.00
53. Other Current and Accrued Liabilities	879,608.99	1,280,944.91	401,335.92
54. Total Current & Accrued Liabilities (47 thru 53)	2,287,630.40	1,916,496.73	-371,133.67
55. Regulatory Liabilities	534,985.42	2,171,377.30	1,636,391.88
56. Other Deferred Credits	0.00	0.00	0.00
57. Total Liab. & Other Credits (36+43+46+54 thru 56)	38,604,039.71	40,637,469.60	2,033,429.89
Current Assets To Current Liabilities	3.49	5.16	to 1
Margins and Equities To Total Assets	60.97	61.22	%
Long-Term Debt To Total Utility Plant	18.33	17.15	%

04/22/2016 11:43:43 am

Page: 3

General Ledger

Financial And Operating Report Electric Distribution

PARAMETERS ENTERED:

Period: MAR 2016
Standard Financial: RUS Form 7
Group By: All
Division: All
Department: All
Format: Summary
Include Departments: No
Round To Whole Dollars: No
Report Basis: Fiscal Year
Budget Revision: Highest
Financial And Statistical Data: No
Compare: Budget

General Ledger

Financial And Operating Report Electric Distribution

INCOME STATEMENT FOR MAR 2016

Item	-----Year - To - Date-----			-----Period - To - Date-----	
	Last Year	This Year	Budget	Current	Budget
1. Operating Revenue and Patronage Capital	3,687,193.28	4,138,152.21	4,089,114.45	1,186,470.36	1,363,038.15
2. Power Production Expense	187,110.51	237,983.14	292,105.05	50,723.03	97,368.35
3. Cost of Purchased Power	1,552,209.36	1,398,543.62	2,145,725.46	245,634.41	715,241.82
4. Transmission Expense	0.00	0.00	0.00	0.00	0.00
5. Regional Market Expense	0.00	0.00	0.00	0.00	0.00
6. Distribution Expense - Operation	60,372.27	152,208.07	97,643.55	99,286.20	32,547.85
7. Distribution Expense - Maintenance	325,824.69	623,141.08	285,624.84	136,501.39	95,208.28
8. Customer Accounts Expense	0.00	0.00	0.00	0.00	0.00
9. Customer Service and Informational Expense	0.00	0.00	0.00	0.00	0.00
10. Sales Expense	0.00	0.00	0.00	0.00	0.00
11. Administrative and General Expense	729,731.23	915,795.22	790,548.15	322,829.87	263,516.05
12. Total Operation & Maintenance Expense (2 thru 11)	2,855,248.06	3,327,671.13	3,611,647.05	854,974.90	1,203,882.35
13. Depreciation & Amortization Expense	441,233.40	399,545.86	498,249.99	125,645.59	166,083.33
14. Tax Expense - Property & Gross Receipts	0.00	0.00	0.00	0.00	0.00
15. Tax Expense - Other	0.00	0.00	0.00	0.00	0.00
16. Interest on Long-Term Debt	-25,899.74	27,818.07	2,336.83	26,231.96	750.72
17. Interest Charged to Construction - Credit	0.00	0.00	0.00	0.00	0.00
18. Interest Expense - Other	0.00	0.00	0.00	0.00	0.00
19. Other Deductions	100.00	4,966.24	3,125.01	4,000.00	1,041.67
20. Total Cost of Electric Service (12 thru 19)	3,270,681.72	3,760,001.30	4,115,358.88	1,010,852.45	1,371,758.07
21. Patronage Capital & Operating Margins (1 minus 20)	416,511.56	378,150.91	-26,244.43	175,617.91	-8,719.92
22. Non Operating Margins - Interest	3,936.88	6,207.82	3,750.00	2,249.30	1,250.00
23. Allowance for Funds Used During Construction	0.00	0.00	0.00	0.00	0.00
24. Income (Loss) from Equity Investments	0.00	0.00	0.00	0.00	0.00
25. Non Operating Margins - Other	340,045.73	527,799.36	366,249.99	227,192.14	122,083.33
26. Generation and Transmission Capital Credits	0.00	0.00	0.00	0.00	0.00
27. Other Capital Credits and Patronage Dividends	0.00	0.00	0.00	0.00	0.00
28. Extraordinary Items	0.00	0.00	0.00	0.00	0.00
29. Patronage Capital or Margins (21 thru 28)	760,494.17	912,158.09	343,755.56	405,059.35	114,613.41
Operating - Margin	760,494.17	912,158.09	343,755.56	405,059.35	114,613.41
Non Operating - Margin	0.00	0.00	0.00	0.00	0.00
Times Interest Earned Ratio - Operating	-15.08	14.59			
Times Interest Earned Ratio - Net	-28.36	33.79			
Times Interest Earned Ratio - Modified	-28.36	33.79			

04/22/2016 11:43:42 am

General Ledger

Financial And Operating Report Electric Distribution

Page: 2

PARAMETERS ENTERED:

Period: MAR 2016
Standard Financial: RUS Form 7
Group By: All
Division: All
Department: All
Format: Summary
Include Departments: No
Round To Whole Dollars: No
Report Basis: Fiscal Year
Budget Revision: Highest
Financial And Statistical Data: No
Compare: Budget

04/22/2016 11:46:14 AM

Accounts Payable Check Register

03/01/2016 To 03/31/2016

Bank Account: 1 - ZIONS BANK GENERAL FUND

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
8 03/08/2016	WIRE	1322	HEALTH EQUITY	HSA EMPLOYEE CONTRIBUTIONS	544.23
				EMPLOYEE WITHHOLDINGS	544.23
				MONTHLY FEES	20.65
Total for Check/Tran - 8:					1,109.11
9 03/08/2016	WIRE	558	IRS-PAYROLL W/H		14,634.99
				FWT	18,612.60
				SOCIAL SECURITY	14,551.09
				MEDICARE	14,967.50
					3,500.54
Total for Check/Tran - 9:					66,266.72
10 03/08/2016	WIRE	1065	UTAH STATE RETIREMENT		8,270.00
				LOANS	22,199.32
				EMPLOYEE	298.63
				EMPLOYER	8,270.00
				LOANS	22,010.70
					298.63
Total for Check/Tran - 10:					61,347.28
11 03/01/2016	WIRE	276	CIMA ENERGY LTD	FEB NATURAL GAS	12,929.70
14 03/23/2016	WIRE	1174	ZIONS BANK - WILCREDIT CARD	IPSA MESQUITE TRAVEL EXPENSE	134.30
15 03/23/2016	WIRE	1170	ZIONS BANK - MIFFCREDIT CARD	DICKEYS - RICK'S RETIREMENT	1,115.61
				CINEMARK BDAY GIFT CARDS	410.00
				AUTO SPA PREPAY CARDS	100.00
Total for Check/Tran - 15:					1,625.61
16 03/23/2016	WIRE	1482	ZIONS BANK - SCHICREDITCARD	MEMBER SHIP DUES - UTA & SHRM	449.00
17 03/23/2016	WIRE	1175	ZIONS BANK - WRICREDIT CARD	UNPLUGGED BRAG TAGS	500.00
18 03/24/2016	WIRE	1172	ZIONS BANK - PARCREDITCARD	COVERALLS FOR SNAKE CREEK	102.97
				LOWER SNAKE CREEK MULT REPAIRS	1,098.55
				SIMPLE HELIX	74.95
Total for Check/Tran - 18:					1,276.47
20 03/25/2016	WIRE	1344	ZIONS BANK - MILLCREDIT CARD	LUNCH EXPENSE NISC TRAINING	63.26
21 03/24/2016	WIRE	558	IRS-PAYROLL W/H	FWT	14,113.71
				SOCIAL SECURITY	14,823.20
				MEDICARE	3,466.76

04/22/2016 11:46:14 AM

Accounts Payable Check Register

03/01/2016 To 03/31/2016

Bank Account: 1 - ZIONS BANK GENERAL FUND

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
Total for Check/Tran - 21:					32,403.67
22 03/24/2016	WIRE	1065	UTAH STATE RETIREMENT	EMPLOYEE EMPLOYER LOANS	8,270.00 21,784.00 298.63
Total for Check/Tran - 22:					30,352.63
23 03/24/2016	WIRE	1322	HEALTH EQUITY		544.23 20.65
24 03/31/2016	WIRE	1322	HEALTH EQUITY	EMPLOYEE DEPOSITS	544.23
25 03/31/2016	WIRE	1171	ZIONS BANK - NORCREDIT CARD	MARKET CAMPUS - TRAINING MAPPING -DESKSHARE	29.00 49.95
Total for Check/Tran - 25:					78.95
26 03/31/2016	WIRE	964	STATE TAX COMMISSION-SALES	FEB SALES TAX	52,485.21
27 03/31/2016	WIRE	1167	ZIONS BANK - DUNCREDIT CARD	ADOBE ACROPO PLUS MONTHLY CHARG	15.93
28 03/31/2016	WIRE	1167	ZIONS BANK - DUNCREDIT CARD	APPA WEBINAR	150.00
29 03/29/2016	WIRE	558	IRS-PAYROLL W/H		14,665.31 18,501.58
30 03/29/2016	WIRE	1065	UTAH STATE RETIREMENT	LOANS	8,270.00 22,052.60 298.63
53727 03/04/2016	CHK	121	AFLAC	ACCT CN137	964.26
53728 03/04/2016	CHK	428	FREEDOM MAILING	MAILING CYCLE II	3,485.49
53729 03/04/2016	CHK	480	HEBER CITY CORPORATION	10.23970.1,9.227401,10.24620.10.24625.1	121.54
53730 03/04/2016	CHK	637	LATIMER DO IT BEST HARDWARE	TUFT-SHEET METAL; HINGE;FASTNERS	32.21
53731 03/04/2016	CHK	741	NATIONAL BENEFIT SERVICES INC	CLAIMS PAID INVOICE	597.98
53732 03/04/2016	CHK	744	NBC JANITORIAL SERVICES INC	OPERATIONS AREA CLEANING	1,250.00
53733 03/04/2016	CHK	767	NUTECH SPECIALTIES	MISC KITCH SUP	206.88
53734 03/04/2016	CHK	844	PUBLIC EMPLOYEES HEALTH PROG	MEDICAL, DENTAL, VISION RETIREE INSUR	37,577.01 3,162.11
Total for Check/Tran - 53734:					40,739.12
53735 03/04/2016	CHK	897	SALT LAKE COMMUNITY COLLEGE	STANLEY METER APPRENTICE 3A	732.00

04/22/2016 11:46:14 AM

Accounts Payable Check Register

03/01/2016 To 03/31/2016

Bank Account: 1 - ZIONS BANK GENERAL FUND

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
53736 03/04/2016	CHK	1014	TIMBERLINE GENERAL STORE	PARCELL - POLY FILM MILLER-EXT CORD;DUCT TAPE TUFT;KNIFE;BLADE	25.98 9.48 37.96
Total for Check/Tran - 53736:					73.42
53737 03/04/2016	CHK	1326	ADM OFF OF THE COURTS	SUB FEES JAN SUB FEES	30.00 30.00
Total for Check/Tran - 53737:					60.00
53738 03/04/2016	CHK	1428	CURB IT RECYCLING & WASTE	RECYCLE PICKUP	15.00
53739 03/04/2016	CHK	1486	PLIC - SBD GRAND ISLAND	ACCOUNT 1057998-10001 LIFE; AD&D	3,508.08
53740 03/04/2016	CHK	5	EMILY G WIEDRICH	REFUND OPAY TRM ACCT 57825900	12.46
53741 03/04/2016	CHK	277	CINTAS #180		185.92
53742 03/04/2016	CHK	283	SHAYNE CLUFF	CLUFF - WORK BOOTS	240.00
53743 03/04/2016	CHK	320	CUWCD	JAN HYDROPOWER PURCH	98,272.00 91,476.00
53744 03/04/2016	CHK	366	DRAKE CONTROLS WEST		4,062.96
53745 03/04/2016	CHK	406	FASTENAL COMPANY	MISC FASTENERS - HENNING HENNING-CONDUIT;FASTERNERS HENNING-FLANGE SEALANT	59.10 35.41 174.50
Total for Check/Tran - 53745:					269.01
53746 03/04/2016	CHK	637	LATIMER DO IT BEST HARDWARE	HENNING - FASTNERS; WINDSHIELD WAS HENNING - PLUMBING HENNING-GALV TEE BOND - MISC TOOLS NORTH - MISC HDWE	6.17 9.94 2.79 28.93 9.66
Total for Check/Tran - 53746:					57.49
53747 03/04/2016	CHK	825	PRAXAIR	STARGOLD	27.86
53748 03/04/2016	CHK	913	SEVEN TREES COMPANY	STAKER PARSONS CLEAN UP	1,485.00
53749 03/04/2016	CHK	927	SILVER EAGLE COUNTRY STORE	EAR TAGS - BOND	19.50
53750 03/04/2016	CHK	958	STANDARD PLUMBING SUPPLY CO	LOWER SNAKE CREEK MAINT REPAIR PA TELESCOPING CUTTER - HENNING	27.71 31.19
Total for Check/Tran - 53750:					58.90

04/22/2016 11:46:14 AM

Accounts Payable Check Register

03/01/2016 To 03/31/2016

Bank Account: 1 - ZIONS BANK GENERAL FUND

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
53751 03/04/2016	CHK	1014	TIMBERLINE GENERAL STORE	BROADHEAD - GALV PIPE	2.06
				MOTLEY - SCOOPS;SHOVEL	70.97
				CARLSON - SPRAYPAINT	2.99
				BOND - HAMMER;SCKT;RATCHT;GLOVES;	112.94
Total for Check/Tran - 53751:					188.96
53752 03/04/2016	CHK	1091	WASATCH AUTO PARTS	ICE SCRAPER - HENNING	10.08
				ADAPTERS;HOSE FITTINGS;HENNING	116.04
				REAR VIEW MIRROR CARLSON	145.38
				IMPACT SOCKET - MOTLEY	8.46
Total for Check/Tran - 53752:					279.96
53753 03/04/2016	CHK	1100	WASATCH COUNTY SOLID WASTE	93539;90083	260.00
53754 03/04/2016	CHK	1256	PURE WATER SOLUTIONS	AGREEMENT 3416854 OFFICE	359.70
53755 03/04/2016	CHK	1433	EXECUTECH	MONTHLY MAINT	1,918.00
53756 03/04/2016	CHK	1458	XTELESIS	SHORETEL PHONE;MICROPHONE	859.04
53757 03/10/2016	CHK	105	A T & T	051 267 8562 001 - 435.657.3093	53.15
53758 03/10/2016	CHK	133	ALL WEST COMMUNICATIONS	PHONE/INTERNET	1,129.37
53759 03/10/2016	CHK	251	CASELLE, INC.	SUPPORT APRIL 2016	850.67
53760 03/10/2016	CHK	261	CENTURYLINK	435.657.3093.502B	101.19
53761 03/10/2016	CHK	312	CRC DESIGN, INC	RETIREMENT BANNER FOR R COLEMAN	40.00
53762 03/10/2016	CHK	334	DAY'S MARKET	RICK'S RETIREMENT LUNCHEON	134.30
53763 03/10/2016	CHK	353	DISH NETWORK	MONTHLY SERVICE	133.88
53764 03/10/2016	CHK	366	DRAKE CONTROLS WEST	ADDL FREIGHT EXPENSE	60.42
53765 03/10/2016	CHK	391	EMERALD RECYCLING	system one	107.15
53766 03/10/2016	CHK	406	FASTENAL COMPANY	DEDRICKSON - SAW BLADES	54.78
53767 03/10/2016	CHK	487	HEBER VALLEY	ANNUAL MEMBERSHIP DUES	100.00
53768 03/10/2016	CHK	497	HELWIG CARBON PRODUCTS, INC	12 HL-1 BRUSHES	295.38
53769 03/10/2016	CHK	503	HICKEN OXYGEN	NITROGEN; SULPHER HEXAFLUORIDE	1,168.23
53770 03/10/2016	CHK	557	IPSA	CHAD DALEY APPRENTICE TESTING	150.00
				IPSA BANQUET DINNER	90.00

04/22/2016 11:46:14 AM

Accounts Payable Check Register

03/01/2016 To 03/31/2016

Bank Account: 1 - ZIONS BANK GENERAL FUND

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
Total for Check/Tran - 53770:					240.00
53771 03/10/2016	CHK	733	MOUNTAINLAND METAL WORKS	GAS LINE REGULATOR	208.88
53772 03/10/2016	CHK	741	NATIONAL BENEFIT SERVICES INC	FEB FSA ADM FEE	52.00
53773 03/10/2016	CHK	768	CANON SOLUTIONS AMERICA	COPIER MAINT	58.41
53774 03/10/2016	CHK	845	QUESTAR GAS	5060020000 CO GEN	2,776.49
53775 03/10/2016	CHK	862	RHINEART OIL	GLOVES	415.90
53776 03/10/2016	CHK	908	SECURITY INSTALL SOLUTIONS	WEB HOSTING	190.00
53777 03/10/2016	CHK	910	SENSUS METERING SYSTEMS	SYSTEM SUPPORT	1,750.00
53778 03/10/2016	CHK	922	SHRED-IT USA	13640825 SHREDDING SERVICE OFFICE	58.03
53779 03/10/2016	CHK	1024	TRACY'S AUTO REPAIR CORP		5,568.61
53780 03/10/2016	CHK	1038	UAMPS	JAN ENERGY ENERGY REBATES	463,090.86 4,534.93
Total for Check/Tran - 53780:					467,625.79
53781 03/10/2016	CHK	1047	US DEPT OF ENERGY	FEB ENERGY FEB ENERGY	93,069.13 1,595.06
Total for Check/Tran - 53781:					94,664.19
53782 03/10/2016	CHK	1091	WASATCH AUTO PARTS	MISC TOOLS FOR TRUCK 242	159.87
53783 03/10/2016	CHK	1099	WASATCH COUNTY PARKS & REC	2016 ANNUAL;SILVER PKG	3,400.00
53784 03/10/2016	CHK	1115	WAVE PUBLISHING CO.	JOB ADVERTISEMENT	41.50
53785 03/10/2016	CHK	1138	HAROLD WILSON	TRAVEL EXP - MESQUITE - IPSA	542.43
53786 03/10/2016	CHK	1256	PURE WATER SOLUTIONS		79.95
53787 03/10/2016	CHK	1269	INTERMEDIA.NET INC	EMAIL EXCHANGE HOSTING	683.25
53788 03/10/2016	CHK	1389	SLATE ROCK SAFETY	FR CLOTHING	5,825.16
53789 03/10/2016	CHK	1483	EMILY BRANDT	REIMB TRAVEL EXP - ST GEO E TAGGING	368.52
53790 03/14/2016	CHK	105	A T & T	051 308 7539 001 435.654.3059	40.56
53791 03/14/2016	CHK	267	CHARLESTON TOWN	FEB ENERGY TAX REIMB	1,523.24
53792 03/14/2016	CHK	323	DANIEL TOWN	FEB ENERGY TAX REIMB	1,286.73
53793 03/14/2016	CHK	386	ELECTRICAL WHOLESALE SUPPLY	CABLE TIES;TERM STRIP-BRERETON-SNA	36.16

04/22/2016 11:46:14 AM

Accounts Payable Check Register

03/01/2016 To 03/31/2016

Bank Account: 1 - ZIONS BANK GENERAL FUND

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				SIDE CUT PLIERS - BRERETON	42.27
Total for Check/Tran - 53793:					78.43
53794 03/14/2016	CHK	480	HEBER CITY CORPORATION	MARCH BOARD STIPENDS FEB ENERGY TAX REIMB	1,558.56 38,322.29
Total for Check/Tran - 53794:					39,880.85
53795 03/14/2016	CHK	705	MIDWAY CITY OFFICES	FEB ENERGY TAX REIMB	17,255.36
53796 03/14/2016	CHK	845	QUESTAR GAS	1289910000	423.55
53797 03/14/2016	CHK	960	BRIAN STANLEY	REIMB TRAVEL EXP MESQUITE METERIN	677.79
53798 03/14/2016	CHK	1037	U S POSTMASTER	1,000 49cent stamps	490.00
53799 03/14/2016	CHK	1075	VERIZON WIRELESS	ACCT 965458629-00001	1,685.74
53800 03/14/2016	CHK	1095	WASATCH COUNTY	MARCH BOARD STIIPEND	475.32
53801 03/14/2016	CHK	1164	ZIONS 1ST NATIONAL BANK-TRUST	3525926 MARCH 3535925 MARCH 3535927 MARCH	19,062.93 10,300.00 29,941.67
Total for Check/Tran - 53801:					59,304.60
53802 03/14/2016	CHK	1497	COLLEEN BONNER	MARCH BOARD STIPEND	475.32
53803 03/14/2016	CHK	1498	JOHN KOWALLIS	MAR BOARD STIPEND	475.32
53804 03/14/2016	CHK	3	DEERE CREDIT INC	BACKHOE ANNUAL LEASE	891.11
53807 03/21/2016	CHK	256	CDW-G	CISCO BASE (2)	1,182.53
53808 03/21/2016	CHK	261	CENTURYLINK	ACCT 435.654.1682 903B ACCT 435.654.1118 732B ACCT 435.654.0084 254B	38.22 29.78 101.10
Total for Check/Tran - 53808:					169.10
53809 03/21/2016	CHK	287	CODALE ELECTRIC SUPPLY, INC.		2,463.00
					171,592.12
					109.00
					535.34
					1,955.16
2002 NEC CODE UPDAE					490.00
					185.75
					185.75

04/22/2016 11:46:14 AM

Accounts Payable Check Register

03/01/2016 To 03/31/2016

Bank Account: 1 - ZIONS BANK GENERAL FUND

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
					320.00
					6,769.02
					3,664.36
					1,350.00
					564.10
					211.80
					1,988.45
					590.00
53810	03/21/2016	CHK 382	ELC SECURITY PRODUCTS		280.00
53811	03/21/2016	CHK 386	ELECTRICAL WHOLESALE SUPPLY	CPLG - DEDRICKSON	31.69
				ASSTD BATTERIES - DEDRICKSON	92.65
				LIGHT - BOND - LAKE CREEK XNGS	54.33
				STRAPS - POLE REPLACEMENTS - CARLSO	6.29
				LIGHT - BOND	13.01
				Total for Check/Tran - 53811:	197.97
53812	03/21/2016	CHK 395	EPG TESTING & SAFETY TRAINING	RUBBER GLOVE TESTING	35.50
53813	03/21/2016	CHK 428	FREEDOM MAILING	CYCLE 1 BILLINGS W/ ADDL MAILER	2,110.05
53814	03/21/2016	CHK 462	GREEN GUARD	FIRST AID SUPPLIES REFILLS	861.00
53815	03/21/2016	CHK 845	QUESTAR GAS	134406000	50.37
53816	03/21/2016	CHK 910	SENSUS METERING SYSTEMS		4,613.36
53817	03/21/2016	CHK 960	BRIAN STANLEY	WORK BOOT REIMBURSEMEN	129.08
53818	03/21/2016	CHK 1075	VERIZON WIRELESS	842074880-00001	10.02
53819	03/21/2016	CHK 1124	WEST PAYMENT CENTER	FEB INFO CHARAGES	1,171.00
53820	03/21/2016	CHK 1172	ZIONS BANK - PARCREDITCARD	TRAVEL EXP ANAHEIM - 5 EMPLOYEES	2,515.97
				SIMPLE HELIX-IPAD CASE;ADAPTORS	418.15
				POWER SUPPLY	317.05
				Total for Check/Tran - 53820:	3,251.17
53821	03/21/2016	CHK 1178	ZIPLOCAL	ONLINE DIRECTORY	15.00
53822	03/21/2016	CHK 1192	BISMARCK STATE COLLEGE	DIGGS SPRING 2016 TUITON	1,516.44
53823	03/21/2016	CHK 1347	ALTITUDE EQUIPMENT RENTAL	MIKISA JUMPING JACK COMPACTOR	105.84
				3 CHAINS	74.97
				Total for Check/Tran - 53823:	180.81

04/22/2016 11:46:14 AM

Accounts Payable Check Register

03/01/2016 To 03/31/2016

Bank Account: 1 - ZIONS BANK GENERAL FUND

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
53824 03/21/2016	CHK	1433	EXECUTECH	MONTHLY MAINT AGREEMENT	1,971.99
53825 03/21/2016	CHK	1450	ON-SITE FLEET MANAGEMENT	204 MAINT/REPAIR 206 MAINT/REPAIR	250.49 311.36
Total for Check/Tran - 53825:					561.85
53826 03/21/2016	CHK	1467	NISC	MILESTONE PAY 4,5,6 & TRAVEL EXPENS	27,205.49
53827 03/25/2016	CHK	4	RUTH DRAPKIN	REFUND OPAY TERM ACCT 11810000	89.71
53828 03/25/2016	CHK	105	A T & T	030 055 0933 001 435.654.1581	113.92
53829 03/25/2016	CHK	139	ALTEC CAPITAL SERVICES	LEASE 43953 & LEASE 41734	12,092.00
53830 03/25/2016	CHK	256	CDW-G	DPL CABLE TRIPP 10M DUPL SM CABLE LOGIC WIRELESS MOUSE VIEWSONIC MONITOR (2)	59.57 32.97 74.20 261.22
Total for Check/Tran - 53830:					427.96
53831 03/25/2016	CHK	337	DELL BUSINESS CREDIT	LATE FEE	24.00
53832 03/25/2016	CHK	353	DISH NETWORK	8255 7070 8097 5803	133.88
53833 03/25/2016	CHK	382	ELC SECURITY PRODUCTS	FREIGHT CHARGES PO 1012	36.50
53834 03/25/2016	CHK	406	FASTENAL COMPANY	ABSORBANT	24.10
53835 03/25/2016	CHK	479	HEBER APPLIANCE	MICROWAVE	115.00
53836 03/25/2016	CHK	686	MCFARLAND CASCADE		40,690.00
53837 03/25/2016	CHK	733	MOUNTAINLAND METAL WORKS	UNIT II HEATER REPAIR	954.50
53838 03/25/2016	CHK	767	NUTECH SPECIALTIES	KITCHEN SUPPLIES kitchen supplies	123.95 42.08
Total for Check/Tran - 53838:					166.03
53839 03/25/2016	CHK	775	OLYMPUS INSURANCE AGENCY	ANNUAL POLICY RENEWAL	189,440.00
53840 03/25/2016	CHK	825	PRAXAIR	STARGOLD	26.64
53841 03/25/2016	CHK	844	PUBLIC EMPLOYEES HEALTH PROG		37,577.01 3,162.11
53842 03/25/2016	CHK	845	QUESTAR GAS	8060020000 2289910000	858.16 717.36

04/22/2016 11:46:14 AM

Accounts Payable Check Register

03/01/2016 To 03/31/2016

Bank Account: 1 - ZIONS BANK GENERAL FUND

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
Total for Check/Tran - 53842:					1,575.52
53843 03/25/2016	CHK	910	SENSUS METERING SYSTEMS	100 METERS	15,100.00
53844 03/25/2016	CHK	1243	R & R MACHINE SERVICE		2,250.00
					3,293.10
53845 03/25/2016	CHK	1425	GOVERNMENT LEASING & FINANCE IN	2016 Generator Interest Payment 1	25,481.24
53846 03/25/2016	CHK	1481	UPPER CASE PRINTING INK	BILLING INSERT	182.68
53847 03/25/2016	CHK	1496	THE WILSON BOHANNAN COMPANY		332.64
					4.80
53848 03/25/2016	CHK	1501	ENVIRONMENTAL SYSTEMS RESEARC		5,350.00
					11,500.00
53849 03/31/2016	CHK	312	CRC DESIGN, INC	SAFETY SIGNING	422.00
53850 03/31/2016	CHK	338	DELL FINANCIAL SERVICES	LEASE 001 7967881 015	913.86
53851 03/31/2016	CHK	557	IPSA	STANLEY TESTING DALEY	150.00
					150.00
Total for Check/Tran - 53851:					300.00
53852 03/31/2016	CHK	913	SEVEN TREES COMPANY	STAKER PARSON PIT CLEAN UP	2,100.00
53853 03/31/2016	CHK	961	STAPLES CORPORATE ACCOUNTS	PLANNER	51.16
53854 03/31/2016	CHK	1148	WORKERS COMPENSATION FUND	1238459 - DOWN PAYMENT	7,806.54
53855 03/31/2016	CHK	1347	ALTITUDE EQUIPMENT RENTAL	RUNABOUT LIFT RENTAL	66.15
53856 03/31/2016	CHK	1419	WORKFORCEQA	UDOT DRUG TESTING	132.00
53857 03/31/2016	CHK	1486	PLIC - SBD GRAND ISLAND	LIFE/ADD/LTD	2,338.72
53858 03/31/2016	CHK	1496	THE WILSON BOHANNAN COMPANY	FREIGHT CHARGE	28.28
53859 03/31/2016	CHK	780	O'REILLY AUTOMOTIVE INC	PRY BAR SET - HENNING WIPER BLADES FUSES - TJ	21.99
					20.78
					4.99
Total for Check/Tran - 53859:					47.76
53860 03/31/2016	CHK	1024	TRACY'S AUTO REPAIR CORP	TRANSMISSION REPAIR 2 TIRES	822.14
					399.64
Total for Check/Tran - 53860:					1,221.78

04/22/2016 11:46:14 AM

Accounts Payable Check Register

Page 10

03/01/2016 To 03/31/2016

Bank Account: 1 - ZIONS BANK GENERAL FUND

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
53861 03/31/2016	CHK	1031	TUNEX COMPLETE CAR CARE	VEH MAINT 212	44.61
53911 03/31/2016	CHK	356	DIVERSIFIED INSPECTIONS INC	VEHICLE SAFETY INSPECTIONS	2,070.00
53912 03/31/2016	CHK	439	GASCARD, INC.	MARCH GAS/DIESEL	1,820.46
Total for Bank Account - 1 :					(155) 1,899,798.47
Grand Total :					(155) 1,899,798.47

04/22/2016 11:46:14 AM

Accounts Payable Check Register

Page 11

PARAMETERS ENTERED:

Check Date: 03/01/2016 To 03/31/2016
Bank: All
Vendor: All
Check: All
Journal: All
Format: All GL References/Amounts
Extended Reference: No
Sort By: Check/Transaction
Voids: None
Payment Type: All
Group By Payment Type: No
Minimum Amount: 0.00
Authorization Listing: No
Authorization Comments: No
Credit Card Charges: No

**HEBER LIGHT & POWER COMPANY
BOARD RESOLUTION NO. 2016-03**

***RESOLUTION PROVIDING FOR DISTRIBUTIONS TO MEMBERS
FROM DISTRIBUTABLE INCOME***

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

WHEREAS the Company’s Organization Agreement (“Agreement”) provides that the Company may make distributions to its Members from distributable income (“Distributable Income”) as defined in Paragraph J. 2. of the Agreement.

WHEREAS the Company’s 2016 Annual Budget provides for quarterly distributions to the Members from Distributable Income.

WHEREAS the Company has sufficient Distributable Income to fund the quarterly, budgeted distribution for the first quarter of 2016.

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

1. The Board has determined that the Company has net income available for distribution to the Members after the payment of all operating expenses and debt service costs of the Company and the funding of all rate stabilization, surplus or similar funds established under the Company’s bond indenture or resolution, or of any contingency reserves determined by the Board to be reasonably necessary to pay unexpected energy price fluctuations and equipment failures or to provide rate stabilization.
2. Pursuant to the Agreement, the Company shall therefore make the first quarter dividend payment to the Members as provided in the 2016 Annual Budget.

APPROVED AND ADOPTED the ___ day of April, 2016.

Heber Light & Power Company

Attest:

Chairman of Board of Directors

Board Secretary

HEBER LIGHT & POWER COMPANY
RENEWABLE ENERGY
SOLAR POWER SALES PILOT PROGRAM
GUIDELINES

A. Overview of Pilot Program.

The Solar Power Sales Pilot Program (“Pilot Program”) gives Customers the opportunity to sell Solar Power to the Company under a long-term power sales contract. This Pilot Program is open to General Services Customers who are in good standing, and comply with these Guidelines. The capitalized terms in these Guidelines and attachments are defined in Attachment A.

The Pilot Program will accept applications until December 31, 2017, unless the deadline is extended by the Company’s Board of Directors. The Company will process applications on a first-come, first-served basis. The Application form is attached as Attachment B.

Customers participating in the Pilot Program will execute a Solar Power Sales Agreement (“Sales Agreement”) which requires the Company to purchase and the Customer to sell all of the electricity delivered from the Customer’s Solar Facility for the estimated useful life of the Facility. The Company will pay for the electricity at the rate of \$.06/kWh or an adjusted rate based on the characteristics or location of the Solar Facility. The disposition of the renewable energy credits associated with the generation will be a negotiated term of the Sales Agreement.

Pilot Program Customers will also execute an Interconnection Agreement which provides for the Solar Facility’s design specifications and interconnection to the Company’s System. The Interconnection Agreement provides for the Company’s installation of a Production Meter which is a separate, wholesale meter that measures the generation from the Solar Facility. The Solar Power delivered to the Company is a source of power for delivery to all Company Customers, like any other source of power generated or purchased by the Company.

The Customer’s sale of Solar Power and interconnection to the Company’s System does *not* change the Customer’s electric bill or the Company’s delivery of electricity to the Customer. The Company will continue to sell and the Customer will continue to purchase electricity in the same manner and at the same rate as the Customer did prior to entering the Program. This electricity will be measured through the Customer’s Service Meter.

The Pilot Program applies to a Solar Facility that is located at the Customer’s Service Address and that has a total capacity of more than 25 kW and not greater than 250 kW. Customers with smaller solar generators must comply with the Company’s Net-Metering Policy. The Company currently does not have a policy permitting interconnection of solar generators having a capacity of more than 250 kW but will consider purchasing production from such facilities on a case-by-case basis as it does from other wholesale providers.

The Company's need for electric power is constantly growing as the population of the Heber Valley grows. The Company is therefore looking for power to serve this population growth. This Pilot Program gives the Company and Customers the opportunity to tap the potential of solar generation to help supply a portion of this future demand.

B. System and Circuit Limitations on Renewable Energy Connections.

The Company's System and the individual circuits within the System are sized for safe and efficient delivery of power. The addition of Renewable Generation can quickly overload and damage the Company's equipment because of, among other things, the dramatic and unpredictable fluctuations in the production from Renewable Generation. The Company therefore may reject a Solar Facility if the Facility and existing Renewable Generation would exceed the limitations of the Company's System as a whole or the individual circuit that serves the proposed Solar Facility. In such a case, the Customer may request that the Company, at the Customer's expense, obtain a system study that identifies System Upgrades that may resolve these limitations. The Company, in its discretion, may approve the Solar Facility conditioned upon the Customer paying for the system study and any recommended System Upgrades.

Because of these system and circuit limitations, completed Applications are accepted and considered on a first-come first-served basis. A completed Application includes all supporting documentation and information reasonably requested by the Company.

C. Terms of Sales Agreement and Interconnection Agreement.

Draft Interconnection Agreement and Sales Agreement are attached as Attachments C and D. It is anticipated that the Agreements executed by the Parties will be substantially the same as these drafts. The Company's general manager however has the authority to modify the terms of these Agreements to address a Customer's special circumstances.

D. Sales Price for Energy Produced by Customer's Solar Facility.

The Sales Price for the Energy from the Customer's Solar Facility is based on the value of Solar Power to the Company. The value of solar is based on an assessment of the benefits that solar generation provides to the Company and of the unique costs that the Company incurs in connection with Solar Power. Through this assessment, the Company seeks to assure that the Customer with a Solar Facility is not subsidizing or being subsidized by other Company Customers.

Solar Power benefits the Company through the costs that the Company avoids by not generating or purchasing electricity for sale to Customers. In some situations, Solar Power may further benefit the Company by delaying capital investment for distribution capacity or for generation. These Solar Power benefits may be more or less depending on the Solar Facility's design, location, and the capacity of the Company's lines on which the Facility is located.

Partially offsetting these benefits are the costs of incorporating Solar Power into the Company's mix of electricity resources. One of these costs arises from the fact that a Solar

Facility's energy production depends on the availability of sunlight. The Company may incur additional operation costs in taking Solar Power when demand for energy is low or filling-in energy when the Facility is unable to generate power.

Having assessed these benefits and costs, the Company determines a value for the Solar Power and sets a base rate, expressed in cents per kilowatt-hour (kWh). The base rate is the default rate at which the Company would purchase Solar Power under the Pilot Program. The Company's general manager, however, may increase or decrease the base rate to properly compensate the Customer based on the specifics of the Solar Facility's design or location, and the capacity of the Company's lines on which the Facility is located.

Before submitting an Application, the Customer is strongly encouraged to meet with the Company personnel to discuss how the Customer can enhance the rate that the Company pays for the Solar Power.

E. Steps in Program Approval and Installation Process.

The following is a summary of the steps that the Customer must complete to qualify for and participate in the Pilot Program:

1. Submission of Application and Application Fee. The Customer submits a completed Application and pays the application fee. The completed Application includes all information required by the Application and its instructions including the design of the Solar Facility

2. Preliminary Engineering Review. The Company's engineer reviews the Application and supporting documentation to determine whether the Solar Facility would exceed the Company's System and circuit limitations and to identify any System Upgrades that would permit the safe and efficient interconnection of the Facility. The cost of the preliminary engineering review is included in the application fee.

3. Design Review and Approval. Upon completion of the preliminary engineering review, the Company will complete its design review and will notify the Customer: (a) that the Application has been approved subject to reasonable conditions including the installation of System Upgrades at the Customer's expense or (b) that the Application has been rejected and the reasons for the rejection.

4. Post-Approval Agreements and Fees.

a. The Company and Customer execute the Power Sales Agreement and Interconnection Agreement that govern the construction, operation, and maintenance of the Solar Facility and the purchase and sale of the Solar Power. The executed Agreements shall govern the parties and supersede and replace the Guidelines except to the extent that the Agreements incorporate the Guidelines.

b. The Customer pays the Company the estimated cost to make required System Upgrades.

5. Construction of Facility and System Upgrades. The Customer constructs the Solar Facility in a manner consistent with the approved design, the Agreements, and applicable building and electrical codes. The Company constructs the System Upgrades, if any.

6. Testing and Permit to Operate. Upon completion of construction, the Customer tests the Solar Facility to insure compliance with Agreements including applicable codes and submits proof of compliance to the Company. If the Facility is in compliance, the Company issues a Permit to Operate and installs the Production Meter. The Customer may then close the disconnection switch and begin production.

7. Operation and Maintenance. The Customer and the Company operate and maintain their respective facilities in a manner consistent with the Agreements including Manufacturer Directions and applicable electric codes.

8. Sale/Purchase of Power. As provided in the Power Sales Agreement, the Customer shall sell and the Company shall purchase all Solar Power delivered from the Facility for the Agreements' term.

F. Qualifications to Participate in Pilot Program.

A Customer wishing to participate in the Pilot Program must satisfy the following requirements:

1. General Service Customer. The Customer must be a General Services Customer and remain a General Service Customer at the location of the Solar Facility during the term of the Agreements.

2. Technical/Operational Expertise. The Customer must provide documentation showing that the Customer's project development team is qualified to design, construct, operate and maintain the Solar Facility.

3. Solar Generator Capacity. The proposed Solar Facility must be a solar photovoltaic generator with a capacity of not less than 25 kW or greater than 250 kW. If the capacity is 100 kW or more, the Solar Facility must be equipped with an inverter that permits remote control by the Company.

4. Company System and Circuit Limitations. Aggregate total Renewable Generation permitted on the Company's System is 15% of the System's peak demand and on individual circuits is 15% of the circuit's peak demand. If the proposed Solar Facility exceeds either of these limitations, the Customer may pay the cost of System Upgrades to mitigate the system or circuit impacts of the Solar Facility. In some cases, these system and circuit limitations may prevent additional Solar Facilities from being connected to the System or a circuit.

5. Solar Facility Location and Land Use Compliance. The Solar Facility shall be located on the property: (a) where the Company provides the Customer retail service, (b)

that Customer owns or has the right to use for the Solar Facility for not less than the Facility's estimated useful life, and (c) that the land use authority or other governmental authority has approved as a location for a Solar Facility.

6. Application, Agreements and Fees. The Customer must: (a) submit a completed Application including all supporting documentation and any additional information reasonably required by the Company, (b) execute and deliver, upon the Company's approval of the Application, a Sales Agreement and Interconnection Agreement, and (c) must timely pay all fees and costs due the Company.

7. Construction, Operation, and Maintenance of Solar Facility. The Customer shall, at its own cost: (a) construct, operate and maintain the Solar Facility in a manner consistent with the Agreements and the Program Standards including all applicable permitting, building codes, planning and land use requirements and (b) deliver and sell all of the output from the Solar Facility to the Company.

8. Insurance. The Customer shall provide proof of insurance appropriate for the size of the Solar Facility.

9. Permit to Operate. The Customer shall notify the Company of completion of the Solar Facility and provide proof that the Facility was constructed and operates in compliance with the Agreements. If the Solar Facility is in compliance, the Company will install the Production Meter and will issue a Permit to Operate. The Customer may then close the disconnect switch and operate the Facility connected to the System.

G. Disconnection and Discontinuance of Service.

The Company may disconnect the Solar Facility if its operation is not consistent with the Agreements or adversely affects other customers. In addition, the Company may disconnect the Solar Facility if the Customer transfers the Facility or the property where the Facility is located, unless the new owner satisfies the Program requirements.

H. Customer Fees.

1. Application Fee.
2. Engineering Fee.
3. System Upgrade Costs.

ATTACHMENT A

ATTACHMENT A

Definitions

1. “Agreements” means the Sales Agreement and Interconnection Agreement.
2. “Application” means the Application to Participate in the Heber Light & Power Company Solar Power Sales Pilot Program, including the instructions and supporting documents.
3. “Applicable Law” means any and all applicable laws, rules, regulations, ordinances, codes, orders or permits of any and all Governmental Authorities, including zoning, construction, environmental and worker safety laws.
4. “Approved Application” means the Application to Participate in the Solar Power Sales Pilot Program and supporting documents submitted by the Customer and approved by the Company for participating in the Pilot Program. The Application and supporting documents are attached as Exhibit B.
5. “Company” means the Heber Light & Power Company, a Utah energy services interlocal entity and political subdivision.
6. “Company’s System” means (a) the Company’s distribution facilities used to generate and deliver electricity to its customers and (b) those facilities of that are necessary, consistent with Prudent Utility Practice, to permit the Company to take at the Meter the Energy generated by the Customer’s Facility.
7. “Customer” means the Customer identified in the first sentence of the Interconnection Agreement.
8. “Default” is defined in Section 14 of the Interconnection Agreement.
9. “Default Amount” is defined in Section 15.3 of the Interconnection Agreement.
10. “Electric Codes” means: the National Electric Code, the National Electric Safety Code, IEEE Standards, and Underwriters Laboratories Standards.
11. “Energy” shall the electricity produced by the Solar Facility and delivered to the Meter.
12. “Emergency” is defined in Section 10.1 of the Interconnection Agreement.
13. “Force Majeure” means causes or events beyond the reasonable control of, and without the fault or negligence of the Party claiming Force Majeure, such as: (a) acts of God, sudden actions of the elements such as floods, earthquakes, hurricanes, or tornadoes; (b) high winds of sufficient strength or duration to materially damage a properly designed or constructed facility or significantly impair its operation; (c) lightning, fire, or ice storms; (d) sabotage or vandalism beyond that which could reasonably be prevented by the Party claiming Force Majeure; (e) terrorism, war, fire, riot, explosion, blockade, or insurrection; (f) strike, slow down,

or labor disruptions (even if such difficulties could be resolved by conceding to the demands of a labor group); (g) actions or inactions by any governmental authority taken after the date hereof (including the adoption or change in any rule or regulation or environmental constraints lawfully imposed by such Governmental Authority) but only if such requirements, actions, or failures to act prevent or delay performance; and (h) inability, despite due diligence, to obtain any licenses, permits, or approvals required by any governmental authority. A Force Majeure does not include (1) events caused by an act of negligence or wrongdoing by the Party claiming Force Majeure; (2) events arising from the failure by the Party claiming Force Majeure to design, construct, operate or maintain a facility in accordance with Prudent Utility Practices and the Agreements; (3) market forces or economic conditions that adversely affect a party's economic ability to economically use or resell the Electric Power or operate, maintain, repair or replace their respective facilities; or (4) the Customer's ability to sell the Electric Power at a price greater than the Contract Price; (5) failure of third parties to provide services, materials, and equipment essential to a party's performance, unless such failure is caused by a Force Majeure; (6) delays in or an inability of the Party claiming Force Majeure to obtain financing or (7) economic hardship.

14. "General Services Customer" means a Customer who is not a Residential Customer and includes small, medium and large General Services Customers.

15. "Governmental Authority" shall mean any federal, state, regional, county, town, city, municipality or political subdivision whether domestic or foreign, or any department, agency, bureau, or other administrative, regulatory or judicial body of any such government, including the Company.

16. "Interconnection Agreement" means the Interconnection Agreement executed by the Parties effective on _____.

17. "Manufacturer Directions" means equipment manufacturer's directions for: (a) the safe and effective installation, operation and maintenance of the Solar Facility or (b) for testing the Facility.

18. "Monthly Statement" is defined in Section 4.3 of the Sales Agreement.

19. "Party" or "Parties" means, individually or collectively, the Customer or Company.

20. "Production Meter" means the meter that measures the Energy produced by the Solar Facility and delivered at the Meter to the Company.

21. "Program" means the Solar Power Sales Pilot Program approved by the Company's Board of Directors on _____.

22. "Program Guidelines" means the guidelines for the implementation of the Program, approved by the Company's Board of Directors on _____.

23. "Program Standards" or "Standards" means, individually and collectively, the following as they may be amended from time to time: (a) the Approved Application, including

design criteria and specifications for the Solar Facility, (b) Prudent Utility Practice, (c) Electric Codes, (d) the Company's Interconnection Standards, (e) Manufacturers Directions, (f) Applicable Law, (g) the Permit to Operate including any conditions to or limitations on the Customer's operation and maintenance of the Facility, (h) the Interconnection Agreement, and (i) the Sales Agreement.

24. "Prudent Utility Practice" means any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Prudent utility practices is not intended to be limited to the optimum practice, method or act to the exclusion of others, but rather to be practices, methods or acts generally accepted in the industry and region. Prudent Utility Practices includes meeting at a minimum the laws or regulations applicable to the activities, facilities or decisions involved and the National Electric Safety Code, as last revised.

25. "Rate" means the price per kWh in Section 4.2 of the Sales Agreement that the Company shall pay the Customer for Energy produced by the Facility and delivered to the Meter.

26. "Renewable Generation" means [check to make sure that we need this. May be easier to just define for Interconnections Standards].

27. "Residential Service" means electric service provided to a customer solely for domestic purposes in (1) single family dwelling units; (2) apartments where each dwelling unit is separately metered and billed; and (3) combined family dwelling units. Dwellings where tenancy is typically less than 30 days in length, such as short-term residential rentals, hotels, motels, camps, lodges and clubs, do not qualify for Residential Service.

28. "Sales Agreement" means the Power Sales Agreement executed by the Parties on _____.

29. "Service Address" is defined in the Agreements' recitals and identified in the Approved Application as the location at which the Customer would operate the Solar Facility and receives General Service from the Company.

30. "Service Meter" means the meter that measures that measures the energy delivered to the Customer from the Company's system.

31. "Solar Facility" or "Facility" means the solar photovoltaic generating system described in the Approved Application and designed and installed at the Service Address and in a manner consistent with the Standards. The Facility may include more than one solar generator but the aggregate capacity of the generators shall not exceed the Program limits.

32. "Solar Power" means the electricity generated by the Solar Facility and delivered to the Company at the Meter.

33. “System Upgrades” means improvements to the Company’s system reasonably necessary to accommodate the Solar Facility.

34. “Termination Date” means the earlier of: (a) the expiration of the term of the Agreements as provided in Section 3 of the Agreements or (b) the date of early termination as provided in Section 18 of the Interconnection Agreement.

DRAFT

ATTACHMENT B

APPLICATION TO PARTICIPATE IN THE SOLAR POWER SALES PILOT PROGRAM
OF
THE HEBER LIGHT & POWER COMPANY

I. Instructions.

A. Applicability.

A Customer may apply to participate in the Solar Power Sales Pilot Program (“Pilot Program”) by completing and submitting this Application. A description of the Pilot Program and its requirements are found in the Solar Power Sales Pilot Program Guidelines (“Guidelines”), available on the Company website. Customers interested in applying for the Pilot Program should read the Guidelines carefully before submitting this application. The capitalized terms in this Application are defined in Attachment A to the Guidelines.

This Application applies only to the Pilot Program. Customers wishing to install a transfer switch for an emergency or standby generator should submit an Application for Attachment to Residential Meter Socket. Customers with a solar generator having a capacity less than 25 kW may participate in the Company’s Net Metering Program. Information concerning each of these programs is available on the Company website.

B. Pilot Program Agreements.

A Customer whose Application is approved must enter into a Power Sales Agreement and an Interconnection Agreement. The terms of these agreements may affect the economic and/or operational viability of the proposed Solar Facility. The Company strongly encourages Customers to carefully review these Agreements before submitting an Application or requesting Company design approval. These Agreements are attached to the Pilot Program Guidelines on the Company website.

C. Customer’s Responsible for Design and Operation of Solar Facility.

The Customer is solely responsible and assumes all risk and liability for the safe, reliable, and economic operation of the Solar Facility. The Customer shall also test the Solar Facility as required by Agreements both prior to connection to the Company System and thereafter during operation.

The Company’s approval of a Customer’s Application is not intended nor should it be interpreted as the Company’s representation or warranty that the Customer’s Facility complies with any applicable law including, without limitation, local land use or business ordinances. The Company’s approval of the Application including the design and specifications or the Customer’s compliance with the Agreements or the Program Standards does not mean that the Solar Facility is safe or may be reliably or economically operated. The Company shall not be liable or responsible for the safety, reliability, design, or protection of the Solar Facility.

D. Required Documentation and Fees.

The Customer's Application should affirmatively show that the proposed Solar Facility complies with the Program Standards including the Company's Interconnections Standards. The Customer should direct questions concerning the application of the Program Standards to the Company's general manager.

The Company will not begin review of an Application unless the Customer pays the application fee and submits two copies of the Application and of the following documents. Drawings must conform to accepted engineering standards, be certified by a Utah licensed electrical engineer and, when requested, be 11"x17":

1. A single-line and three-line drawing showing: (a) the electrical relationship and descriptions of the significant electrical components such as the inverter, primary switchgear, secondary switchboard, protective relays, transformers, generators, circuit breakers, with operating voltages, capacities, and protective, (b) the Customer's loads, and (c) the interconnection with the Company's System which is typically the Production Meter.
2. Cut sheets on all equipment including inverters, generators, fuses, circuit breakers, and switches.
3. Short circuit calculations.
4. Site plans and diagrams showing the physical layout of the Solar Facility and the location of associated structures and infrastructure such as buildings, streets, driveways, water ways, fences, the Customer's generating equipment and the Company's System.
5. Equipment data sheets issued by the manufacturer for all major components to be installed such as switchgear, secondary switchboard, protective relays, transformers, generators, circuit breakers, inverters, disconnect switches, transfer switches, battery banks, turbines, motors, with operating voltages, capacities, and protective functions.
6. Customer-owned transformers, if used, to interconnect the Solar Facility with the Company's System, provide transformer nameplate information (voltages, capacity, winding arrangements, connections, impedance, et cetera).
7. Transfer switches or schemes used to interconnect the Solar Facility with the Company's System, provide component descriptions, capacity ratings, and a technical description of how the transfer scheme is intended to operate.
8. Protective relays or elements used to control and protect the interconnection. Provide protection diagrams and control schematics showing relay wiring and connections, proposed relay settings, and a description of how the protection scheme is intended to function.

9. Certified test reports issued by the manufacturer that demonstrate the generator meets applicable standards may be required for certain applications. Contact the Company to determine if test reports are needed.

10. Completed Project Development Team Form.

E. Engineering Study and System Upgrades.

The Company will conduct a preliminary engineering review of the completed Application and supporting documents to determine whether the proposed Solar Facility complies with the Program Standards, the Company's Interconnections Standards, and the Electric Codes and whether System Upgrades are required and the estimated cost of the System Upgrades. The cost of the preliminary engineering review is included in the application fee.

If System Upgrades are required, the Customer shall be responsible for cost of the System Upgrades including detailed engineering as necessary. The Customer must pay the estimated costs before the Company will begin construction of the System Upgrades.

II. Customer Account Information and Location of Solar Facility.

Customer Name: _____
Address: _____
Address of Service Connection: _____
Zip: _____

State the basis on which the Customer claims a right to construct and operate the Solar Facility at the Service Address, including Customer's interest in property and permitted uses under applicable zoning and subdivision/homeowner association covenants: _____

For Company use only:

- Electric Account Number _____
- Meter Number _____
- Circuit or Feeder Number _____

III. Customer Contact Information - Who should be contacted for additional information, if necessary?

- Customer Contact Person: _____
- Company Name: _____
- Phone: _____ FAX: _____
- Email: _____
- Mailing Address: _____
- State: _____ Zip: _____

IV. Customer Contractor/Engineer Contact Person

- Contractor/Engineer Person: _____
- Company Name: _____
- Phone: _____ FAX: _____
- Email: _____
- Mailing Address: _____
- State: _____ Zip: _____

V. Proposed Start-Up Date

DRAFT

VI. Solar Facility Information

A. Provide the maximum 3-phase fault current that will be contributed by the proposed Solar Facility to a 3-phase fault at the Point of Common Coupling (PCC). (If the Solar Facility is single phase in design, please provide the contribution for a line-to-line fault.) Consult an electrical engineer or the equipment supplier if assistance is needed in answering this question and please describe the assumptions used in calculating the maximum fault current contribution value.

- Maximum fault current: _____ Amps
- Service panel short circuit rating: _____ Amps
- Transformer size for the Facility: _____ KVA

B. Please indicate how this Solar Facility will be operated. (Select all options that may apply)

1. Supplemental/Demand Management – Where the Solar Facility will be operated primarily to reduce electrical demands of the Customer Facility when generation is available or to reduce electrical peak periods.

2. Primary Power Source – Where the Solar Facility will be used as the primary source of electric power and that supplied by the Company to the Customer's loads will be required for supplemental, standby or backup power purposes only.

C. Solar Facility Data

1. Provide the following information for each solar photovoltaic panel in the Solar Facility:

Manufacturer (Name) _____

Model (Name/Number) _____

Gross Nameplate Rating - KW _____

Net Nameplate Rating – KW _____

Operating Voltage - V _____

Inverter Rating - KW _____

2. Has the Solar Facility's inverter been manufactured and tested to UL, ANSI or IEEE standards?

- Yes
- No

If yes, provide manufacturer or testing documentation.

3. Wiring Configuration

- Single-Phase
- Three-Phase

The Customer and its representative submitting this Application on the Customer's behalf hereby certifies, under penalty of perjury, that the information in this Application, the attached plans and project description, and any other information submitted in support of this application is true and correct. The Customer agrees that, in its construction and operation of the Facility, it will comply with the Company's service rules and regulations and Interconnection Standards and comply with all applicable laws and electric codes.

[Customer Name]

By: _____

Its: _____

ATTACHMENT C

INTERCONNECTION AGREEMENT

This Interconnection Agreement is made and entered into this ____ day of _____, 20____, by and between Heber Light & Power Company, a Utah energy services interlocal entity (“Company”), and [Company/Customer Name] (“Customer”), a General Services Customer of the Company.

RECITALS

WHEREAS, the Company’s Solar Power Sales Pilot Program gives qualifying customers the opportunity to connect solar generators to the Company’s System pursuant to an Interconnection Agreement and to sell the energy produced by the solar generators to the Company pursuant to a Power Sales Agreement.

WHEREAS, the Customer receives retail electric power service from the Company at _____ (“Service Address”) under an account in its name.

WHEREAS, the Customer has submitted an Application to Participate in the Solar Power Sales Pilot Program.

WHEREAS, the Company has approved the Customer and its Solar Facility described in the Application for participation in the Company’s Solar Power Sales Pilot Program.

WHEREAS, the Company and the Customer wish to enter into this Solar Interconnection Agreement to provide for the Customer’s construction, operation and maintenance of the Solar Facility and for the interconnection of the Solar Facility to the Company’s distribution system.

AGREEMENT

1. DEFINITIONS The capitalized terms in this Interconnection Agreement are defined in Exhibit A.

2. PURPOSE OF INTERCONNECTION AGREEMENT

2.1. This Interconnection Agreement: (a) governs the Parties’ respective rights and obligations with respect to the Customer’s interconnection and parallel operation of the Solar Facility with the Company’s System and (b) applies only to the Solar Facility described in the Approved Application and operating at the Customer’s Service Address.

2.2. This Interconnection Agreement does not give the Customer the right to retail electric service or to transmission service for the output of its Solar Facility, and does not modify or otherwise affect any other agreement between the Company and the Customer.

3. TERM This Interconnection Agreement shall become effective when both Parties execute the Interconnection Agreement and the Sales Agreement and shall continue in effect for a period of [insert Solar Facility’s estimated useful life] years from the date of issuance of the Permit to Operate and from year-to-year thereafter, unless terminated earlier under Section 18 of the Interconnection Agreement.

4. CUSTOMER’S COMPLIANCE WITH PROGRAM STANDARDS.

4.1. The Customer shall keep itself fully informed of the Program Standards including laws, ordinances, codes, rules and regulations, governmental general and development plans, setback limitations, rights of way, and all changes thereto, which in any manner affect the Customer’s construction, operation, maintenance and repair of the Solar Facility and sale to the Company of the Energy produced by the Solar Facility, all as provide for in the Agreements.

4.2. The Customer shall, at its sole expense, obtain all land use approvals, building permits and other permits or licenses, including easements or other permanent interests in real property, which may be required in connection with the construction, operation, repair and maintenance of the Solar Facility and shall give all notices, pay all fees, and take all other action which may be necessary to ensure that the Solar Facility is constructed operated, repaired and maintained in accordance with the Program Standards and Applicable Law.

4.3. The Customer shall be responsible for payment of all applicable federal, state, and county taxes and fees which may become due and owing as a result of the construction and operation of the Facility or the sale of the Energy to the Company, including but not limited to (a) income taxes, (b) energy or sales taxes, (c) employment related fees, assessments, and taxes, (d) property or privilege tax and (d) general excise taxes.

5. CONSTRUCTION OF THE SOLAR FACILITY AND ISSUANCE OF PERMIT TO OPERATE

5.1. The Customer shall, at its sole expense, construct the Solar Facility in compliance with the Program Standards including: (a) the Approved Application including all construction and design criteria, (b) Prudent Utility Practice including applicable electric codes, (c) the Company’s Interconnection Standards, and (d) Applicable Law. The Customer may not alter the approved construction and design criteria, without the Company’s prior written consent, which consent shall not be unreasonably withheld.

5.2. The Customer shall complete construction within six (6) months of the Company’s approval of the Application.

5.3. The Company has the right, but not the obligation, to inspect the construction of the Solar Facility to verify compliance with the Program Standards. The Customer shall give the Company: (a) reasonable access to the construction site to observe on-going and completed construction, and (b) reasonable notice before covering or making any completed work inaccessible for inspection or testing. If the Customer has not given reasonable notice and completed work is not reasonably accessible for inspection, the Company may defer or decline issuance of a Permit to Operate until the Customer, at its own expense, makes the work accessible for inspection.

5.4. Performance Verification and Testing.

5.4.1. The Customer shall verify the suitable performance of the Solar Facility by conducting the performance verification testing recommended by the manufacturers of the component parts of the Solar Facility or required by the Program Standards.

5.4.2. The Customer shall provide the Company with ten (10) days' advance written notice before the verification testing and permit the Company to observe the testing. If the Customer fails to provide such notice, the Company may require the Customer to conduct the verification testing again, at the Customer's expense, and to permit the Company to observe the testing.

5.5. Upon completion of construction and verification testing, the Customer may provide the Company with a written notice of completion including: (a) a written certification that the Solar Facility has been installed and tested in compliance with the Program Standards including equipment manufacturers' instructions, (b) the building inspector's final approval of the construction, and (c) a report of the results of the verification testing.

5.6. Within five (5) business days of its receipt of the notice of completion, the Company will inspect the Solar Facility to determine whether the Facility complies with Program Standards. If the Solar Facility satisfies the Program Standards, the Company will issue a Permit to Operate and install the Production Meter. . The Permit to Operate may include conditions concerning the operation or maintenance of the Solar Facility. After issuance of the Permit to Operate, the Customer may close the disconnect switch and operate the Solar Facility.

If the Solar Facility does not comply with the Program Standards, the Company shall notify the Customer, in writing, of the deficiencies and what actions, if any, the Customer may take to correct the deficiencies and obtain a Permit to Operate. The Company will not issue a Permit to Operate unless the Solar Facility complies with the Project Standards and the Customer has paid all amounts due the Company.

If the Customer disputes the Permit conditions or the Company's reasons for denying the Permit, the Customer may submit the matter for resolution under Section 17 of the Interconnection Agreement.

5.7. After the Permit to Operate is issued, the Customer shall not modify the Solar Facility, its protective devices or other components without the Company's prior written consent, which consent shall not be unreasonably withheld.

6. CONSTRUCTION OF AND PAYMENT FOR SYSTEM UPGRADES

6.1. The System Upgrades and the Company's estimate of the cost of the System Upgrades (including labor, material, and overhead/administrative cost) are attached hereto as Exhibit B. The Customer shall pay the estimated System Upgrades cost upon execution of the Agreements.

6.2. The Company shall construct the System Upgrades pursuant to the schedule in Exhibit B. After the construction is complete, the Company shall provide the Customer with

documentation showing the Company's actual System Upgrades cost (including engineering, labor, material, and overhead/administrative cost) and shall reimburse the Customer for any overpayment or invoice the Customer for any deficiency between the amount initially paid and the actual cost of the System Upgrades.

6.3. The Company shall own, operate, maintain and repair the System Upgrades.

7. INSTALLATION, MAINTENANCE, REPAIR, AND OWNERSHIP OF PRODUCTION METER

7.1. At its own expense, the Company shall: (a) install a Production Meter at the Solar Facility or at the location identified in the Approved Application, (b) repair, maintain and test the Production Meter, and (c) have the right to reasonable access to the Production Meter for repair, maintenance, inspection and testing. The Production Meter shall be sealed and the seals shall be only be broken by the Company when required for inspection, testing, or adjustment of the Production Meter and when the Customer has been given a reasonable opportunity to be present to observe.

7.2. The Company shall also conduct such tests of the Production Meter as the Customer may reasonably request provided that the Customer pays, in advance, the testing costs. The Customer may be present and observe such testing.

7.3. If the testing shows the Production Meter under- or over reports the production by more than two percent (2%), then the Company shall, at its own expense: (a) replace the Production Meter, (b) make any adjustments in the Monthly Statements as provided in Section 5. of the Sales Agreement, and (c) reimburse the Customer's payment of the testing costs, if any.

8. OPERATION, MAINTENANCE AND REPAIR OF SOLAR FACILITY

8.1. The Customer shall not operate its Solar Facility in parallel with the Company's System, unless the Company has first issued a Permit to Operate.

8.2. Upon issuance of the Permit, the Customer, at its own expense, shall own, operate, maintain, and repair the Solar Facility in compliance with the Program Standards.

8.3. After issuance of the Permit, the Customer shall not modify the Solar Facility without the Company's prior, written approval, which approval shall not be unreasonably withheld. Upon Company approval, the Customer shall make the modifications in a manner consistent with the Program Standards and the Company's approval. If the Customer modifies its Facility without written approval or in a manner inconsistent with the Program Standards or the Company's approval, the Company may disconnect the Solar Facility and, at the Customer's sole expense, inspect the modifications and test the System for compliance with the Program Standards and this Interconnection Agreement. The Company shall notify the Customer of any deficiencies and the Customer shall, at its own expense, correct the deficiencies before the Company will reconnect Solar Facility.

8.4. The Customer must maintain the Solar Facility in compliance with the Program Standards including manufacturers’ recommended periodic maintenance. If the Customer fails to properly maintain the Facility, the Company may disconnect the Solar Facility until such time the Customer provides documentation or other proof of proper maintenance in compliance with the Program Standards.

9. COMPANY’S INSPECTION AND TESTING OF THE SOLAR FACILITY

After the issuance of the Permit to Operate, the Company may, from time-to-time and upon reasonable notice to the Customer, conduct on-site inspections and testing of the Solar Facility to verify compliance with the Program Standards. The Company shall initially pay the cost of such inspection and testing, subject to reimbursement by the Customer if the inspection or testing shows that the Solar Facility or its operation is not in compliance with the Program Standards.

10. DISCONNECTION OF SOLAR FACILITY AND INTERRUPTION OF DELIVERY OF ENERGY

10.1. As used in these Agreements, “Emergency” means a sudden or unexpected circumstance or the resulting state that calls for immediate action to avoid the imminent risk of: (a) a significant disruption of service to customers or (b) injury to person or property.

10.2. The Company may disconnect the Solar Facility, without liability to the Customer, under the following circumstances regardless of whether the circumstances were caused by a Force Majeure or the Customer’s Default:

10.2.1. Emergency Disconnection. The Company may disconnect the Solar Facility, without prior notice to the Customer: (a) if reasonably necessary to eliminate conditions that constitute a potential hazard to Company personnel, the Customer or the general public; (b) if pre-Emergency or Emergency conditions exist on the Company’s System; (c) if a hazardous condition relating to the Solar Facility is observed by Company personnel or reported to the Company; or (d) if the Customer has, without the Company’s prior written consent, modified any protective device. The Company shall notify the Customer of the need for disconnection under this Section 10.2.1, if circumstances permit.

10.2.2. Planned Outages. The Company may curtail the output of the Customer’s Solar Facility or temporarily disconnect the Solar Facility for maintenance, construction, and repairs on the Company’s System. The Company shall provide the Customer with five (5) business days’ notice prior to such interruption, and shall coordinate such reduction or temporary disconnection with the Customer, in a manner consistent with Prudent Utility Practice.

10.2.3. Forced Outages. During a forced or unplanned outage on the Company’s System affecting the Solar Facility, the Company may disconnect the Solar Facility to permit repairs and upgrades to remedy the cause of the outage. The Company shall use reasonable efforts to provide the Customer with notice of the outage.

10.2.4. Solar Facility’s Disruption or Interference with Company’s System.

Regardless of whether an Emergency exists or whether the Customer has Defaulted, the Company may disconnect the Solar Facility if the Company has determined the Solar Facility or its operation causes or may cause: (a) disruption or deterioration of service to other customers, (b) damage to the Company’s System, or (c) risk to the safety of Company personnel, the Customer, the general public, or their property. Except in an Emergency, the Company shall give the Customer advance, written notice of the reason for the disconnection under this Section 10.2.4, and the Customer shall have five (5) business days to eliminate the reasons for the proposed disconnection.

The Company’s good faith disconnection of the Solar Facility as provided in this Section 10.2 shall excuse the Company’s obligation to purchase and the Customer’s obligation to sell the Energy from the Solar Facility under Section 4 of the Sales Agreement and shall not give rise to any liability of the Company to the Customer.

10.3. In addition to disconnection under Section 10.2, the Company may disconnect the Solar Facility if

- 10.3.1. the Customer is in Default of a material provision of the Agreements, or
- 10.3.2. the Customer modifies the Facility in violation of Section 8.

In the event of a disconnection under this Section 10.3, the Company’s obligation to purchase Energy shall be excused and it may pursue its remedies under Section 15 of the Interconnection Agreement.

11. OPERATION, MAINTENANCE AND REPAIR OF COMPANY’S SYSTEM

The Company shall own, operate and maintain the Company’s System consistent with Prudent Utility Practice to effectuate the Company’s receipt and purchase of the Energy at the Production Meter under the Sales Agreement.

12. COMPANY ACCESS TO SOLAR FACILITY AND COMPANY EQUIPMENT

The Company shall have access to the disconnect switch of the Solar Facility at all times. In addition, the Company, upon reasonable notice and during ordinary business hours, shall have the right to access the Solar Facility and the Company’s equipment located on the Customer’s property.

13. CUSTOMER’S REPRESENTATIONS AND WARRANTIES The Customer represents and warrants as follows:

13.1. The information provided to the Company in the Application and supporting documents is true and correct on the date the Company approved the Application and on the date the Company issues the Permit to Operate.

13.2. The Customer has constructed the Solar Facility consistent with the Program Standards and shall operate, maintain, repair and replace the Facility consistent with the Program Standards.

13.3. The Customer is and shall remain a General Services Customer receiving service at the Service Address during term of the Agreements.

13.4. The Customer is not a public utility and its ownership and operation of the Facility and sale of the Energy to the Company are not subject to regulation by the Utah Public Service Commission or other governmental entity, except for the Company.

14. DEFAULT

14.1. General. A “Default” means the occurrence of any of the following:

14.1.1. The failure to make, when due, any payment required pursuant to the Agreements, if such failure is not remedied within three business days after written notice.

14.1.2. A Party’s failure to deliver or take Energy in breach of the Agreements as provided in Section 14.2.

14.1.3. The Customer’s or the Company’s failure to comply with any other covenant of the Agreements, if such failure is not remedied within thirty (30) days after the defaulting Party’s receipt of a written notice describing the alleged failure.

14.1.4. The bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, including without limitation proceedings under Title 11, Chapter 9, United States Code or other proceedings for relief under any federal or state bankruptcy law or similar law for the relief of debtors, are instituted by or against the Customer or the Company and, if so instituted, said proceedings are consented to or are not dismissed within thirty days after such institution.

14.2. Failure to Deliver or Take Energy.

14.2.1. Company’s Failure to Take. The Company is in Default if the Company fails to take Energy in breach of this Agreement and such failure is not remedied within thirty (30) days after its receipt of the Customer’s written notice of default describing the alleged breach.

14.2.2. Customer’s Failure to Deliver. The Customer is in Default, if the Customer, in breach of the Agreements, fails to deliver Energy in commercially reasonable time and size blocks and consistent with the Project Standards and if such failure is not remedied within ninety (90) days after the Customer’s receipt of the Company’s written notice describing the breach.

14.2.3. Multiple Violations. A Party shall not be entitled to an opportunity to cure a breach under Section 14.2, if, during the prior twelve (12) months, the Party on three or more occasions failed to deliver or take Energy.

14.3. Effect of Cure. If a Party timely cures a Default, then no Default shall exist and the noticing Party shall take no further action.

15. REMEDIES

15.1. In the event of a Default and subject to Sections 15.2 and 15.3, the non-defaulting Party may:

15.1.1. recover all amounts described in Section 14.1.1,

15.1.2. terminate the Agreements by giving the defaulting Party a notice of intent to terminate as provided in Section 18,

15.1.3. recover any amounts that accrued but were not yet payable prior to the Termination Date,

15.1.4. recover damages caused by the defaulting Party's Default,

15.1.5. bring any suit, action, or proceeding in law or in equity, including mandamus, injunction and action for specific performance, as may be necessary or appropriate to enforce any covenant, agreement or obligation of the Agreements, subject to satisfaction of the conditions in Section 17.

15.2. Limitation on Remedies and Damages for Failure to Deliver or Take Energy.

15.2.1. Definitions The following definitions apply to the computation of damages under this Section 15.2:

15.2.1.1. "Average Monthly Production" means the Facility's average monthly production during the time period from the commencement of commercial operation to the Default or, if the Facility has been operated less than twelve months, the Estimated Annual Production divided by twelve.

15.2.1.2. "Default Period" means: the lesser of twelve months or the number of months or parts of months that the defaulting Party has not purchased or delivered Energy in Default of its obligations under the Agreements.

15.2.1.3. "Estimated Annual Production" means the annual estimate of Energy production, based on PVWatts® (NREL) or similar calculator, as set forth in Schedule 1 to Exhibit B hereto.

15.2.1.4. "Rate" means the purchase price in Section 4.2 of the Sales Agreement.

15.2.2. In the event of a Default under Section 14.2, the non-defaulting Party's exclusive remedies shall be termination of the Agreements and/or recovery of damages in an amount equal to the product of the Average Monthly Production, the Default Period, and the Rate.

This computation of damages is not a penalty and represents a reasonable estimate of the non-defaulting Party's damages given the difficulty, impossibility or cost of proving a more precise amount of damage, in light of the dollar amounts in issue.

15.3. Limitation of Remedies and Damages. Except for indemnification under Section 23, the Parties remedies and damages in the event of default are limited as follows:

15.3.1. WITH RESPECT TO A DEFAULT OR DAMAGE CLAIM FOR THE FAILURE TO TAKE OR DELIVER ELECTRICITY UNDER SECTION 14.2, A PARTY'S SOLE AND EXCLUSIVE REMEDY IS THE EXPRESS REMEDY OR MEASURE OF DAMAGES IN SECTION 15.2 AND THE OBLIGOR'S LIABILITY SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED.

15.3.2. WITH RESPECT TO DEFAULTS FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS NOT PROVIDED IN SECTION 15.2, THE OBLIGOR'S LIABILITY SHALL BE LIMITED TO DIRECT, ACTUAL DAMAGES ONLY, SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. WITH RESPECT TO SUCH DEFAULTS, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, OR IN TORT OR CONTRACT.

15.4. Notwithstanding the limitations in this Section 15, either Party may seek equitable relief to enforce the negotiation and mediation provisions of Section 17.

16. COMPANY'S DISCLAIMER OF WARRANTIES AND LIABILITY

THE AGREEMENTS ARE NOT INTENDED AND SHOULD NOT BE INTERPRETED AS CREATING A WARRANTY OF ANY KIND (WHETHER EXPRESS OR IMPLIED) CONCERNING THE COMPANY'S SYSTEM AND EQUIPMENT CONNECTED TO THE CUSTOMER'S SOLAR FACILITY, ALL OF WHICH ARE PROVIDED AND ACCEPTED "AS-IS." THE COMPANY EXPRESSLY DISCLAIMS ALL WARRANTIES INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

IN ADDITION, THE COMPANY IS NOT RESPONSIBLE FOR PROTECTING THE SOLAR FACILITY FROM FLUCTUATIONS ON THE COMPANY'S SYSTEM AND THE CUSTOMER SHALL BE SOLELY RESPONSIBLE FOR

PROTECTING THE SOLAR FACILITY, PROPERTY AND PERSONS FROM SUCH FLUCTUATIONS. THE COMPANY SHALL NOT BE LIABLE FOR DAMAGES TO THE CUSTOMER, ITS SOLAR FACILITY OR PROPERTY, OR PERSONS LOCATED IN OR AROUND THE FACILITY CAUSED BY THE OPERATION, FAULTY OPERATION OR NON-OPERATION OF THE COMPANY'S SYSTEM EXCEPT AS PROVIDED IN SECTION 15.2.

17. DISPUTE RESOLUTION

17.1. Good Faith Resolution of Disputes. The Parties shall attempt to resolve all disputes arising hereunder promptly, equitably and in a good faith manner.

17.2. Mediation. If good faith negotiations do not resolve a dispute under this Agreement, a Party may submit to the other Party a notice of dispute and the Parties shall thereafter attempt to resolve the dispute through good faith negotiations. If the dispute is not resolved within ten (10) business days after the notice is served, the Parties shall submit the dispute to mediation by a mutually acceptable mediator. The mediation shall occur at the Company's offices or at such other location as the Parties may agree. In the event that mediation does not resolve the dispute, each Party shall then be free to enforce its rights under the Agreements through litigation.

17.3. Although the Parties intend to negotiate and mediate in good faith, they agree that no Party can be held liable in damages for an alleged breach of an obligation to mediate in good faith. The Parties further agree that no Party can be held liable for expenses incurred or opportunities foregone by the other Party in reliance on the Party's agreement to mediate in good faith.

17.4. Completion of good faith negotiations under this Section 17 is a condition precedent to a Party's right to commence litigation to enforce the Agreements, except for litigation seeking equitable relief to remedy an imminent threat of injury to person or property or to enforce this Section 17.

17.5. Waiver of Jury.

THE PARTIES WAIVE THE RIGHT TO A JURY TRIAL IN ANY LITIGATION CONCERNING THE AGREEMENTS OR THE PARTIES' ACTIONS IN RELATION TO THE AGREEMENTS' SUBJECT MATTER, WHETHER THE CLAIMS ARISE IN CONTRACT OR TORT OR UNDER STATUTE.

18. TERMINATION

18.1. The Agreements may be terminated as follows:

18.1.1. The Agreement terminates at the end of the term.

18.1.2. The Customer may terminate the Agreements at any time, by giving Company written notice of termination that identifies the Termination Date which shall not be earlier than thirty (30) days from the Company's receipt of the notice.

18.1.3. The Agreements shall terminate, automatically, if: (i) the Customer fails, for any reason including a Force Majeure, to obtain a Permit to Operate within six (6) months of the later of the effective date of the Agreements, (ii) either of the Agreements is terminated for any reason including a Force Majeure, (iii) the Customer ceases to be a General Services Customer at the Service Address or to be the owner of the Solar Facility, or (iv) a Party attempts to assign either or both of the Agreements in violation of Section 20. In the event of termination under this Section 18.1.3, and without further action by a Party, the Termination Date shall be the date on which a Party provides notice of the termination to the other party.

18.1.4. In the event of a Default and except as provided in Section 18.1.3, the non-defaulting Party may terminate the Agreements by giving the defaulting Party a notice of intent to terminate that describes the Default and identifies the Termination Date which shall not be earlier than the date of the defaulting Party's receipt of the notice.

18.1.5. If a Force Majeure is not resolved within six (6) months as provided in Section 24, a Party may terminate the Agreements by giving the other Party a notice of termination that identifies a Termination Date, which shall not be earlier than the date of the other Party's receipt of the notice.

18.2. Notwithstanding any other provision of the Agreements, the termination of one of the Agreements terminates both Agreements.

19. Disconnection and Survival of Obligations on Termination.

19.1. On the Termination Date, the Company may disconnect the Solar Facility from the Company's System and the Parties' respective obligation to sell or buy Solar Energy shall terminate, except for the obligation to pay for Energy delivered prior to the Termination Date.

19.2. The provisions of the Agreements shall survive the termination or expiration to the extent necessary to accomplish their purpose and to permit their full performance. Without limiting the foregoing, the following rights or obligations survive termination of the Agreements:

19.2.1. a right based on breach or performance of the Agreements prior to the Termination Date;

19.2.2. the obligation to make payment that accrued prior to the Termination Date whether or not due on the Termination Date;

19.2.3. the obligation to indemnify under Section 23;

19.2.4. the Company's right to disconnect the Solar Facility under Section 10 and to enter the Customer's property to remove the Meter and disconnect the Solar Facility;

19.2.5. the dispute resolution provisions of Section 17 and the choice of law and forum provisions of Section 25.12;

19.2.6. a term limiting the time for commencing an action or for giving notice;

- 19.2.7. a limitation of remedy or modification or disclaimer of warranty;
- 19.2.8. any term that the agreement provides will survive; and
- 19.2.9. the Solar Facility will be disconnected from Company's System.

20. ASSIGNMENT

20.1. Except as provided in Section 20.6, a Party shall not assign or attempt to assign the Agreements unless: (a) the assigning Party simultaneously assigns both Agreements to the same assignee as provided in Section 20.2 and (b) the assigning Party obtains the prior, written consent of the other Party.

20.2. A Party may request the other Party's consent to an assignment by a written request that includes: (a) the proposed assignee's name, mail and email addresses, and principals, (b) documentation showing that the proposed assignee has an equal or greater credit rating than the assigning Party and has the legal authority and operational ability to satisfy the obligations of the assigning Party under the Agreements (including, as to the Customer, those obligations relating to the size, location and operation of the Solar Facility), and undertakes in writing to perform those obligations.

20.3. As a condition to consenting to the assignment, the Company may require the assignee to submit an Application and to qualify for participation in the Program.

20.4. Any attempted assignment that violates this article is void and ineffective and causes termination of the Agreements under Section 18.1.3.

20.5. An assignment shall not relieve a Party of its obligations under the Agreements. A permitted assignee is responsible for meeting the same financial, credit, and insurance obligations as the assigning Party.

20.6. The Customer may assign its right to payment under the Sales Agreement to a financial institution without the Company's consent, provided that the assignment is in a writing that expressly excludes the assignment or delegation of any other right or obligation under the Agreements including, without limitation, the right to operate the Solar Facility interconnected to the Company's System or to sell the Energy to the Company.

21. LIABILITY

21.1. The Company shall not be liable or responsible for the safety, reliability, design, or protection of the Solar Facility from the operation of the Company's System. The Company's approval of the Application including the design and specifications of the Solar Facility or the Customer's compliance with this Agreement or the Program Standards does not mean that the Solar Facility is safe or may be reliably or economically operated. The Customer is solely responsible and assumes all risk and liability for the economical, safe, and reliable operation of the Solar Facility.

21.2. The Company is a political subdivision of the State of Utah and, as such, its liability is governed, limited and controlled by the Governmental Immunity Act of Utah, Utah Code Ann. § 63G-7-101 *et seq.*, as now or hereafter amended. This Agreement is not intended and should not be interpreted as a limitation or waiver of the immunities and procedures provided in the Act.

21.3. The Agreements, Program Standards, or related documents are not intended and should not be interpreted as creating any duty to, any standard of care with reference to, or any liability to any third person.

22. INSURANCE

22.1. Types and Amounts of Insurance. The Customer shall not commence or continue operation of the Solar Facility while connected to the Company's System unless the Customer has obtained and maintains in good standing and at its own expense, insurance of the following types and amounts:

22.1.1. Property Insurance. The Customer shall provide all-risk property insurance for the loss of or damage to the Solar Facility and/or the property on which the Solar Facility is located in the amount of the value of the insured property.

22.1.2. General Commercial Liability Insurance. The Customer shall provide general commercial liability insurance based on the Solar Facility's capacity as follows of \$300,000 per occurrence and \$1,000,000 annual aggregate.

The commercial general liability insurance shall include, but not be limited to, commercial general liability, completed operations liability, protective liability, blanket contractual liability, products liability and broad form property damage. The amount of coverage, as a combined single limit, shall apply to bodily injury, sickness, disease or death, personal injury, damage to or destruction of the property of persons which may occur directly or indirectly out of or arise out of or in connection with the construction, operation, and maintenance of the Solar Facility and for the defense of claims arising therefrom.

22.2. Terms of Insurance.

22.2.1. Additional Insured. The Company and its members, directors, officers, employees, consultants and contractors ("Insureds") shall be additional insureds by endorsement (1.S.o. Form "B:CG2010" or its equivalent) under the Commercial General Liability insurance policies as to bodily injury, sickness, disease or death, personal injury, damage to or destruction of the property of persons which may arise directly or indirectly out of or in connection with the construction, operation and maintenance of the Solar Facility.

22.2.2. Primary Insurance. The Customer's insurance shall be primary with respect to the additional Insureds; and insurance coverage maintained by the Company shall be in excess of the Customer's insurance and be non-contributing.

22.2.3. Waiver of Subrogation. The Customer's insurance carriers by endorsement (1.S.0. Form #CG 2404 11 85 or its equivalent) shall waive their rights of recovery against the Company, its members, directors, officers and employees, and their successors or assigns including their directors, officers and employees individually and collectively.

22.2.4. Separate or Cumulative Coverage. By endorsement (1.S.0 Form #CG 2501 11 85 or its equivalent), the limits of Commercial General Liability Insurance as required in the Agreements shall apply separately to the Solar Facility or its operation and shall not be reduced by other claims unless the insurance carrier has provided an endorsement agreeing, during the Agreements terms, to immediately notify the Company each time the Commercial General Liability limits have been impaired by more than ten percent (10%), either cumulatively or severally, of the limits indicated on the certificate.

22.2.5. Notice of Cancellation or Modification. The endorsement shall provide that the insurance carrier will give the Company with thirty (30) days advance written notice of cancellation, nonrenewal or any material change in the coverage for all insurance policies required in the Agreements.

22.3. Certificates of Insurance. As a condition to issuance of a Permit to Operate, the Customer shall provide certificates of insurance for the policies described above. The certificates and related endorsements must be satisfactory to the Company as to form and content and must comply with all insurance requirements as set forth herein or the certificate and endorsement may be rejected; and, at its option, the Company may terminate the Agreements.

23. INDEMNIFICATION

Each Party (“Indemnifying Party”) indemnifies and saves harmless and defends the other Party and its members, directors, officers, employees, consultants, attorneys, and contractors (“Indemnitees”) against any and all third party claims, liability, loss, damage, cost, expense, award, fine, settlement or judgment (including attorneys’ fees and costs) to the extent caused by the Indemnifying Party’s acts or omissions occurring in connection with the Indemnifying Party’s construction, operation and maintenance of its facilities under the Agreements (“Claim”). If the Claim is asserted by an employee of the Indemnifying Party, anyone directly or indirectly employed by the Indemnifying Party or anyone for whose acts the Indemnifying Party may be liable, the indemnification obligation under this Section 22 shall not be limited by a limitation on amount or type of damages, compensation or benefits payable by or for the Indemnifying Party’s workers’ or workmen’s compensation acts, disability benefit acts or other employee benefit acts.

24. FORCE MAJEURE

24.1. A Party is not in Default in the performance of its obligations if the Party’s inability to perform is due to a Force Majeure. The claiming Party shall, in a manner consistent

with Prudent Utility Practices, make reasonable efforts to remedy the Force Majeure or its effect and to resume performance. The claiming Party is only be excused from performance for the shorter of the duration of the Force Majeure or of the time period reasonably required for the claiming Party to remedy the Force Majeure or its effects.

24.2. The claiming Party shall promptly give the other Party notice of the Force Majeure its nature, cause, commencement date, and anticipated duration. The claiming Party shall also promptly notify the other Party when performance can resume.

24.3. A Force Majeure shall not excuse performance of an obligation not affected by the Force Majeure or of an obligation to make payments then due or accruing prior to the Force Majeure.

24.4. The non-claiming Party shall not be required to perform or resume performance of its obligations to the claiming Party corresponding to the obligations of the claiming Party, excused by Force Majeure.

24.5. If the claiming Party has not remedied the Force Majeure or its effect within six (6) months, either Party may terminate the Agreements.

25. GENERAL PROVISIONS

25.1. Entire Agreement. This Interconnection Agreement and the Sale Agreement with exhibits and attachments shall form a single integrated agreement between the Parties and these Agreements contain the entire agreement between the Parties concerning the subject matter thereof and supersede and cancel agreements, all previous representations, warranties, commitments and writings in respect thereto, whether oral or otherwise.

25.2. Parties' Authorized Representatives. A Party, by written notice to the other, shall designate the representative ("Authorized Representative") who is authorized to act on its behalf with respect to the Agreements and the Party rights and duties under the Agreements. The following are the Parties' respective Authorized Representatives:

For the Customer:

[Name/Address/email/text]

For the Company:

[Name/Address/email/text]

A Party may change its Authorized Representative upon oral notice given to the other, confirmed promptly by written notice.

25.3. Notices. All notices, requests, statements or payments shall, unless otherwise specified herein, be in writing and may be delivered by hand delivery, United States mail, overnight courier service, or electronic mail to the Party's Authorized Representative. Notice by

facsimile, electronic mail, or hand delivery shall be effective at the close of business on the day actually received, if received during business hours on a business day, and otherwise shall be effective at the close of business on the next business day. Notice by overnight United States mail or courier shall be effective on the next business day after it was sent. A Party may change its addresses by providing notice of same in accordance herewith.

25.4. Waiver. A Party's failure to insist upon the strict compliance with any term, provision or condition of the Agreements shall not constitute or be deemed to constitute a waiver or relinquishment of that Party's right to enforce the same in accordance with this Agreements.

25.5. Headings Not to Affect Meaning. The descriptive headings used for the various Articles and sections herein have been inserted for convenience and reference only and shall in no way affect the meaning or interpretation, or modify or restrict any of the terms and provisions hereof.

25.6. No Dedication of Facilities. No undertaking or commitment by one Party to the other Party under this Agreement shall constitute the dedication of the system or any portion thereof of any Party to the public or to the other Party.

25.7. Relationship of the Parties. Nothing contained in this Agreement shall be construed to create an association, joint venture, partnership or any other type of entity or relationship between Company and Customer, or between either or both of them and any other Party. Each Party shall be solely responsible for the means, methods, techniques, sequences and procedures of any work, tasks or other activity under the Agreements, each Party shall be responsible for its own actions and the actions of others, it has retained, in the design or selection of a specific means, method, technique, sequence, or procedure of any work, tasks or other activity under the Agreements. Without limiting the foregoing, a Party has no authority over the compensation or terms and conditions of employment of the employees or workers of the other Party or its contractors or subcontractors.

25.8. Third-Party Beneficiaries. The Agreements are intended solely for the benefit of the Parties, and nothing therein will be construed to create any duty to, or standard of care with reference to, or any liability to, any person not a Party.

25.9. Counterparts. The Agreements may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument.

25.10. Modifications and Amendments. The Agreements may only be modified or amended by a writing signed by each Party or its authorized representative. The Parties have the right to amend or modify the Agreements without the approval of any third-Party.

25.11. Attorneys' Fees. In the event litigation involving the Agreements, the prevailing Party shall be entitled to recover its attorneys' fees and costs.

25.12. Governing Law and Forum. This Agreement shall be interpreted, construed and be subject to the laws of the State of Utah, without regard to principles of conflicts of laws. Any

suit, action or other legal proceeding arising out of or relating to this Agreement may only be brought in the Fourth Judicial District Court in and for Wasatch County, Utah. As provided in Section 17.5, the Parties waive their right to a jury trial.

25.13. Waivers. A Party's waiver of or failure to assert any right with respect to any breach of this Agreement, or with respect to any other matter arising in connection with this Agreement, shall not constitute a waiver with respect to any other breach or matter arising in connection with this Agreement. All waivers must be in writing and signed by an authorized representative of the Party granting the waiver.

25.14. Cumulative Rights and Remedies. All rights and remedies provided by this Agreement or available in law or equity are cumulative of each other and the exercise of one or more rights or remedies shall not prejudice or impair the concurrent or subsequent exercise of other rights or remedies.

DRAFT

ATTACHMENT D

POWER SALES AGREEMENT

This Power Sales Agreement (“Sales Agreement”) is made and entered into this ___ day of _____, 2016 by and between _____ (“Customer”) and the Heber Light & Power Company (“Company”).

RECITALS:

WHEREAS, the Company’s Solar Power Sales Pilot Program gives qualifying customers the opportunity to connect solar generators to the Company’s distribution system pursuant to an Interconnection Agreement and to sell the power produced by the solar generators to the Company pursuant to a Power Sales Agreement.

WHEREAS, the Customer receives retail electric power service from the Company at _____ (“Service Address”) under an account in its name.

WHEREAS, the Customer has submitted an Application to Participate in the Solar Power Sales Pilot Program.

WHEREAS, the Company has approved the Customer and its Solar Facility described in the Application for participation in the Company’s Solar Power Sales Pilot Program.

WHEREAS, the Company and the Customer wish to enter into this Power Sales Agreement to provide for the Customer’s sale and the Company’s purchase of the Energy generated by the Solar Facility and delivered to the Production Meter.

AGREEMENT:

1. **DEFINITIONS** The capitalized terms in this Sales Agreement are defined in Exhibit A.

2. **PURPOSE OF SALES AGREEMENT**

2.1. This Sales Agreement: (a) governs the Parties’ respective rights and obligations with respect to the purchase and sale of the capacity and the Energy generated by the Solar Facility and (b) applies only to the Solar Facility described in the Approved Application and operating at the Customer’s Service Address.

2.2. This Sales Agreement does not give the Customer the right to retail electric service or to transmission of the Solar Energy on the Company’s System and does not modify or otherwise affect any other agreement between the Company and the Customer.

3. **TERM** This Sales Agreement shall become effective (“Effective Date”) when both Parties execute the Interconnection Agreement and the Sales Agreement and shall continue in effect for a period of [insert estimated useful life of Facility] years from the date of issuance of the Permit to Operate and from year-to-year thereafter, unless terminated earlier under Section 18 of the Interconnection Agreement.

4. PURCHASE AND SALE OF CAPACITY AND ENERGY

4.1. Facility Capacity and Output. Upon issuance of the Permit to Operate and during the term of the Agreements, Customer shall sell and the Company shall purchase all of: (a) the Facility's capacity and (b) the Facility's Energy output delivered to the Production Meter in commercially reasonable time and size blocks and consistent with the Project Standards. The Customer shall retain all renewable energy credits or environmental attributes associated with the Energy and the Company shall provide reasonable assistance to the Customer's efforts to obtain renewable energy incentives or tax credits or renewable energy credit certifications.

4.2. Purchase Price. The Company shall pay for the Facility's capacity and Energy at the rate of \$.06 per kWh of Energy produced during the month.

4.3. Renewable Energy Credits. [To be negotiated.]

4.4. Monthly Statement. Each month, the Company shall provide the Customer with (a) a monthly statement ("Monthly Statement") of the Energy produced and the amount due and (b) payment of the amount due. The Monthly Statement and payment will be provided at the time that Company ordinarily bills the Customer for retail electric service at the Service Address.

4.5. Objection to Statement. Within thirty (30) days of its receipt, the Customer may object to the Monthly Statement's computation of Energy produced and/or amount due. The objection shall state the grounds for the objection and be resolved as provided in Section 17 of the Interconnection Agreement. If the Customer does not timely object, the Parties shall be conclusively bound by the Monthly Statements computation of the Energy produced and/or amount due, except as provided in Section 5.

4.6. Title and Risk of Loss. Title to and risk of loss related to the Energy shall transfer from the Customer to the Company at and after the Energy is delivered to the Production Meter.

4.7. Exception to Deliver and Purchase Obligations. The Parties respective obligations to deliver and purchase the Energy under this Section 4 are excused to the extent provided in Section 10 of the Interconnection Agreement.

4.8. Source of Company Funds. The Company's obligation to pay for the Facility's capacity and Energy is an operating expense of the Company's System and a cost of purchased electric power and energy and is, solely, payable from the revenues derived from the operation of the Company's System. The Company covenants to and agrees that it will include the payments required under this Section 4 as a cost of purchased electric power and energy and as an operating expense in the Company's annual operating budget.

5. MEASUREMENT OF FACILITY PRODUCTION

5.1. The Company shall install, own, maintain, repair and replace the Production Meter as provided in Section 7 of the Interconnection Agreement.

5.2. If the Production Meter under- or over-reports the Energy production by more than two percent (2%), then the Company shall correct the Monthly Statement in the next Monthly Statement for the under- or over-reported production for (a) the actual time period during which the error occurred, if such period can be determined, or (b) if such period cannot be determined, then a period equal to one-half (1/2) of the period from the date of the last previous test confirming the Production Meter's accuracy, provided, however, that such period in either event shall not exceed one (1) year. Payment of such billing shall constitute full adjustment of any claim between the Parties arising from an inaccurate the Production Meter.

6. ENTIRE AGREEMENT This Interconnection Agreement and the Sale Agreement with exhibits and attachments shall form a single integrated agreement between the Parties and these Agreements contain the entire agreement between the Parties concerning the subject matter thereof and supersede and cancel agreements, all previous representations, warranties, commitments and writings in respect thereto, whether oral or otherwise. Without limiting the foregoing, the Parties, for convenience, reference the following sections of the Interconnection Agreement as applicable to the Sales Agreement:

- Section 3 Term
- Section 4 Customer's Compliance with Applicable Law
- Section 13 Customer Representations and Warranties
- Section 14 Default
- Section 15 Remedies
- Section 16 Company's Disclaimer of Warranties and Liability
- Section 17 Dispute Resolution
- Section 18 Termination
- Section 19 Disconnection and Survival of Obligations on Termination
- Section 20 Assignment
- Section 21 Liability
- Section 22 Insurance
- Section 23 Indemnification
- Section 24 Force Majeure
- Section 25 General Provisions



Heber Light & Power Electric Service Rule No. 14 NET METERING SERVICE

1. Overview

The Company offers Residential and Small General Service Customers net metering service that allows the Customer to use Customer owned renewable energy to supply some or all of their energy needs. Net metering service is limited to Net Metering Facilities that use renewable energy and have a total capacity of 15 kW or less in the case of Residential Customers or of 25 kW or less in the case of a Small General Service Customers. In either case, the Net Metering Facility may not exceed system or circuit capacity limitations.

General Service Customers, who wish to install solar facilities with more than 25kW may qualify to participate in the Company's Solar Power Sales Pilot Program described in Rule No. __. Please contact the Company's customer Service at 435-654-1581 or visit our website at <http://www.heberpower.com> for more information.

2. Definitions The following definitions apply to the capitalized terms in this Rule No. 14:

2.1. "Application" means the Net Metering Application, attached hereto as Attachment A, including the instructions and supporting documents submitted with the application.

2.2. "Excess Energy" means the energy that flows through Net Meter and onto the Company's distribution system and that is measured in kWh.

2.3. "Facility" means the Net Metering Facility.

2.4. "Net Metering Facility" means a Customer's electric generating facility including associated equipment that:

2.4.1. is located at the Customer's Service Address,

2.4.2. has a generating capacity that does not exceed the lesser of:

- (1) 15 kilowatts for Residential Customers or 25 kW for Small General Service Customers,
- (2) ninety (90) percent of the Customer's average energy usage during the prior two years or of the Company's estimate of the annual usage based on the size and type of service, and

- (3) the capacity limitation of the Company's circuit to which the Net Metering Facility will be attached, and

2.4.3. generates electricity using sunlight, wind or water, and

2.4.4. is sized and constructed to solely offset part or all of a Customer's own electrical requirements.

"Net Metering Facility" does not include the Production Meter, the Service Meter, or other equipment owned by the Company.

2.5. "Net Metering Standards" means: (1) all applicable laws, rules, regulations, ordinances, codes, orders or permits of any governmental authority, including zoning, construction, environmental and worker safety laws; (2) the National Electric Code, the National Electrical Safety Code, the standards of the Institute of Electrical and Electronic Engineers and standards of Underwriters Laboratories; (3) equipment manufacturer's directions for the safe and effective installation, operation and maintenance of the Facility or for testing the Facility; (4) the Approved Application, including design criteria and specifications for the Facility; (5) prudent utility practice, and (6) the requirements of this Rule 14.

2.6. "Production Meter" means the meter that measures the energy produced by the Net Metering Facility.

2.7. "Renewable Energy" means electricity produced by Renewable Generation.

2.8. "Renewable Generation" means a Facility that generates electricity using sunlight, wind or water as the primary source of energy.

2.9. "Residential Customer" means, as provided in Board Resolution No. 2015-09, a Customer receiving electric service for domestic purposes in (1) single family dwelling units; (2) apartments where each dwelling unit is separately metered and billed; and (3) combined family dwelling units.

2.10. "Service Address" means the address of the location at which the Company provides the Customer electric service and the Net Metering Facility is located.

2.11. "Service Meter" means the meter that measures the energy delivered to the Company's system from the Net Metering Facility and that measures the energy delivered to the Customer from the Company's system.

2.12. "Small General Service Customer" means, as provided in Board Resolution No. 2015-09, a Customer that is not a Residential Customer and receives service and has a demand of less than or equal to 30 kw.

3. General Provisions

3.1. Allowable Level of Renewable Generation. The Company will not approve a Net Metering Facility, if the Facility could interfere with the safe and efficient operation of the

Company's system. In addition, the Company will not approve the interconnection of Renewable Generation to the Company's system if the capacity of the Renewable Generation on the circuit exceeds 15% of the circuit's peak demand or if the capacity of the Renewable Generation on the Company's system as a whole exceeds 15% of the Company's peak demand. If these limits would prevent approval of the Net Metering Facility, the Customer may, at his/her expense, have a circuit study prepared by the Company's electrical engineer and implement the study's recommendations to insure that the Facility does not interfere with the safe and efficient operation of the Company's system.

These capacity limitations may be modified based on the Company's annual assessment of the impact of renewable energy on individual circuits and on the distribution system as a whole.

3.2. Licensed Installer. The installer of the Net Metering Facility: (1) shall have a current business license from the city or county in which the Facility is located; (2) shall complete the Company's Net Metering Contractor Class, during the year immediately prior to the installation of the Facility, (3) shall have, at a minimum, a S201 Residential Electrical Contractor License and a S202 Solar Photovoltaic Contractor License, and (4) shall, upon request, provide the Company with proof of compliance with Utah's insurance and bonding requirements.

3.3. Fees. Customers requesting net metering service will pay:

3.3.1. \$300.00 application fee which covers the Company's administration cost, the Production Meter and its installation; and

3.3.2. the cost of modifying the Company's system to accommodate the Net Metering Facility.

These fees must be paid before the Company will inspect the completed installation or will interconnect the Facility to the Company's system.

3.4. Renewable Energy Credits. In the event that the Company becomes subject to federal or state mandated renewable energy requirements, the Company will claim all renewable energy credits associated with production from the Net Metering Facility.

4. Application and Approval

4.1. The Customer may apply for net metering service by: (a) submitting a completed Application and paying the application fee and (b) completing the Customer Net Metering Orientation Program. A completed Application shall include all information requested in the Application and its instructions including the design of the Net Metering Facility.

4.2. Upon receipt of the completed Application, the Company will: (a) approve the Application with any conditions or (b) deny the Application with the reasons for the denial. If the Net Metering Facility requires modifications of the Company's system, the approval will identify the required modifications and the cost and will condition the approval on payment of these costs.

5. Production Meter, Service Meter, and Meter Bases

5.1. Service Meter. A net metering service shall have a Service Meter installed and owned by the Company. The Customer shall provide a meter base for the Service Meter and will pay the cost of the Service Meter. A properly operating Service Meter for existing connections will not need to be replaced.

5.2. Production Meter. In addition to the Service Meter, a net metering service shall have a Production Meter installed and owned by the Company. The Customer shall provide the meter base for the Production Meter, which will be located not less than five feet from the Service Meter.

5.3. The Company shall own and maintain the Production Meter and the Customer shall own and maintain the meter base. The meter bases shall be designed and installed in conformity with the Company's meter base standards. Additional information on the location of meters and meter base is found in the Application instructions and the sample diagrams.

6. Installation and Operation of the Net Metering Facility

6.1. At his or her own expense, the Customer shall install, operate, maintain, repair and replace the Net Metering Facility at the Service Address in a manner that conforms to Net Metering Standards. The Company will not interconnect the Net Metering Facility, if it does comply with these standards.

6.2. Prior to interconnection, the Customer shall:

6.2.1. have the Net Metering Facility inspected and approved by city and/or county inspectors and shall obtain any necessary city and/or county permits and pay all applicable fees; and

6.2.2. provide the Company with written verification of city and/or county approval of the completed Facility and of satisfactory completion of any testing required under the Net Metering Standards.

6.3. Upon completion of these conditions and payment of all fees, the Company will inspect the Net Metering Facility, install the Production Meter and place safety labels, as needed, on the Facility's components. The Customer may then connect the Facility to the Company's System by closing the disconnect switch.

6.4. The Customer shall not make any modifications to the Net Metering Facility, without the prior written consent of the Company.

7. Company's Inspection and Disconnection of the Facility.

7.1. The Customer shall design the Facility so that the disconnection switch is accessible to the Company at all times, without assistance from the Customer or other non-Company personnel.

7.2. The Company may inspect the Net Metering Facility, at reasonable hours and with reasonable prior notice to the Customer. If the inspection reveals that the facility is not in compliance with the Net Metering Standards, the Company may disconnect the Net Metering Facility and recover the cost of the inspection and testing.

7.3. The Company may disconnect the Net Metering Facility if Net Metering Facility interferes or threatens to interfere with the safe and efficient operation of the Company's system or does not comply with the Net Metering Standards.

7.4. The Company will re-connect the Net Metering Facility if the Customer corrects the deficiencies and pays the Company a re-connection fee.

8. Interruption or Reduction of Deliveries The Company may require Customer to interrupt or reduce deliveries: (a) when necessary in order to construct, install, maintain, repair, replace, remove, investigate, or inspect any of its equipment or part of its system; or (b) if the Company determines in its sole judgment that curtailment, interruption, or reduction is necessary because of emergencies, or compliance with good electrical practices as determined by the Company. The Company shall have no liability to the Customer for such interruption of deliveries.

9. Credit for Excess Energy. The Company shall deduct from the Customer's energy usage in kWh the Excess Energy produced by the Net Metering Facility and delivered to the Company's system. This reduction in the Customer's energy usage is the only change to the Customer's monthly bill and the Customer shall pay all other charges associated with the service provided to the Customer.

In January, the Company shall pay the Customer for any unused Excess Energy from the prior calendar year computed at the rate per kWh that the Company charges the Customer for retail service at the Service Address. The rate does not include energy or sales tax.

10. Liability. The Customer shall be responsible for any damage caused by the Net Metering Facility to the Company's distribution system and/or other Customers. The Customer shall be solely responsible for protecting the Customer's Net Metering Facility and all associated equipment, as well as persons and property near the Facility, from conditions that may arise on the Company's system such as outages, short circuits, voltage or frequency variations, or other disturbances, whether or not caused by the Company's fault.

The Customer shall be responsible for the installation and maintenance of applicable protection equipment, and for any damage caused by improper application, maintenance or faulty equipment. The Company shall not be liable directly or indirectly for permitting or continuing to

allow an attachment of a Net Metering Facility, or for the acts or omissions of the Customer that cause loss or injury, including death, to any third party.

The Customer shall defend and indemnify and hold the Company harmless from and against any and all claims or causes of action for personal injury, death, property damage, loss or violation of governmental laws, regulations or orders, which injury, death, damage, loss or violations occurs on or is caused by Net Metering Facility.

11. Revocation, Modification or Amendment of Policy

This Policy shall remain in effect, until revoked, modified or amended by the Company's board of directors, in a manner consistent with applicable law. This Policy gives the Customer no vested right to the continuation of net metering service or this Policy, to interconnect to the Company's system, or to receive payment for Excess Energy. Without limiting the foregoing, the Company may, at some future date, adopt a demand charge to recover the Company's cost of having facilities and energy available to serve the Customer at times when the Net Metering Facility does not produce sufficient energy to satisfy the Customer's demand.



NET METERING APPLICATION

This Form must be filled out completely and submitted to Heber Light & Power Company before a Customer's renewable energy facility can be interconnected with Company's distribution system.

Please carefully review the Company's policy on Net Metering Service at heberpower.com and the following application instructions for specific requirements.

A. Customer Information

Name: _____

Account Number: _____

Residential Customer Small General Service Customer

Mailing Address: _____

City: _____ State: ____ Zip Code: _____

Service Address (if different from mailing address): _____

City: _____ State: ____ Zip Code: _____

Phone Number: _____

Fax Number: _____

Email Address: _____

B. Type of Service

- Single Phase (120/240v)
- 3- Phase (120/208v)
- Other – specify voltage
 - Single Phase (Voltage _____)
 - 3-Phase (Voltage _____)

C. Equipment Information

Installation Type (check one) Solar Hydro Wind

Manufacturer: _____

Model Number: _____

Power Rating per Unit (DC Watts): _____

Total Number of Units: _____

Maximum System Output (DC Watts): _____

D. Inverter Manufacturer Information (if applicable)

Inverter Manufacturer: _____

Inverter Model Number: _____

Inverter Continuous AC Rating (AC Watts): _____

Total Number of Inverters: _____

Maximum Inverter Output (AC Watts): _____

E. Installation Information

1. Inverter

Inverter Location (check one): Indoor Outdoor

Inverter Location(s) Description: _____

2. Location of AC Disconnect Switch

3. System Type (check one):

Net Metering – Customer’s system is capable of back feeding through the utilities’ meter

Dedicated Circuit – Utility power is used for backup only

4. Battery Storage*

Will the generation system use a battery storage system? Yes No

Battery Manufacturer: _____

Battery Model Number: _____ QTY.: _____

Battery Voltages: _____ Amp Hours: _____

Battery Bank Voltages: _____ Amp Hours: _____

*The Company does not require battery storage but recommends it for all renewable energy generation.

F. Single-Line Diagram of Net Metering Facility and Interconnection

Attached is a single-line diagram of the Net Metering Facility and interconnection prepared in accordance with the instructions below.

The Customer and its representative submitting this Application on the Customer’s behalf hereby certifies, under penalty of perjury, that the information in this Application, the attached plans and project description, and any other information submitted in support of this application is true and correct. The Customer agrees that, in its construction and operation of the Facility, it will comply with the Company’s service rules and regulations and Interconnection Standards and comply with all applicable laws and electric codes.

[Customer Name]

By: _____

Its: _____

Office Use:

Circuit Number for Installation: _____

Facility does does not exceed circuit or system limitation in current circuit study.

Approved By: _____ Date: _____

Disapproved By: _____ Date: _____ Reasons for Disapproval: _____

Customer Notified of Grounds for Disapproval By: _____ Date: _____

Instructions for One-Line Diagram and Sample Diagram

The Customer's one-line diagram is one of the most important parts of the Net Metering Application. The one-line diagram is used by the Company during the review and approval process, and again during field testing and meter installation.

A good diagram can greatly shorten the Company review period and helps expedite the Company's field testing and meter installation. Inconsistencies between the diagram and the actual installation as-built are cause for rejection at the final testing and meter installation.

The diagram does not need to be overly complex, but accuracy and clarity are critical. The sample diagram below is for a typical PV System and is very simple, but it contains the required technical information for the Company. An accurate and complete connection diagram is also important because the design and installation of these systems is not routine.

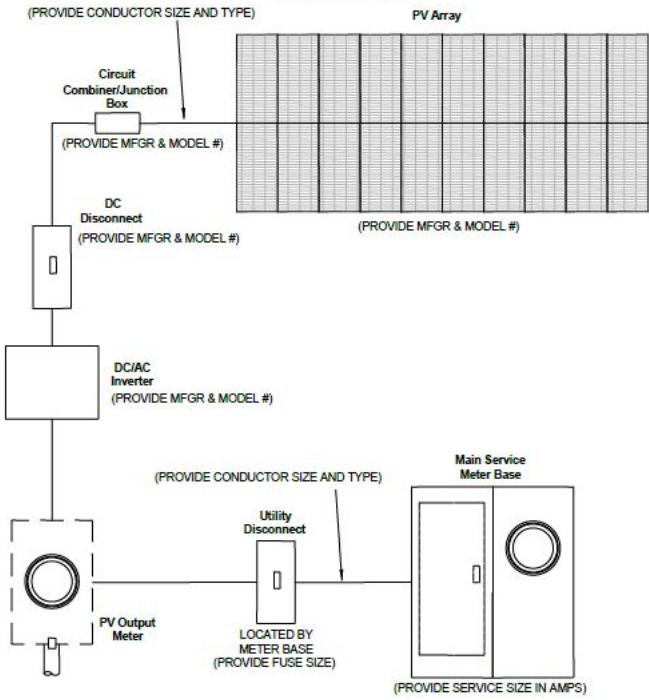
At a minimum, the one-line diagram must show how the system components are connected electrically and should show equipment part numbers and physical locations. Some of this may be on the application form as well, but having the information on a single document speeds the reviews and field inspections.

The one-line diagram should provide the following information:

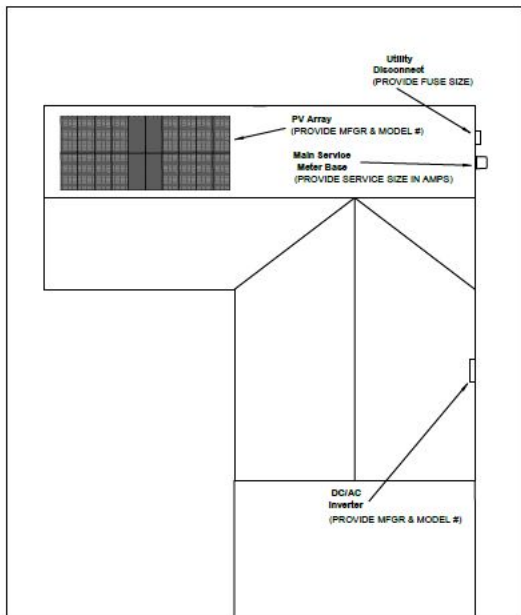
1. Generator (PV Panels, Wind Turbine, Hydro Turbine, etc.) - Include manufacturer, part number, nameplate maximum capacity (kW), and physical location. For modular systems (ex. pv panels), also include: number of modules, configuration, nameplate maximum capacity of each module, and total nameplate maximum capacity.
2. Inverter - Include manufacturer, type or series, part number, serial number, nameplate maximum capacity (kW), output voltage, physical location.
3. Disconnect Switch - Include the physical location relative to the Company Service Meter.
4. Electrical Service Panel -Include the panel or main breaker size and the position at which the generation is connected. Show all panels (if there are multiple panels or subpanels) even if not directly connected into the generation system.
5. The Company Service Meter - Include existing meter serial number, meter form, and class
6. PV System Output Meter Base – Include meter form, class, and physical location. Location within 5' of the Company Service meter.
7. Other Related Equipment (battery banks, transfer or bypass switches, backup generators, etc.)

[Sample Drawings-Next Page]

Sample System Diagram



Sample Site Plan Diagram





April 11, 2016

VIA US MAIL AND EMAIL

Representatives of Utah Purchasers
Listed on Attached Appendix A

Re: IPA Renewal Offer Update

Dear Utah Purchasers' Representatives:

As I trust you are now aware, Intermountain Power Agency has provided the Renewal Offer dated March 18, 2016, to all of the Intermountain Power Project Purchasers. I am pleased to report that almost all of the Utah Purchasers have placed the Renewal Offer on municipal council and governing board agendas for April.

I am writing to update you on some important matters that the Utah Purchasers should keep in mind as they prepare for their governing bodies' consideration of the Renewal Offer. I have provided an executive summary of the more detailed discussion that follows. You may want to share the executive summary in the upcoming meetings of the Utah Purchasers' governing bodies.

Executive Summary

- **Project Downsizing** - The repowered Project will likely be downsized from the initially proposed 1,200 megawatts.
 - Purchasers who will be buying the repowered electricity generated at IPP on a permanent basis have expressed a need to reduce the design capacity of the repowered Project;
 - The Project documents permit downsizing of the repowered Project with approval of the Project's governing bodies at any time prior to commencing the Gas Repowering;
 - The Project participants have discussed downsizing for a while and recent indications of demand for power on a permanent basis suggest that the design capacity of the repowered Project could be reduced by up to 50% (600 megawatts); and
 - Utah Purchasers who would like to limit the downsizing for their own needs should speak soon to commit to take IPP power on a permanent basis.

- **Maintaining Utah Voting Bloc in Renewal** - The renewal process provides Utah Purchasers an opportunity to maintain their current 20+% voting bloc on the IPP Renewal Contract Coordinating Committee (enabling them to block votes that are contrary to Utah interests).
- Utah Purchasers will need to subscribe collectively for entitlements in their Renewal Power Sales Contracts of greater than 20% (nearly all of their current aggregate entitlement percentage); and
- Utah Purchasers will have two chances to subscribe for entitlements in the next few months as the subscription rounds progress.
 - The first opportunity is before them right now; and
 - If needed, the second opportunity will be a 45-day period to agree with all the other Utah Purchasers for the complete allocation of orphaned Utah entitlement percentages. The second opportunity will only be for the Utah Purchasers who subscribed in the current round and will be needed only if any Utah Purchaser subscribes for an entitlement percentage in the repowered Project that is less than its present entitlement in the Project.
- **Subscription Planning** – Among other things, Utah Purchaser should consider the following in planning for entitlement subscription in the Renewal Power Sales Contract.
 - Similar to the arrangement that exists today under the Excess Power Sales Agreement, the Utah Purchasers may elect to lay off the financial responsibility for their entitlements under the Agreement for Sale of Renewal Excess Power;
 - Utah Purchasers' governing bodies should authorize their representatives to not only renew their current entitlement percentages but also to increase their entitlement percentages at least as needed to preserve the Utah Purchasers' voting bloc; and
 - Purchasers should enlist the help of IPA and IPA's legal counsel to prepare for and present at their governing bodies' meetings to help explain the downsizing of the Project and to facilitate the timely approval of the Renewal Offer.

Project Downsizing

The Second Amendatory Power Sales Contracts that recently became effective between IPA and the IPP Purchasers provide for the Gas Repowering (the repowering of the Project from an 1,800-megawatt coal-fueled facility to a 1,200-megawatt design capacity natural gas power plant). While many involved in the Project would like to see the Project remain at its current size, as a practical matter, sizing of the Project needs to correspond to the resource needs of the Purchasers who will actually purchase and take power generated at IPP on a permanent basis.

The Purchasers' latest indications of generation needs suggest that demand may only support a design capacity ranging between 600 and 800 megawatts (and that design capacity may be further reduced). Therefore, I feel it is important for you to know about this potential reduction in the repowered Project's design capacity now (before the Utah Purchasers' governing bodies consider the Renewal Offer). I also feel, though, that this should not delay the Utah Purchasers' action toward approving the Renewal Offer.

I believe this anticipated reduction in design capacity should not slow down the approval process because it is consistent with terms of the Renewal Offer. The Second Amendatory Power Sales Contracts clearly anticipate the possible reduction in design capacity of the repowered Project prior to the commencement of the Gas Repowering. The contracts provide that the reduction is to be determined by the IPP Coordinating Committee and the IPA Board of Directors subject to the approval of the Renewal Contract Coordinating Committee (the body designated to represent the Purchasers entering into the Renewal Power Sales Contracts). This possibility has also been discussed among the Purchasers' representatives in renewal project planning meetings. Design capacity may be further reduced as demand is gauged closer to the commencement of the Gas Repowering or as a result of any California Purchasers electing to take their off-ramp in 2019.

Another reason that this downsizing should not delay the Utah Purchasers' actions to approve the Project is that entitlements in the Project are expressed as percentages so a Purchaser can proceed by approving subscription for a percentage entitlement. The subscription for entitlements is not tied to the size of the repowered Project (the reduction in design capacity would translate a fixed percentage entitlement into reduced entitlements in subscribed megawatts, though).

I understand that some Utah Purchasers will be impacted more than others by a reduction in the repowered Project's design capacity. Those Utah Purchasers that are concerned with the reduction in design capacity may express, however, a commitment to take entitlements on a permanent basis. I understand that taking power on a permanent basis is subject to its own level of risk given the cost to operate the repowered Project is yet to be determined. That being said, the demand for a 1,200-megawatt project does not appear to exist.

I understand that it will be some time before we know the actual extent of the downsizing of the Project. But LADWP, as IPP Operating Agent, has committed to keep the Purchasers informed of the ongoing discussion of the downsizing. If the Utah Purchasers would like to have an impact on the sizing of the repowered Project, then sometime soon, the Utah Purchasers should express their interest, if any, in taking power from the repowered Project on a permanent basis. The IPP Coordinating Committee and the IPA Board of Directors will likely be asked soon to acknowledge the potential downsizing within a specified range (since the Renewal Power Sales Contracts are not effective, the Renewal Contract Coordinating Committee does not exist so no action will be taken by that body yet).

The California Purchasers are also reviewing the California regulatory requirements and the potential impact that this downsizing may have on their approval process. It seems probable at this point that regulatory approval process will not be completed by the May 25, 2016 acceptance

date, so the IPA Board of Directors likely will have to extend the date for accepting the Renewal Offer.

This is not the first time we have had to address the downsizing of the Project. We downsized the original Project from an anticipated four units to the two units that are currently on the Project site. That downsizing was similar in many respects to what has been described here. We accomplished that downsizing in an orderly manner just as I hope we will be able to do now.

Notwithstanding the change in design capacity or the likely extension of the deadline in the Renewal Offer, I encourage you to move forward with your governing body meetings as planned. In connection with those meetings, I encourage you to inform your governing bodies of the probable reduction in the design capacity of the repowered Project. I also hope that your governing bodies will approve the Renewal Offer notwithstanding those changes given that the future of the Project is at stake.

Maintaining Utah Voting Bloc in Renewal

The Project is at a crossroads that will determine its course through 2077. Since 1981, the Utah and California Purchasers have enjoyed a working relationship balanced between Utah and California interests because of the Utah Purchasers' voting bloc (representing entitlements of 20+% on the IPP Coordinating Committee (affirmative votes representing entitlements of 80% or greater are needed to approve many Project actions). Furthermore, as the representative for the smaller Utah Municipal Purchasers (all 21 of them), I have had the opportunity to speak on behalf of the Purchasers I represent and impact the Project in a meaningful way.

The Utah Purchasers have a unique opportunity in the next several weeks to determine not only whether they will continue to participate in the Project but also whether their voices will continue to matter. To maintain the current Utah voting bloc, Utah Purchasers need to subscribe for more than 20% of the entitlement percentages in the renewed Project (nearly all of aggregate entitlement percentages currently held by the Utah Purchasers). The least disruptive way to accomplish this would be for each Utah Purchaser to subscribe for the same percentage entitlement as its present Generation Entitlement Share.

We cannot yet determine the number of megawatts that a specific entitlement percentage will authorize a Purchaser to receive. We can predict, however, that if the Utah Purchasers do not subscribe for more than 20% of the Project, the Utah Purchasers will have a diminished voice in the Project. It is true that many actions taken with respect to the Project require the vote of the IPA Board of Directors. There are decisions that impact IPP, however, that can be taken by the Coordinating Committee alone and even some decisions that require Board approval do not permit the Board to exercise much discretion to veto those decisions.

Subscription Planning

Similar to the arrangement that exists today under the Excess Power Sales Agreement, the Utah Purchasers may elect to lay off the financial responsibility for their entitlements under the

Agreement for Sale of Renewal Excess Power. Notwithstanding the benefits of having "power on the shelf" provided by the lay-off arrangement, some Utah Purchasers may determine not to renew the entirety of their current entitlement percentage. With the anticipated downsizing of the repowered Project, other Utah Purchasers may desire to increase their entitlement percentages in order to stay as close as possible to their entitlement in megawatts in the current Project.

I believe it is important, however, for all Utah Purchasers to consider authorizing an increase in entitlement subscription percentages to provide room for collective Utah subscription of entitlements in the repowered Project that may be left unsubscribed by Utah Purchasers. Some planning will be required to address the possibility of orphaned entitlements in order to preserve the Utah voting bloc.

Utah Purchasers who subscribe for at least some of their entitlement percentages (Subscribing Utah Purchasers) in the round of the Renewal Offer currently underway (First Round), will have the opportunity to subscribe for Utah entitlements orphaned in this First Round, if any, during the first step of the second round of the Renewal Offer (Initial Second Round). Subscribing Utah Purchasers will be permitted to allocate the entirety of orphaned Utah entitlements among themselves. Successful allocation will be evidenced by a document signed by all of the Subscribing Utah Purchasers (along with the signed Renewal Power Sales Contracts, Offer Acceptances and opinions of counsel) to IPA within 45 days following the date that IPA starts the Initial Second Round. Failure to reach agreement for such allocation among the Subscribing Utah Purchasers of orphaned Utah Entitlements will likely result in the loss of the Utah voting bloc.

It may be challenging for a Utah Purchaser to enter into the allocation document within 45 days if, at that time, approval from its governing bodies to increase its subscription has yet to be obtained. For that reason, the form of resolution that was provided to you with the Renewal Offer provides some proposed language to authorize a Utah Municipal Purchaser to increase its subscription for entitlement percentages in later rounds (and that language could be modified as needed to satisfy your own situation, including approvals by the Cooperative Purchasers). The resolution proposes that a Utah Municipal Purchaser could set an upper limit on what that increased subscription could be. I strongly urge you to request that your governing bodies approve an amount that will allow your organization to subscribe for an amount sufficient to take as much as possible of the orphaned Utah Entitlements and to authorize your organization to sign an allocation document providing for such allocation.

IPA will host a meeting in connection with the Initial Second Round to facilitate the process of allocation of the orphaned Utah Entitlements. Efforts will be made to accommodate attendance at this meeting by representatives of Subscribing Utah Purchasers. IPA will request that the representative of each subscribing Utah Purchaser be authorized to negotiate and agree to an allocation of orphaned Utah entitlement percentages on behalf of that Utah Purchaser to preserve the Utah Purchasers' voting bloc.

Utah Purchasers' Representatives

April 11, 2016

Page 6 of 6

I encourage each Utah Purchaser to confer with its legal counsel before its governing bodies consider approving the Renewal Offer so legal counsel is satisfied that sufficient authorization will have been provided to address the matters discussed above (the subscription for additional entitlement percentages and for the execution and delivery of the allocation document). IPA noted that some of the Utah Purchasers' governing bodies approved the Second Amendatory Power Sales Contracts in a simplified manner. Given that the Offer Acceptance requires the subscription for a particular amount of entitlement percentage (Generation Entitlement Share) and the possibility for subscription for additional Generation Entitlement Share and the need for the allocation document, a simple motion by a governing body likely will not suffice. Since legal counsel will be expected to opine on the due authorization of the Renewal Power Sales Contracts by the Utah Purchaser (including, in the second round, the allocation document signed by the Utah Purchaser), your legal counsel should be involved early in your approval process. This will help avoid any challenge to the authority of a Utah Purchaser's representative to act on behalf of the Utah Purchaser that would cloud the validity of that Utah Purchaser's renewal.

I am reminded at this time that in the initial subscription for participation in the Project (in the 1970s), several Utah municipalities missed the opportunity to participate because they did not make their elections in a timely manner. At least one Utah municipality missed the opportunity to participate in the Project by only minutes. I do not want to see any Utah Purchaser that wants to renew be left behind or get less than the entitlement available to it. I ask that the Utah Purchasers give this process careful consideration and provide the authorization necessary for their representatives to preserve their participation and the Utah voting bloc.

As your governing bodies consider the Renewal Offer, please keep in mind that the Project works for the Utah Purchasers because of the level of their involvement. While that involvement has not required much effort for several years, it will require particular attention over the next several months so the Utah Purchasers can retain their percentage entitlements and voice in what has been a valuable resource.

Representatives of IPA will be contacting you and your legal counsel to discuss these matters directly. I encourage you to avail yourselves of the resources offered by IPA and that you strongly consider involving IPA in your approval process. IPA can be available to make presentations to governing bodies, to consult with your legal counsel regarding proposed actions by your governing bodies and answer any questions that you may have.

Sincerely,



Ted L. Olson

Chair, Intermountain Power Agency Board of Directors

cc: IPA Member Representatives
Legal Counsel to Utah Purchasers

**APPENDIX A
DISTRIBUTION LIST**

BEAVER CITY CORPORATION

Mayor Craig Wright
30 West 300 North
P.O. Box 271
Beaver, UT 84713

CITY OF BOUNTIFUL

Mayor Randy C. Lewis
986 South 800 East
Bountiful, UT 84010

CITY OF ENTERPRISE

Mayor S. Lee Bracken
375 South 200 East
P.O. Box 340
Enterprise, UT 84725

EPHRAIM CITY CORPORATION

Mayor Richard Squire
239 South 200 West
Ephraim, UT 84627

CITY OF FAIRVIEW

Mayor Jeff Cox
165 North State
P.O. Box 97
Fairview, UT 84629

FILLMORE CITY CORPORATION

Mayor Eugene Larsen
85 South 300 West
Fillmore, UT 84631

HEBER LIGHT & POWER COMPANY

General Manager
Jason Norlen
31 South 100 West
Heber City, UT 84032

HOLDEN TOWN CORPORATION

Mayor Jim Stephenson
P.O. Box 360063
Holden, UT 84636
Overnight Mail:
P.O. Box 360127
56 North Main
Holden, UT 84636

CITY OF HURRICANE

Mayor John Bramall
1375 West 3150 South
Hurricane, UT 84737

HYRUM CITY CORPORATION

Mayor Stephanie Miller
254 South 400 West
Hyrum, UT 84319

KANOSH TOWN CORPORATION

Mayor Earl Gardner
245 South 100 East
Kanosh, UT 84637

KAYSVILLE CITY CORPORATION

Mayor Steve Hiatt
697 North 240 East
Kaysville, UT 84037

CITY OF LEHI

Mayor Bert Wilson
1643 North 180 East
Lehi, UT 84043

CITY OF LOGAN

Mayor H. Craig Petersen
290 North 100 West
PO Box 527
Logan, UT 84321

MEADOW TOWN CORPORATION

Mayor Lynette Madsen
P.O. Box 88
Meadow, UT 84644
Overnight Mail:
67 North 100 West
Meadow, UT 84644

MONROE CITY CORPORATION

Mayor Kirt Nilsson
335 South Foothill Drive
Monroe, UT 84754

MORGAN CITY CORPORATION

Mayor Ray Little
90 West Young Street
P.O. Box 1085
Morgan, UT 84050

MT. PLEASANT CITY

Mayor David Blackham
115 West Main
Mt. Pleasant, UT 84647

MURRAY CITY CORPORATION

Mayor Ted Eyre
5025 South State Street
Murray, UT 84107

TOWN OF OAK CITY

Mayor Ken Christensen
P.O. Box 217
Oak City, UT 84649
Overnight to Oak City:
Mayor Ken Christensen
20 West 100 North
Oak City, UT 84649

PAROWAN CITY CORPORATION

Mayor Donald Landes
P.O. Box 106
Parowan, UT 84761
Overnight to Parowan
5 South Main
Parowan, UT 84761

PRICE CITY

Mayor Joe L. Piccolo
69 East Hillcrest
Price, UT 84501

SPRING CITY CORPORATION

Mayor John D. Monnett
150 East Center
P.O. Box 189
Spring City, UT 84662

Grant Earl, Manager

MOON LAKE ELECTRIC ASSOCIATION, INC.

Route 3 Box 3074
Roosevelt, UT 84066

Randy Ewell

General Manager

MT. WHEELER POWER, INC.

P.O. Box 15100
Ely, NV 89315-1000

Overnight:

Randy Ewell, Gen. Mgr.
1600 Great Basin Blvd.
Ely, NV 89315

LaDel Laub

General Manager

DIXIE-ESCALANTE RURAL ELECTRIC ASSOCIATION, INC.

71 East Hwy 56
Beryl, UT 84714-5197

Jud Redden

General Manager

Bridger Valley Electric Association, Inc.

P.O. Box 399
Mountain View, WY 82939

Overnight:

40014 Bus. Loop I-80,
Mt. View, WY 82939

Dan McClendon
Manager

GARKANE ENERGY COOPERATIVE, INC.

120 West 300 South
P.O. Box 465
Loa, UT 84747

Durand Robison
Manager

FLOWELL ELECTRIC ASSOCIATION, INC.

495 N. 3200 W.
Fillmore, UT 84631