

# Heber Light & Power

Impact Fee Update 2024

*Mark Beauchamp, President  
Utility Financial Solutions, LLC*

# Utility Financial Solutions, LLC

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



# Objectives

## Growth Pays for Growth

- Impacts caused by New Customers
  - Growth causes additional capacity investments
  - The investments tend to occur intermittently
- Value New Customers Provide
  - New customers generate contribution margins in the rates to fund fixed infrastructure costs
  - Cost of service study identifies the fixed and variable cost components used to identify a customer's value

# Investments in System Capacity

<b>Fund Balance</b>	<b>\$ 25</b>
---------------------	--------------

<b>Cost Component</b>	<b>Gross Investment</b>	<b>Percent of total</b>	<b>Allocation of Fund Balance</b>	<b>Net Impact</b>
Distribution Local & Substations	\$ 15,679,430	14%	\$ 3.55	\$ 15,679,426
Distribution Substation	1,130,000	1%	0.26	1,130,000
System Substations	56,089,500	51%	12.70	56,089,487
Transmission System	36,308,000	33%	8.22	36,307,992
<b>Total</b>	<b>\$ 109,206,930</b>			<b>\$ 109,206,905</b>

# Investments in System Capacity (cont.)

Description	Distribution			Total
	Local & Substations	System Substations	Transmission System	
Total Investment	\$ 16,809,426	\$ 56,089,487	\$ 36,307,992	\$ 109,206,905
Projected New Loadings	88,400	240,000	16,000	
Residential Loading Average	8.52	3.09	3.09	
<b>Residential Equivalents</b>	<b>10,376</b>	<b>77,635</b>	<b>5,176</b>	
Average Cost per RE	1,620	722	7,015	9,358
Contribution Value	-	-	-	2,613
<b>Impact Average</b>	<b>\$ 1,620</b>	<b>\$ 722</b>	<b>\$ 7,015</b>	<b>\$ 6,744</b>

# Value from a New Customer

Customer Class	COS Revenue Requirement	Fixed Costs Contribution	Recovery Period (Years)	Utility Investment	Maximum Utility Investment per Customer
Residential	\$ 13,063,323	\$ 5,064,162	7	\$ 0.2604 per kWh	\$ 2,613
Small Commercial	2,573,321	998,725	5	73.78 per kW	2,579
Medium Commercial	3,550,578	1,170,097	5	46.85 per kW	31,394
Large Commercial	1,863,373	508,490	5	34.80 per kW	112,734

# Proposed Impact Fees

Amperage	Current 120/240 Volt	Proposed 120/240 Volt	Dollar Adjustment	Percent Adjustment
10 A	\$ 315	\$ 337	\$ 22	6.9%
20 A	631	674	43	6.9%
30 A	946	1,012	65	6.9%
40 A	1,262	1,349	87	6.9%
50 A	1,577	1,686	109	6.9%
60 A	1,893	2,023	130	6.9%
70 A	2,208	2,360	152	6.9%
80 A	2,524	2,698	174	6.9%
90 A	2,839	3,035	196	6.9%
100 A	3,155	3,372	217	6.9%
125 A	3,943	4,215	272	6.9%
150 A	4,732	5,058	326	6.9%
200 A	6,310	6,744	434	6.9%
400 A	12,619	13,488	869	6.9%
600 A	18,929	20,232	1,303	6.9%
800 A	25,238	26,976	1,738	6.9%
1000 A	31,548	33,720	2,172	6.9%
1200 A	37,857	40,464	2,607	6.9%

	Current 120/208	Proposed 120/208	Dollar Adjustment	Percent Adjustment
Amperage	Volt	Volt		
10 A	\$ 474	\$ 506	\$ 33	6.9%
20 A	947	1,012	65	6.9%
30 A	1,421	1,519	98	6.9%
40 A	1,894	2,025	130	6.9%
50 A	2,368	2,531	163	6.9%
60 A	2,842	3,037	196	6.9%
70 A	3,315	3,544	228	6.9%
80 A	3,789	4,050	261	6.9%
90 A	4,263	4,556	294	6.9%
100 A	4,736	5,062	326	6.9%
125 A	5,920	6,328	408	6.9%
150 A	7,104	7,594	489	6.9%
200 A	9,472	10,125	652	6.9%
400 A	18,945	20,249	1,305	6.9%
600 A	28,417	30,374	1,957	6.9%
800 A	37,890	40,499	2,609	6.9%
1000 A	47,362	50,624	3,262	6.9%
1200 A	56,835	60,748	3,914	6.9%
1400 A	66,307	70,873	4,566	6.9%
1600 A	75,779	80,998	5,218	6.9%
1800 A	85,252	91,123	5,871	6.9%
2000 A	94,724	101,247	6,523	6.9%
2500 A	118,405	126,559	8,154	6.9%
3000 A	142,086	151,871	9,784	6.9%

	Current 277/480	Proposed 277/480	Dollar Adjustment	Percent Adjustment
Amperage	Volt	Volt		
10 A	\$ 1,093	\$ 1,168	\$ 75	6.9%
20 A	2,186	2,336	151	6.9%
30 A	3,279	3,504	226	6.9%
40 A	4,372	4,673	301	6.9%
50 A	5,464	5,841	376	6.9%
60 A	6,557	7,009	452	6.9%
70 A	7,650	8,177	527	6.9%
80 A	8,743	9,345	602	6.9%
90 A	9,836	10,513	677	6.9%
100 A	10,929	11,682	753	6.9%
125 A	13,661	14,602	941	6.9%
150 A	16,393	17,522	1,129	6.9%
200 A	21,858	23,363	1,505	6.9%
400 A	43,716	46,726	3,010	6.9%
600 A	65,574	70,089	4,516	6.9%
800 A	87,431	93,452	6,021	6.9%
1000 A	109,289	116,815	7,526	6.9%
1200 A	131,068	140,094	9,026	6.9%
1400 A	152,913	163,443	10,530	6.9%
1600 A	174,756	186,790	12,034	6.9%
1800 A	196,601	210,140	13,539	6.9%
2000 A	218,446	233,489	15,043	6.9%
2500 A	273,059	291,862	18,804	6.9%
3000 A	327,671	350,235	22,564	6.9%



# Impact Fee Comparison

Description / Panel Rating	Average	Heber City	St George	Lehi City	Brigham City	Payson City	Dixie Power	Spanish Fork City	Provo City	Morgan City
<b>Residential (120/240 1 Phase)</b>										
200 AMP	\$ 3,227	\$ 6,744	\$ 4,809	\$ 1,980	\$ 2,052	\$ 2,021	\$ 5,925	\$ 2,686	\$ 1,750	\$ 1,076
400 AMP	6,018	13,488	8,244	3,464	4,104	3,536	10,350	5,288	3,536	2,152
<b>Commercial (120/240 1 Phase)</b>										
200 AMP	\$ 4,191	\$ 6,744	\$ 6,529	\$ 3,177	\$ 4,104	\$ 3,978	\$ 5,925	\$ 2,686	\$ 3,501	\$ 1,076
400 AMP	7,505	13,488	13,058	4,312	6,498	5,399	10,350	5,288	7,002	2,152
600 AMP	13,450	20,232	19,587				14,775		10,503	2,152
<b>Commercial (200/120V 3 Phase)</b>										
200 AMP	\$ 7,967	\$ 10,125	\$ 13,068	\$ 7,671	\$ 6,156	\$ 8,808	\$ 9,998	\$ 8,209	\$ 2,628	\$ 5,044
400AMP	15,363	20,249	26,136	15,589	12,312	17,900	17,775	16,321	5,255	6,725
600 AMP	23,281	30,374	19,587	23,259	24,624	26,709	26,663	27,146	7,883	
<b>Commercial 480/277V 3 Phase)</b>										
200 AMP	\$ 16,565	\$ 23,363	\$ 30,157	\$ 18,063	\$ 14,364	\$ 20,742	\$ 23,080	\$ 8,209	\$ 6,064	\$ 5,044
400 AMP	32,079	46,726	60,315	35,879	28,386	41,199	41,031	16,321	12,128	6,725
800 AMP	63,921	93,452	120,629	71,758	56,772	82,399	82,061	27,146	24,256	16,813
1200 AMP	97,120	140,094	180,944	107,884	85,158	123,883	123,092	54,222	36,383	22,417