



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. 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 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 kW 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.

"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: (1) submitting a completed Application and paying the application fee and (2) 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: (1) approve the Application with any conditions or (2) 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 Service and Production Meters and the Customer shall own and maintain the meter bases. 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 bases 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 not 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: (1) when necessary in order to construct, install, maintain, repair, replace, remove, investigate, or inspect any of its equipment or part of its system; or (2) 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.