Corix Utah City Heating and Cooling LLC

Thermal Energy Service Tariff

Applicable to Utah City District Energy Utility

This tariff is available for public inspection at the utility's website

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INTRODUCTION

This Tariff applies to Thermal Energy for space heating, space cooling, and domestic hot water provided by Utah City District Energy Utility to the 64 lots located north of Vineyard Connector Road and west of Front Runner Commuter Rail tracks in Vineyard, Utah as per the Certificate of Public Convenience and Necessity (CPCN) approved in Docket No. 25-2666-01.

SECTION A – DEFINITIONS

Unless the context otherwise requires, in this Tariff, and the schedules attached hereto, the following words and terms have the following meanings:

Affiliate: with respect to any Person, shall mean a Person that, directly or indirectly, through one or more intermediaries, controls or is controlled by or under common control with such Person. For purposes of this definition, "control" means the possession, directly or indirectly, or the power to direct or cause the direction of management or policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

Applicant: means a Person that applies to become a Customer in accordance with this Tariff.

Building: means a residential and/or commercial development or other structure or facility which is subject to a Customer Agreement.

Building Design Capacity: means the sum of the space heating, domestic hot water and cooling non-coincident thermal peak capacity required by the Building as determined by the Customer, or its engineer or agent, and the Utility or a representative of the Utility, measured in kilowatts (kW).

Building System: means the system of pipes and heating, cooling and domestic hot water delivery and/or storage equipment to be installed and used for distributing and storing Thermal Energy in a Building, connected to but downstream of, and excluding, the Service Connection and Energy Transfer Station for that Building.

Capacity Charge: means a fixed charge attributable to infrastructure and operating costs, other than fuel and consumable costs required to be paid by a Customer for Energy Services during a prescribed period as specified in the Rate Schedule and is applicable to the total Building Design Capacity for the Building declared on the Customer Agreement once billing commences.

Commission: means the Public Service Commission of Utah.

Contaminants: means any radioactive materials, asbestos materials, urea formaldehyde, underground or above ground tanks, pollutants, deleterious substances, dangerous substances or goods, hazardous, corrosive, or toxic substances, hazardous waste, waste, pesticides, defoliants, or any other solid, liquid, gas, vapor, odor, heat, sound, vibration, radiation, or combination of any of them, the storage, manufacture, handling, disposal, treatment, generation, use, transport, remediation, or Release into the Environment of which is now or hereafter prohibited, controlled, or regulated under Environmental Laws.

Customer: means a Person receiving Energy Services pursuant to a Customer Agreement.

Customer Agreement: means an agreement between the Utility and a Customer for the provision of Energy Services to a Building, which includes an application for service form.

District Energy System: means the facilities through which the Utility delivers Thermal Energy to Customers, including the Thermal Energy plant(s), the Distribution System, the Service Connections and the Energy Transfer Stations, and excluding the Building System.

Distribution Extension: means an extension or upgrade of the Distribution System, not including the

installation of a Service Connection or an Energy Transfer Station, for the provision of Energy Services to Customer(s).

Distribution System: means, collectively, the system of pipes, fittings and ancillary components connecting the Thermal Energy plant to the Service Connections.

Effective Date: means the date on which the rates, charges, rules and classifications stated in the Tariff sheets first become effective, except as otherwise provided by statute. This date, in accordance with the statutory notice period, shall not be less than the 30th calendar day after the filed date, without the prior approval of the Commission. Unless otherwise authorized, rates shall be made effective for service rendered on or after the effective date.

End-user: means an occupant or tenant that is a non-transient user of Thermal Energy who has a tenancy agreement with the utility Customer.

Energy Charge: means a metered charge required to be paid by a Customer for energy costs associated with the provision of Thermal Energy services during a prescribed period as specified in the Rate Schedule.

Energy Services: means the provision by the Utility of Thermal Energy via the District Energy System.

Energy Transfer Station: means the separate heat exchangers for space heating, cooling and domestic hot water (excluding domestic hot water storage tanks), or one heating/cooling heat exchanger where applicable, energy meters including temperature sensors and flow meters, control panel and all pipes, fittings and other associated equipment that control the transfer, and measure Thermal Energy from the Distribution System to a Building System.

Environment: includes the air (including all layers of the atmosphere), land (including soil, sediment deposited on land, fill, lands submerged under water, buildings, and improvements), water (including oceans, lakes, rivers, streams, groundwater, and surface water), and all other external conditions and influences under which humans, animals, and plants live or are developed and "**Environmental**" has a corresponding meaning.

Environmental Laws: means any and all applicable statutes, laws, regulations, orders, bylaws, standards, guidelines, protocols, permits, and other lawful requirements of any Governmental Authority now or hereafter in force relating to or for the Environment or its protection, environmental assessment, health, occupational health and safety, protection of any form of plant or animal life, or transportation of dangerous goods, including the principles of common law and equity.

Filed Date: means the date the Tariff sheets are date-stamped at the Commission's Salt Lake City office following submission to the Commission for filing.

Governmental Authority: means any federal, state, county, regional, municipal, local or other government, governmental or public department, court, tribunal, arbitral body, commission, board, bureau or agency and any subdivision, agent, commission, board or authority thereof, including the Commission and the City.

Person: means an individual, an unincorporated organization or association, or a corporation, partnership, limited partnership, trust, trustee, homeowners association, syndicate, joint venture, limited liability company, union, Governmental Authority or other entity or organization.

Rate Schedule means that schedule attached to and forming part of this Tariff, which sets out the rates for Energy Services, exclusive of third-party payment processing fees, and certain related terms and conditions, as amended from time to time by the Utility with the approval of, and as filed with the Commission.

Release: means any release, spill, leak, pumping, pouring, emission, emptying or discharge, injection, escape, leaching, migration, disposal, or dumping.

Service Connection: means the system of pipes and all ancillaries and fittings necessary to connect a Building System to the Distribution System via the Energy Transfer Station.

Standard Fees and Charges: means the standard fees and charges which are exclusive of third-party payment processing fees and may be charged to the Customer by the Utility and set out in the Rate Schedule.

Sub-meter: means a measurement device downstream of the Utility Meter that is owned, installed and maintained by the Customer.

Tariff: means the entire body of rates, tolls, rentals, charges classifications and rules collectively enforced by the Utility, although the book or volumes incorporating the same may consist of one or more sheets applicable to distinct service classifications.

Thermal Energy: means thermal energy for space heating, space cooling, and domestic hot water.

Utility: means Corix Utah City Heating and Cooling LLC (referred to as "Utah City District Energy Utility") carrying on the business of a Thermal Energy distribution utility.

Utility Meter: means a measurement device owned and installed by the Utility.

Utility's Representatives: means any Person who is an officer, director, employee, agent, contractor, subcontractor, consultant or advisor of either the Utility or any Affiliate of the Utility.

SECTION B – TERMS AND CONDITIONS

1. Application for Energy Services

The Utility will provide Energy Services to Customers solely in accordance with this Tariff. Persons seeking to become Customers must apply for Energy Services in accordance with this Tariff.

Application for Energy Services will be made in writing. Applicants will be required by the Utility to complete and sign a Customer Agreement. The Customer Agreement will become binding on the parties thereto only and forthwith upon commencement by the Utility of Energy Services at the relevant Building. Applicants may be required to provide reference information and identification acceptable to the Utility in connection with an application for service.

The Customer Agreement will include a declaration of the Building Design Capacity for the purpose of billing.

If an Applicant is requesting Energy Services at more than one Building, the Utility will determine in its sole discretion whether to consider the Applicant the same Customer for all Buildings or to consider the Applicant a separate Customer for each of the Buildings. If an Applicant is requesting Energy Services for more than one unit, area or premises within the same Building, the Applicant will be considered the same Customer for all such unit(s), area(s) or premises. The Utility intends that there will be no more than one Customer per Building.

The Utility may refuse to provide Energy Services to an Applicant if there is an unpaid account for Energy Services in respect of such Applicant or the relevant Building(s).

2. Assignment and Assumption of Obligations

A Customer may not assign a Customer Agreement or any of its rights or obligations thereunder without the prior written consent of the Utility, such consent not to be unreasonably withheld, conditioned, or delayed. The assignee shall assume and be responsible for the performance of all obligations arising before, on, and after the effective date of the assignment, including the payment of any undisputed charges, fees, interest, or other amounts outstanding under the Customer Agreement and the terms and conditions of this Tariff as of the date of assignment.

The Utility may assign a Customer Agreement or any of its rights or obligations thereunder (including, without limitation, by way of the sale of the majority of its shares or business or its material assets or by way of an amalgamation, merger or other corporate reorganization) to any of its Affiliates or to any other Person without the consent of the Customer, provided such Affiliate or Person is duly qualified to carry out the Customer Agreement and agrees to be bound by the terms and conditions of the Customer Agreement. Forthwith upon the review of the assignee's demonstrated financial and operational capability and approval of the assignment by the Commission the Utility shall be released from its obligations and responsibilities under the Customer Agreement.

3. Use of Thermal Energy

A Customer will use Thermal Energy only for space heating, space cooling, and domestic hot water within the Building.

Unless authorized by the Commission, a Customer will not use or supply to any other Person Thermal Energy provided by the Utility other than as specified in this Section.

4. Allocation of Thermal Energy Costs to the End-user

Customers will follow the allocation methodology guideline approved by the Commission when allocating Thermal Energy costs to End-users. The allocation methodology guideline can be found on the Utility website.

All allocation calculations must satisfy the following criteria:

(a) No Mark-up or Profit

No mark-up on either the Capacity Charge or Energy Charge is permitted. The sum of the Thermal Energy costs allocated to End-users served by any Service Connection must not exceed the total bill rendered to the Customer by the Utility for the provision of service to such Service Connection.

(b) Fairness

Allocations must be fair and shall reasonably reflect differences in expected energy use among property types.

(c) Transparency

The Customer shall provide the End-user with a bill, invoice, statement, or other billing document that presents allocated Thermal Energy charges in a manner that is substantially consistent with the Utility's approved rate structure. The billing document shall separately identify, as applicable, charges attributable to the Utility's Capacity Charge, Energy Charge, and any other rate components approved by the Commission.

(d) Auditability

All calculations, multipliers, relevant utility invoice excerpts, floor area and use type classifications utilized for the allocation of costs must be retained and available for review upon request by the End-user, the Utility, the Division of Public Utilities and the Commission.

(e) Sub-meters

Sub-meters may be used in the allocation calculation. The cost of installing and maintaining the Sub-meter(s) and administering the thermal cost allocation cannot be passed onto any End-user except as part of the base rent or purchase price for a unit.

(f) Over-billing

In every case of over-billing, the End-user is entitled to a refund from the Customer with interest, calculated in a manner consistent with Section 12 of this Tariff.

(g) No Recovery on Customer Default Fees and Charges

Fees and charges due and owing by the Customer related to Customer default may not be included in the allocation to End-users. This includes late payment charges, collection charges, dishonored payments charge, and reconnection charges.

(h) End-user Disputes

Pursuant to Section 33 Dispute Resolution, End-users may lodge a complaint with the Utility regarding the allocations of Thermal Energy costs. This may be followed by an informal review by the Division of Public

Utilities and a formal review of the dispute by the Commission.

The Customer shall fully cooperate with the Utility, the Division, and the Commission in connection with any End-user complaint, informal review, investigation, or formal proceeding arising under this Tariff. The Customer shall promptly provide all information, records, and explanations reasonably requested and shall preserve all documents relevant to the matter.

5. Applicable Rates Schedule

A Customer must not significantly change its Building Design Capacity without the prior written approval of the Utility. The Utility may conduct periodic reviews of the quantity of Thermal Energy delivered and the rate of delivery of Thermal Energy to a Customer for the purpose of, among other things, determining whether to substitute a more applicable Rate Schedule.

6. Ownership and Care of District Energy System

Notwithstanding any degree of annexation or affixation, or rule of law or equity to the contrary, the Utility owns all components of the District Energy System and all additions or extensions thereto will be and remain the property of and vest in the Utility, whether located inside or outside of any Building. No component of the District Energy System shall be moved or removed from a Customer's lands (whether located inside or outside of any Building) without the advance written permission of the Utility. The Utility will not, under any circumstances whatsoever (including, without limitation, if the Utility is not providing Energy Services for any reason or if the Customer Agreement is terminated for any reason), be required to remove any component of the District Energy System from the Customer's lands (whether located inside or outside of Building(s)).

The Customer will take reasonable care of and protect all components of the District Energy System in, on or under the Customer's lands (whether located inside or outside of Building(s)) against damage and must advise the Utility promptly of any damage to or disappearance of the whole or part of any such component. Further, the Customer will pay to the Utility promptly upon request the cost of any broken, missing or damaged component of the District Energy System (or part thereof), except to the extent that the Customer demonstrates that such component (or part thereof) was broken, missing or damaged due to a defect therein or to any act or omission of the Utility or any of the Utility's Representatives.

7. Meters

The Utility will install, maintain and operate a Utility Meter(s) for a Building. The Utility Meter(s) may be used by the Customer to allocate Utility bill costs to End-users, with or without the use of Sub-Meters.

(a) Meter Reading

The amount of Thermal Energy registered by the Utility Meter during each billing period will be converted to kilowatt-hour (kWh) and rounded to the nearest two-tenths of a kWh.

The interval between consecutive meter readings will be at the sole discretion of the Utility.

The meter will typically be read at monthly intervals.

(b) Meter Testing

Any Customer who doubts the accuracy of a Utility Meter may request to have the Utility Meter tested by the original equipment manufacturer.

If the testing indicates that the Utility Meter is recording accurately, the Customer must pay the Utility for the cost of removing, replacing and/or testing the Utility Meter as set out in the Standard Fees and Charges.

If the testing indicates that the Utility Meter is recording inaccurately, the Utility will incur the cost of removing, replacing and testing the Utility Meter or (if applicable) refund such costs to the Customer.

8. Maintenance

The Utility will repair, maintain and replace all components of the District Energy System in, on or under the Customer's lands (whether located inside or outside of the Buildings or any of them), from time to time at its own cost to keep the same in good working order. Except for the Utility's obligation to repair, maintain and replace such components of the District Energy System as aforesaid, the Utility is not, and will not be, responsible for repairing, maintaining or replacing any other facility or equipment in, on or under a Customer's lands (whether located inside or outside of the Building), including without limitation any Building System.

The Customer shall not make any alterations to any Building System which may impact the provision of the Energy Services by the Utility without the prior written approval of the Utility.

The Customer will promptly repair, maintain and replace the Building System from time to time at its own cost to keep the same in good working order.

9. Connections and Disconnections

No connection, disconnection, reconnection, extension, installation, replacement or any other change is to be made to any component of the District Energy System by anyone except by the Utility's Representatives authorized by the Utility.

(a) Energy Services Reconnections

Reconnection charges shall apply as set forth in this Section.

If:

i. Energy Services are discontinued to a Customer for any of the reasons specified in Section 18 or any other provision of this Customer Agreement; or

ii. a Building System is disconnected from the District Energy System or Energy Services are discontinued to a Customer at the request of the Customer with the approval of the Utility;

and such Customer or the employee, agent or other representative of such Customer re-applies for Energy Services for the same Building within 12 months of such discontinuance or disconnection (as applicable), then if the Building's Building System is reconnected to the District Energy System or if Energy Services are restored to such Customer, such Customer will pay, as part of fees owing for the first month of Energy Services, a reconnection charge equal to the sum of:

i. the actual costs that the Utility will incur in reconnecting the Building's Building System to the District Energy System or restoring Energy Services to such Customer; and

ii. the Capacity Charge (as set out in the Rate Schedule) that such Customer would have paid had Energy Services continued during the period between the date of discontinuance or disconnection (as applicable) and the date of such re-application.

If a Building System is disconnected from the District Energy System or Energy Services are discontinued to a Customer for public safety or Utility service requirement reasons, there will be no reconnection charge to reconnect the Building's Building System to the District Energy System or to restore Energy Services to such Customer.

10. Distribution Extensions

The Customer acknowledges it is at the sole discretion of the Utility to determine whether or not to complete a Distribution Extension. When assessing a Distribution Extension, the Utility will assess the economic impact of such Distribution Extension on existing Customers and consider the factors set forth below:

(a) Ownership. All components of Distribution Extensions will be and remain the property of the Utility.

(b) Economic Test. Applications to extend Energy Services to one or more new Customers will be subject to an economic test. The economic test will be a discounted cash flow analysis of the projected revenue and costs associated with the Distribution Extension, while taking into consideration the implications of any existing long-term deferral account and rate levelization plan for the Utility. The Distribution Extension will be deemed to be economic and constructed if the results of the economic test indicate a zero or positive net present value.

(c) Revenue. The projected revenue used in the economic test will be established by the Utility by:

i. estimating the number of Customers to be served by the Distribution Extension;

ii. establishing consumption estimates for each Customer;

iii. projecting when the new Customers will be connected to the Distribution Extension; and

iv. applying appropriate revenue margins for each Customer's consumption.

The revenue projection may also take into consideration the effect of variations in weather conditions on consumption.

(d) Costs. The costs used in the economic test will include, without limitation:

i. the full projected labor, material, and other costs necessary to serve the new Customers including such costs applicable to new mains (subject to the provisions of this paragraph (d)), Service Connection(s), Energy Transfer Station(s) and related facilities;

ii. the appropriate Utility overhead associated with construction of the Distribution Extension; and

iii. projected incremental operating and maintenance expenses necessary to serve the new Customers.

In addition to these costs, the economic test will incorporate applicable taxes, and the appropriate return on investment as approved by the Commission.

In cases where a larger Thermal Energy distribution main is installed to satisfy anticipated future demand requirements, the difference in cost between the installed, larger main and a smaller main that would be adequate to serve only those Customers supporting the particular application would be eliminated from the economic test.[1]

(e) Contributions in Aid of Construction. If the economic test results indicate a negative net present value, the Distribution Extension may proceed provided that the shortfall in revenue is eliminated by contributions in aid of construction by or on behalf of Customers to be served by the Distribution Extension, or if there are non-financial factors offsetting the revenue shortfall that are deemed to be acceptable by the Commission, the Utility may finance the contributions in aid of construction for Customers.

(f) Security. In those situations where the financial viability of a Distribution Extension is uncertain, the Utility may require a security deposit in cash or an equivalent form acceptable to the Utility.

11. Billing

(a) Subject to paragraph (c) below, if meter readings cannot be obtained for any reason, consumption may be estimated by the Utility for billing purposes and the next bill that is based on actual meter readings will be adjusted for the difference between estimated and actual use over the interval between meter readings.

(b) If any meter fails to register or registers incorrectly, the consumption may be estimated by the Utility for billing purposes, subject to Section 12. In such case, the Utility will make every reasonable effort to rectify the issue promptly.

(c) If the Customer terminates a Customer Agreement, Corix will make all reasonable efforts to obtain an actual meter reading for the final bill rendered to the Customer. If the actual meter reading cannot be reasonably obtained, consumption may be estimated by the Utility for the purpose of the final bill.

(d) Bills will be rendered as often as deemed necessary by the Utility, but generally on a monthly basis. The due date for payment of bills shown on the face of the bill will be the first business day after:

i. the 21st calendar day following the billing date; or

ii. such other period as agreed in writing by the Customer and the Utility.

iii. Bills will be paid in the manner specified therein, which may include payment by check via regular mail and/or payment by on-line banking or electronic funds transfer.

iv. Customers requesting historic billing information may be charged the cost of processing and providing this information. Cost for such service will depend on the extent of requested historical review and will be presented to the Customer prior to completing such service.

12. Back-billing

Minor adjustments to a Customer's bill, such as an estimated bill do not require back-billing treatment.

(a) Back-billing means the re-billing by the Utility for Energy Services rendered to a Customer because the original billings were discovered to be either too high (over-billed) or too low (under-billed). The discovery may be made by either the Customer or the Utility. The cause of

the billing error may include any of the following non-exhaustive reasons or combination thereof:

i. stopped meter;

ii. metering equipment failure;

iii. inaccurate meter, as determined pursuant to Section 7;

iv. switched meters;

v. double metering;

vi. incorrect meter connections;

vii. incorrect use of any prescribed apparatus respecting the registration of a meter;

viii. incorrect meter multiplier;

ix. the application of an incorrect rate;

x. incorrect reading of meters or data processing; or

xi. tampering, fraud, theft or any other criminal act.

(b) Where the Customer requests that the meter be tested, the provisions of Section 7 will apply in addition to those set forth in this Section.

(c) Where metering or billing errors occur and the Customer does not request that the meter be tested, the consumption and demand will be based on the records of the Utility for the Customer or on the Customer's own records to the extent they are available and accurate or, if not available, on reasonable and fair estimates made by the Utility. Such estimates will be on a consistent basis within each Customer class or according to a contract with the Customer, if applicable.

(d) If there are reasonable grounds to believe that the Customer has tampered with or otherwise used the Thermal Energy or any component of the District Energy System in an unauthorized way, or there is evidence of fraud, theft or another criminal act, back-billing will be applied for the duration of the unauthorized use, subject to the applicable limitation period provided by law, and the provisions of paragraphs (g), (h), (i) and (j) below will not apply.

In addition, the Customer is liable for the direct (unburdened) administrative costs incurred by the Utility in the investigation of any incident of tampering, including the direct costs of repair, or replacement of equipment.

Under-billing resulting from circumstances described in this paragraph (d) will bear interest at the rate specified in the Standard Fees and Charges Schedule on unpaid accounts from the date of the original under-billed invoice until the amount under-billed is paid in full. In every case of

under-billing or over-billing, the cause of the error will be remedied without delay, and the Customer will be promptly notified of the error and of the effect on the Customer's ongoing bill.

(e) In every case of under-billing or over-billing, the cause of the error will be remedied without delay, and the Customer will be promptly notified of the error and of the effect on the Customer's ongoing bill.

(f) In every case of over-billing, the Utility will refund to the Customer money incorrectly collected, with simple interest computed at the short-term bank loan rate applicable to the Utility on a monthly basis thereon, for the shorter of:

(i) the duration of the error; or

(ii) twelve months prior to the discovery of the error.

(g) Subject to paragraph (d) above, in every case of under-billing, the Utility will back-bill the Customer for the shorter of:

(i) the duration of the error; or

(ii) one year, or as otherwise agreed by the Customer and the Utility in writing.

(h) Subject to paragraph (d) above, in every case of under-billing, the Utility will offer the Customer reasonable terms of repayment. If requested by the Customer, the repayment term will be equivalent in length to the back-billing period. The repayment will be interest free and in equal installments corresponding to the normal billing cycle. Delinquency in payment of such installments will be subject to the usual late payment charges.

(i) Subject to paragraph (d) above, if a Customer disputes a portion of a back-billing due to under-billing based upon either consumption, demand or duration of the error, the Utility will not threaten or cause the discontinuance of Energy Services for the Customer's failure to pay that portion of the back- billing, unless there is no reasonable ground for the Customer to dispute that portion of the back- billing. The undisputed portion of the bill will be paid by the Customer and the Utility may threaten or cause the discontinuance of Energy Services if such undisputed portion of the bill is not paid.

(j) Subject to paragraph (d) above, in all instances of back-billing where changes of occupancy have occurred, the Utility will make a reasonable attempt to locate the former Customer. If, after a period of one year, such Customer cannot be located, the over-billing or under-billing applicable to them will be cancelled.

13. Late Payment Charge and Collection Charge

If the amount due on any bill has not been paid in full on or before the due date shown on such bill, the bill rendered as part of the next bill cycle will include the overdue amount plus a late payment charge as set out in the Standard Fees and Charges. Notwithstanding the due date shown, to allow time for payments made to reach the Utility and to co-ordinate the billing of late payment charges with scheduled billing cycles, the Utility may, in its discretion, waive late payment charges on payments not processed until a number of days after the due date. If the Customer's account is overdue and requires additional effort to collect, the Utility may charge the Customer a collection charge as set out in the Standard Fees and Charges.

Under special circumstances and at its sole discretion, the Utility may waive the late payment charge and collection charge.

14. Capacity Charge Deferred Payment Plan (CCDPP)

During the first year a Capacity Charge is due and payable, if the Customer does not have full occupancy of the Building for which Services are provided, the Customer may notify the Utility in writing that it elects to enter into a Capacity Charge deferred payment plan (CCDPP) to defer payment of the Capacity Charges, according to the following terms and subject to paragraph (h) below:

(a) Up to 50% of the Capacity Charges amount may be deferred for the first six (6) months of the period requested by the Customer;

(b) After six (6) months, the Capacity Charges paid amount shall be increased in equal increments until the monthly Capacity Charges amount is equal to the full Capacity Charges paid amount on the twelfth (12^{th}) month and thereafter;

(c) After the twelfth (12^{th}) month, the total amount of deferred Capacity Charges will be split into twenty-four (24) equal monthly payments and invoiced to the Customer. The deferred balance, including applicable interest, will be fully recovered within thirty-six (36) months of entering into the CCDPP.

(d) Any amount arising from deferring Capacity Charges will attract interest at the rate specified in the Standard Fees and Charges at the time the Customer enters into the CCDPP until the balance is fully recovered. Late payment charges will not apply to amounts under the CCDPP.

(e) The Utility will treat any amounts under the CCDPP as a Customer accounts receivable for services already rendered.

(f) During the term of the CCDPP, the Customer agrees to continue to pay the bills for un-deferred Capacity Charges and all Energy Charges by the due date.

(g) Each Customer obtaining a CCDPP will have an individualized plan that conforms to the conditions noted above. The terms of the CCDPP shall be set forth in a written agreement, a copy of which shall be provided to the Customer.

(h) If a Customer breaches a condition or term of the CCDPP, the Utility may discontinue Energy Services under the terms of Section 18, subject to the right of the Customer to seek review of the breach by the Commission. Renewal of the existing CCDPP and any future CCDPP shall be at the discretion of the Utility.

15. Deferred Payment Agreement (DPA)

A Customer who cannot pay an overdue account balance shall have the right to receive Energy Services under a deferred payment agreement (DPA) subject to paragraphs (e) and (f) below.

(a) A Customer shall have the right to a DPA, consisting of 12 months of equal monthly payments plus interest, if the full overdue amount plus interest at the rate specified in the Standard Fees and Charges at the time the Customer enters into the DPA shall be paid within the 12 months and if the Customer agrees to pay the monthly installments. Late payment charges will not apply to amounts under the DPA.

(b) The Customer shall have the right to pre-pay a monthly installment, pre-pay a portion of, or the total amount of the overdue balance due under a DPA at any time during the agreement. The Customer also has the option to include the amount of the current month's bill plus any other applicable charges in the total amount to be paid over the term of the DPA.

(c) The terms of the DPA shall be set forth in a written agreement, a copy of which shall be provided to the Customer.

(d) During the term of the DPA, the Customer agrees to pay the bills for future Energy Services by the due date plus the monthly DPA installment.

(e) If a Customer breaches a condition or term of the DPA, the Utility may discontinue Energy Services under the terms of Section 18, subject to the right of the Customer to seek review of the breach by the Commission. Renewal of the existing DPA and any future DPA shall be at the discretion of the Utility.

(f) A Customer is not eligible for a DPA during the term of an existing CCDPP.

16. Dishonored Payments Charge

If a check or direct debit received by the Utility from a Customer in payment of any account is returned by the Customer's bank, trust company or financial institution because of insufficient funds (NSF), or any reason other than clerical error, a returned check charge as set out in the Standard Fees and Charges will be added to the amount due and payable by the Customer whether or not the applicable Building System has been disconnected from the District Energy System or Energy Services have been discontinued to the Customer.

17. Planned Service Outages

(a) Planned Service Outage Notification

The Utility will provide a minimum of 7 calendar days' notice of a planned service outage to the Customer. The Customer will notify the End-user of the planned service outage within 48 hours of receiving notice from the Utility.

(b) Medical and Health Declaration Requiring Advance Notice of a Planned Outage

The Customer may submit a declaration to the Utility indicating a Building has an End-user(s) with a medical or health condition requiring an extended notice period. The declaration must be submitted in a format acceptable to the Utility.

For any Building(s) with a medical and health condition declaration, the Utility will provide a minimum of 14 calendar days' notice of a planned service outage to the Customer. The Customer will notify the End-user of the planned service outage within 24 hours of receiving notice from the Utility.

18. Refusal to Provide Energy Services and Cessation of Energy Services

The Utility may refuse to provide Energy Services to any Applicant, or the Utility may discontinue providing Energy Services to any Customer, who:

i. fails to fully pay, or fails to make arrangements to fully pay, for any Energy Services provided to the Building on or before the due date for such payment;

ii. fails to provide or pay by the applicable date required any security deposit, equivalent form of security or guarantee or any requisite increase thereof; or

iii. violates the conditions under which the Utility provides service pursuant to this Tariff.

Notwithstanding any other provision of this Tariff, before implementing a cessation of Energy Services, the Utility shall conduct a public safety and operational risk assessment.

In conducting such assessment, the Utility may consider factors including:

i. actual or forecasted extreme weather conditions, including periods of severe cold, excessive heat, or other environmental conditions that could reasonably threaten public health, safety, or property;

ii. the presence of vulnerable populations known by the Utility to be served at the premises;

iii. the duration and severity of the Customer's default and the Customer's efforts to resolve the matter; and

iv. any other circumstances that the Utility reasonably determines are relevant to protecting public health, safety, utility infrastructure, or the reliable operation of the District Energy System.

Where the Utility reasonably determines that the cessation of Energy Services could create a material risk to public health and safety, the Utility will postpone, condition, or decline to proceed with the cessation of Energy Services until such time the risk no longer exists.

Nothing in this Section shall obligate the Utility to continue providing Energy Services indefinitely where amounts remain unpaid or where other grounds for a cessation of service exist.

(a) Notice of Cessation of Energy Services

The Utility will provide a minimum of 30 calendar days' written notice to the Customer prior to a cessation of service. The Customer will notify the End-user of the cessation of service within 48 hours of receiving notice from the Utility.

The Utility will post physical notices on the premises in a conspicuous place and post a notice on the Utility website within 48 hours of providing notice to the Customer.

(b) Medical and Health Declaration Requiring Advance Notice of a Cessation of Energy Services

The Customer can submit a declaration to the Utility indicating a Building has an End-user(s) with a medical or health condition requiring an extended notice period. The declaration must be submitted in a format acceptable to the Utility.

For any Building(s) with a registered medical and health condition declaration, the Utility will provide a minimum of 45 calendar days' notice of a planned service outage to the Customer. The Customer will notify the End-user of the planned service outage within 24 hours of receiving notice from the Utility.

(c) Cessation of Energy Services Without Notice

The Utility may refuse to provide Energy Services to any Applicant, or the Utility may, without having to give any notice, discontinue providing Energy Services to any Customer, who:

i. has defective pipes, appliances, or Thermal Energy fittings in any part or parts of Building(s) which may adversely impact the provision of the Energy Services by the Utility;

ii. has failed to properly connect the Building System to the Energy System and properly commission the Building System;

iii. uses the provided Thermal Energy in a manner that may, in the opinion of the Utility:

(i) lead to a dangerous situation; or

(ii) have a negative impact on the District Energy System, or any components thereof;

iv. fails to make modifications or additions to the Customer's equipment as required by the Utility to prevent the danger or negative impact described in paragraph iii above;

v. negligently or fraudulently misrepresents to the Utility its use of Thermal Energy or the Thermal Energy load requirements of, or Thermal Energy volume consumed within and by, any Building;

vi. makes any alterations to any Building System which may impact the provision of the Energy Services by the Utility without the prior written approval of the Utility;

vii. terminates the applicable Customer Agreement pursuant to Section 22 or causes the termination of the applicable Customer Agreement for any reason; or

viii. stops consuming Thermal Energy in the Building.

The Utility will not be liable for any loss, injury or damage suffered by any Customer by reason of the discontinuation of or refusal to provide Energy Services as set out in this Section.

A Customer may dispute the reasons for the Utility's refusal to provide Energy Services or to discontinue providing Energy Service, under the terms of Section 33 Dispute Resolution.

19. Security for Payment of Bills

(a) A Customer who has not established or maintained credit to the satisfaction of the Utility may be required to provide a security deposit or equivalent form of security, the amount of which may not exceed the estimated total bill for the two highest consecutive months' consumption of Thermal Energy by the Customer.

(i) A security deposit or equivalent form of security is not an advance payment.

(b) Simple interest will accrue on a security deposit starting upon receipt, at the rate and at the times specified in the Standard Fees and Charges. If a security deposit is returned to a Customer for

any reason, the Utility will credit any accrued interest to the Customer's account at that time. No interest is payable on any unclaimed deposit left with the Utility after the account for which it is security is closed, or on a deposit held by the Utility in a form other than cash.

(i) A security deposit (plus any accrued interest) will be returned to the Customer after one year of good payment history, or when the Customer's Customer Agreement is terminated pursuant to Section 22, whichever occurs first.

(ii) If a Customer's bill is not paid when due, the Utility may apply all or any part of the Customer's security deposit or equivalent form of security and any accrued interest towards payment of the bill. Under these circumstances, the Utility may still elect to discontinue Energy Services to the Customer for failure to pay for Energy Services.

(iii) If a Customer's security deposit or equivalent form of security is appropriated by the Utility for payment of an unpaid bill, the Customer must re-establish the security deposit or equivalent form of security before the Utility will reconnect or continue Energy Services to the Customer.

20. Account Charge

When a change of Customer occurs, an account charge, as set out in the Standard Fees and Charges, will be paid by the new Customer with respect to each account in that Customer's name for which a separate bill is rendered by the Utility.

21. Term of Customer Agreement

The initial term of a Customer Agreement will be as follows:

(a) where a new Service Connection is required to provide Energy Services, five years; or

(b) where a Distribution Extension is required to provide Energy Services, for a period of time fixed by the Utility but not exceeding the number of years used to calculate the revenue in the Distribution Extension economic test.

The Customer Agreement will thereafter automatically be renewed from year to year unless:

(c) specified otherwise in a special contract or supplement referred to in Section 30; or

(d) the Customer Agreement is terminated pursuant to Section 22 below.

22. Termination of Customer Agreement

A Customer may, following the initial term specified in Section 21, terminate the applicable Customer Agreement by giving at least 60 days' written notice to the Utility at the address or by email specified in the most recent bill rendered to the Customer. If written notice is not received, the term will automatically be renewed.

The Customer is not released from any previously existing obligations to the Utility by terminating the Customer Agreement.

The Customer acknowledges and agrees that if it terminates the Customer Agreement pursuant to this Section, the Utility may charge the Customer the full cost of all infrastructure associated with the provision of Energy Services to the Customer if the Utility determines that such charge is necessary to ensure other Customers on the District Energy System are not adversely impacted by such termination.

The termination charge will be determined using the financial model approved in the Utility's most recently completed general rate case. The Utility will:

(a) Remove from the approved financial model the capital expenditures, operating expenditures, revenues, and other financial assumptions directly attributable to the Building;

(b) Maintain all other approved assumptions, including the approved rate levelization plan and the year in which the RDDA is forecast to be fully recovered; and

(c) Determine the amount of CIAC required to reduce rate base and associated revenue requirements so that the RDDA continues to be fully recovered in the same year established in the approved financial model.

The resulting CIAC will constitute the termination charge. The Utility may make reasonable adjustments to the calculation to reflect updated information available when the termination charge is determined.

Notwithstanding any termination by the Customer pursuant to this Section, and without derogating from the generality of Section 6, all components of the District Energy System will remain the property of and vest in the Utility.

23. Liability

(a) The Utility will endeavor to provide a regular and uninterrupted supply of Thermal Energy, but it does not guarantee a constant supply of Thermal Energy or the maintenance of unvaried temperatures. Neither the Utility, nor any of the Utility's Representatives is responsible or liable for any loss, injury (including death), damage or expense incurred by any Customer or any Person claiming by or through a Customer, that is caused by or results from, directly or indirectly, any discontinuance, suspension, or interruption of, or failure or defect in the supply, delivery or transportation of, or any refusal to supply, deliver, or transport Thermal Energy, or provide Energy Services, except to the extent the loss, injury (including death), damage or expense is directly and solely attributable to the gross negligence or willful misconduct of the Utility or any of the Utility's Representatives, provided however that neither the Utility nor any of the Utility's Representatives is responsible for any loss of profit, loss of revenue or other economic loss, even if the loss is directly attributable to the gross negligence or willful misconduct of the Utility or any of the Utility's Representatives. In no event will the Customer or any of its officers, directors, employees, agents, contractors, subcontractors, consultants or advisors of either the Customer or any Affiliate of the Customer (collectively, the "Customer's Representatives") be responsible for any loss of profit, loss of revenue or other economic loss incurred by the Utility, even if the loss is directly attributable to the negligence or willful misconduct of the Customer of any of the Customer's Representatives, excepting any charges or costs payable by the Customer hereunder.

(i) Energy Services may be temporarily suspended to make repairs or improvements to the District Energy System or in the event of fire, flood or other sudden emergency. The Utility will, whenever reasonably practicable, give notice of such suspension to the Customer and will restore Energy Services as soon as possible. Telephone, flyer, or other acceptable announcement method may be used for notice purposes. The Utility will not be liable for any loss, injury or damage caused by or arising out of any such suspension of Energy Services.

(ii) The Customer shall bear and retain the risk of, and hereby indemnifies and holds harmless the Utility and all of the Utility's Representatives from, all loss and damage to all

components of the District Energy System in, on or under the Customer's lands (whether located inside or outside of Building) except to the extent any loss or damage is directly attributable to the negligence of the Utility or any of the Utility's Representatives, or is caused by or results from a defect in the District Energy System. The Customer must prove such negligence or defect.

(iii) The Customer agrees to indemnify and hold harmless the Utility and all of the Utility's Representatives from all claims, losses, damages, liabilities, costs, expenses and injury (including death) suffered by the Customer or any person claiming by or through the Customer or any third party and caused by or resulting from the use of the Customer's lands by the Utility as contemplated herein or the use of Thermal Energy by the Customer or the presence of Thermal Energy on or in any part of the Building or from the Customer or the Customer's employees, contractors or agents damaging any component of the District Energy System. This paragraph will survive any termination of the Customer Agreement.

(iv) The Customer acknowledges and agrees that the Utility will not in any way be responsible for any aspect of the design, engineering, permitting, construction or installation of any Building System.

(v) The Customer will release, indemnify and hold harmless the Utility and all of the Utility's Representatives from any and all liabilities, actions, damages, claims (including remediation cost recovery claims), losses, costs, orders, fines, penalties and expenses whatsoever (including all consulting and legal fees) and the costs of removal, treatment, storage and disposal of Contaminants and remediation of the Customer's lands and any affected adjacent property pursuant to any applicable Environmental Laws which may be paid by, incurred by or asserted against the Utility or any of the Utility's Representatives arising from or in connection with the violation of any applicable Environmental Laws, the presence of Contaminants on, in or under the Customer's lands or any Release or alleged Release of any Contaminants at or from the Customer's lands related to or as a result of the presence of any preexisting Contaminants at, on, under or in the Customer's lands, including without limitation surface and ground water at the date of the Customer Agreement or as a result at any time of the operations of the Customer or any act or omission of the Customer or its tenants or other occupants or any person for whom it is in law responsible.

(vi) The Customer will obtain and maintain at its own expense appropriate insurance coverage (including property and liability) throughout the term of the Customer Agreement and will provide the Utility with evidence of same upon request.

24. Access to Buildings and Equipment

The Utility's Representatives will have, at all reasonable times, free access to all components of the District Energy System in, on or under the Customer's lands (whether located inside or outside of Building) to ascertain the quantity or method of use of Energy Services, as well as for the purpose of reading, testing, repairing or removing the whole or any such component (or part thereof), turning Thermal Energy on or off, conducting system leakage surveys, stopping leaks, and examining pipes, fittings, connections and appliances.

In furtherance of the above, the Customer hereby grants and covenants to secure for the Utility and its subcontractors, agents, employees and representatives, by licenses, rights of way, easements, leases or other

agreements, and for nominal consideration, non-exclusive access to, on, over and under the Customer's lands for the purposes of performing its obligations under the Customer Agreement. Without limiting the generality of the foregoing, the Customer will, forthwith upon the Utility's request and at the cost of the Customer, grant or cause to be granted to the Utility and duly record in the relevant county recorder's office, a right of way in the Utility's standard form in respect of each lot comprising a part of the Customer's lands and otherwise as required to allow the Utility to perform its obligations under the Customer Agreement. Each right of way granted pursuant to this Section will have priority over any financial encumbrance registered against title. For greater certainty, the access granted pursuant to this Section will be adequate, in the discretion and determination of the Utility, acting commercially reasonable, to allow the Utility to efficiently and effectively carry out its obligations pursuant to the Customer Agreement without undue disturbance or interference from the Customer or any of its contractors, agents, employees or representatives.

The Customer acknowledges and agrees that each right of way, lease or other interest granted pursuant to this Section may be recorded by the Utility in the relevant county recorder's office, together with any priority agreements as the Utility may deem necessary or advisable.

25. Curtailment of Energy Services

If there is a breakdown or failure of any component of the District Energy System, or at any time to comply with the requirements of any law or as the result of any emergency, the Utility will have the right to require any Customer or class or classes of Customers or all its Customers, until notice of termination of the requirement is given, or between specified hours, to discontinue use of Thermal Energy for any purpose or purposes or to reduce in any specified degree or quantity such Customer(s)' consumption of Thermal Energy for any purpose or purposes.

Any such requirement may be communicated to any Customer or Customers or to all Customers by either or both of notice in writing (via e-mail, regular mail or personal delivery, or left at the relevant Building) and oral communication (including by telephone). Any notice of the termination of any such requirement may be communicated similarly.

If in the opinion of the Utility any Customer has failed to comply with any requirement of the Utility communicated in accordance with this Section, the Utility will be at liberty, after notice to the Customer is communicated in accordance with this Section, to discontinue Energy Service to such Customer.

The Utility will not be liable for any loss, injury, damage or expense occasioned to or suffered by any Customer for or by reason of any discontinuance of Energy Services as contemplated by this Section.

26. Disturbing Use

All equipment for which Thermal Energy is supplied will be subject to the reasonable approval of the Utility and the Customer will take and use the Thermal Energy so as not to endanger any apparatus or cause any undue or abnormal fluctuations on the District Energy System.

The Utility may require the Customer, at the Customer's expense, to provide equipment which will reasonably limit such fluctuations or disturbances and may refuse to supply Thermal Energy or suspend the supply thereof until such equipment is provided.

27. Sources of Energy

The Customer acknowledges and agrees that the Utility may, without the need to obtain any approval from the Customer and without any recourse by the Customer, from time-to-time incorporate other sources of energy or other energy supply systems into the District Energy System, provided the Utility is still able to meet its obligations to the Customer hereunder.

28. Taxes

The rates and charges set out in this Tariff shall be in addition to any applicable state, county, local, regional and municipal sales and use taxes, or any other taxes fees, charges or levies that the Utility may be lawfully authorized or required to add to its normal rates and charges now or in the future.

29. Rate Schedule

The rates to be charged by, and paid to, the Utility for Energy Services will be the Capacity Charge and Energy Charge set out in the Rate Schedule from time to time in effect, which may be inspected on the Utility's website.

30. Special Contracts and Supplements

In unusual circumstances, special contracts and supplements to this Tariff may be negotiated between the Utility and the Customer and submitted for approval by the Commission where:

(a) a minimum rate or revenue stream is required by the Utility to ensure that the provision of Energy Services to the Customer is economic; or

(b) factors such as system bypass opportunities exist or alternative fuel costs are such that a reduced rate is justified to keep or to attach the Customer to the Distribution System.

31. Conflicting terms and conditions

Whenever anything in this Tariff is in conflict with any special terms or conditions provided in any Rate Schedule, the terms or conditions provided in the Rate Schedule will prevail and whenever anything in these Terms and Conditions or in the Rate Schedule is in conflict with the terms of any special contract the terms of such special contract will prevail.

32. Authority of Agents of the Utility

None of the Utility's Representatives has authority to make any promise, agreement or representation not incorporated in a Customer Agreement, and any such unauthorized promise, agreement or representation is not binding on the Utility.

33. Dispute Resolution

(a) Customer Disputes

Upon receipt of written notice of dispute from the Customer, the Utility will investigate any disputed issue and will attempt to resolve the issue by negotiation and as permitted by these Terms and Conditions.

Any Customer who is unable to resolve a dispute after contacting the Utility to seek resolution may obtain an informal review by the Division of Public Utilities by contacting them at local phone number (801-530-7622), toll free phone number (800-874-0904), or at https://commerce.utah.gov/dpu/customer-service/how-to-submit-a-complaint/ on the internet.

The Commission, upon its own motion or upon the petition of any person, may initiate formal or investigative proceedings upon matters arising out of informal complaints from the Customer.

No action will be taken during the negotiation, informal review and formal review to terminate service if the Customer pays the undisputed portion of the account.

(b) End-user Disputes

Upon receipt of written notice of dispute from the End-user, the Utility will investigate any disputed issue affecting the End-user and will attempt to resolve or facilitate the resolution of the issue by negotiation and as permitted by these Terms and Conditions.

For matters involving Building System issues on the Building side of the interconnection, the Utility will refer the complaint to the Utility's Customer to address matters involving the Building System.

Any End-user who is unable to resolve a dispute after contacting the Utility to seek resolution may obtain informal review by the Division of Public Utilities by contacting them at local phone number (801-530-7622), toll free phone number (800-874-0904), or at https://commerce.utah.gov/dpu/customer-service/how-to-submit-a-complaint/ on the internet.

On matters alleging Customer non-adherence to the Terms and Conditions of this Tariff, the Commission, upon its own motion or upon the petition of any person, may initiate formal or investigative proceedings upon matters arising out of informal complaints from the End-user.

The Customer is prohibited from taking action during negotiation, informal review and formal review to terminate service to the End-user if the End-user pays the undisputed portion of the account.

34. End-user Information Disclosure

The Customer shall provide each End-user with the Utility's current End-user information package prior to execution of a tenancy agreement. At a minimum, the information package shall include the following information:

(a) Utility and Service Information

(b) Regulatory Overview

(c) Rates, Charges, Billing and Allocation

(d) Notice for Service Outages and Conditions for Cessation of Service

(e) Dispute Resolution

(f) Contact Information

SECTION C – STANDARD FEES AND CHARGES SCHEDULE

New Account Charge:	**$55.00** The Account Charge is a one-time initial set up charge payable by each Applicant for Energy Services.
Collection Charge:	**$60.00**
Dishonored Payments Charge:	Equivalent to the Utility's lead bank's current NSF.
Late Payment Charge:	Interest on outstanding balance equal to the lesser of 1.5% per month and the maximum legal interest rate allowable.
Disputed Meter Testing Fees:	Actual costs of removal, replacement, and/or testing.
Interest Rate for Accounts:	Effective August 1, 2026, the rate is 5.17% per annum. This interest rate is based on the Calculation of Carrying Charge.

Calculation of Carrying Charge

On or before November 1 of each year, the Utility shall calculate an annual carrying charge and file a letter with the Commission reflecting this rate, to be effective on January 1 of each year. This charge is calculated based on the average daily interest rate for the 12-month preceding period from August to September as published by the Federal Reserve of St. Louis for the ICE BofA BBB US Corporate Index Effective Yield (BAMLC0A4CBBBEY).

The calculated rate shall be applied to the following accounts:

- Unrecovered energy supply costs
- Customer deposits (to be credited to the Customer's account in January of each year.)
- Over-billing or under-billing on Customer accounts
- Capacity Charge deferred payment plans (CCDPP)
- Deferred payment arrangements (DPA)

SECTION D – ENERGY COST RECONCILIATION ACCOUNT

1. Applicability

The purpose of the Energy Cost Reconciliation Account (ECRA) is to recover through Energy Charge revenues, on a dollar-for-dollar basis, the purchased Thermal Energy supply costs including thermal volume related expenses. Energy supply costs are the costs associated with the generation of heating and cooling thermal service. This includes costs for electricity; natural gas; water; sewer; and chemicals, safety and testing.

This ECRA balance to be recovered is included in the calculation of the energy charge component for all Rate Schedules in this Tariff.

2. Reconciliation Account Accrual

Each month a calculation will be made to determine the amount to be accrued into the Unrecovered Energy Supply Costs account. A positive accrual reflects an under-recovery of costs and is debited to the account. A negative accrual reflects an over-recovery of costs and is credited to the account. Any applicable refund or out-of-period charge which reflects a change in the cost of energy supply for a prior period will be credited or debited respectively to the balancing account during the month the refund or charge is recorded in the Utility books.

Accrual = Cost of Energy Supply – Energy Charge Revenues where:

Cost of Energy Supply:

The cost of energy supply is the total of (1) electricity expenses, (2) natural gas expenses, (3) water expenses, (4) sewer expenses, and (5) chemicals, safety and testing expenses as described below.

Cost of Energy Supply includes the following Accounts.

- Electricity expenses - This account shall include purchases from the local electric utility.
- Natural gas expenses - This account shall include purchases from the local natural gas utility.
- Water expenses - This account shall include water purchases from the local water utility.
- Sewer expenses - This account shall include sewer (wastewater) purchases from the local water utility.
- Chemicals, safety, and testing expenses - This account shall include costs related to the treatment of water contained in the district energy system heating and cooling system loops. It includes costs for water quality testing and legionella monitoring and testing required for the permitting and operation of the cooling towers.

Energy Charge Revenues:

Energy Charge revenues are the sum of the Energy Charges from all thermal service Customers.

3. Energy Charge Rate Determination

No less frequently than annually, the Utility will file with the Commission an application for determination of the Energy Charge rate. This Energy Charge rate will be determined by (1) adding the projected test period energy supply costs from all supply sources and any ECRA balance, and (2) dividing by the projected test-period thermal sales.

4. Unrecovered Energy Supply Costs Account Entries

The Utility shall provide 60 days prior notice of (1) an inclusion of a new account or the first-time inclusion of other new material items, and (2) any material change involving the exclusion of costs or revenues previously recorded within Unrecovered Energy Supply Costs account for balancing account purposes. The notice may be by letter, application to the Commission, or in a pass-through filing made 60 days prior to the requested Effective Date. All such entries are provisional and subject to Commission approval, prior to their inclusion in any rate change made through the Unrecovered Energy Supply Costs account process.

5. Audit Procedures

All items recorded in the Unrecovered Energy Supply Costs account are subject to regulatory audit. Adjustments to the account may be proposed on a retroactive basis for items identified in such regulatory audits that are not in compliance with the account standards and procedures, not in compliance with prior orders of the Commission, or imprudently incurred.

Proposed adjustments shall be designated no later than one year after the end of the fiscal year being audited. Proposed adjustments may be adopted by the Utility without Commission review. If a proposed adjustment is not adopted by the Utility, the proponent of the adjustment may seek Commission resolution of the proposed adjustment.

6. "Two-Way" Carrying Charge

An annual interest rate, as described in Section C Calculation of Carrying Charge, will be applied to the monthly balance in Unrecovered Energy Supply Costs account, as adjusted for the corresponding tax deferral balance in Accumulated deferred income taxes – Other account. The balance in Unrecovered Energy Supply Costs account will be increased by the carrying charge during months when energy supply costs are under-collected and reduced when energy supply costs are over-collected.

SECTION E – RATE SCHEDULE 1: GENERAL SERVICE

1. Thermal Energy Service Rates[1]

The following charges shall be applied to Customer's monthly bill.

Capacity Charge:

Effective Date:	$ per kilowatt (kW) per Month
August 1, 2026	$15.85

Energy Charge[2]:

Effective Date:	$ per kilowatt hour (kWh)
August 1, 2026	$0.0417

Notes:

1) The above rates do not include third-party payment processing fees.
2) The Energy Charge will be updated annually based on the rate-setting mechanism approved by the Commission.

2. Revenue Deficiency Deferral Account

(a) Applicability

The Revenue Deficiency Deferral Account (RDDA) is applicable to all customer accounts in Rate Schedule 1: General Service.

(b) Purpose

The purpose of the RDDA is to allow for implementation of a long-term rate smoothing plan while also allowing the Utility to earn its allowed rates of return on its invested capital for its delivery revenue requirements during the duration of the rate smoothing plan. The delivery revenue requirement for a year includes costs for operation and maintenance (O&M), depreciation, amortization, taxes, return on equity, and cost of debt.

Due to the greenfield nature of the thermal utility and the long-term buildout of the development, the annual cost of service materially changes each year as additional assets are deployed and new customers are connected. However, the forecast revenues and costs are subject to large differences from actual amounts due to the varied actual timing of customer connections and its associated deployed assets. In a greenfield utility that sets rates based on an annual revenue requirement where the revenues from rates equals the cost of service for each year, this situation leads to highly unstable rates between the years.

The implementation of an RDDA allows the Utility to be regulated by applying cost of service ratemaking for revenue requirements over a long-term period rather than a single year. The RDDA is a mechanism that bridges the annual forecast test year period rate-making process with the actual long-term buildout of the development. In periods where the actual revenue billed is less than the revenue required to earn the allowed rates of return, the RDDA asset will accumulate. As the Thermal Energy system matures, the actual revenue billed is expected to exceed the revenue required to earn the allowed rates of return and the RDDA is drawn down. The draw down occurs until the RDDA is fully recovered on the RDDA recovery date.

(c) RDDA Impact to the Delivery (Capacity) Rate Determination

Implementation of the rate smoothing plan for the Utility requires the use of the RDDA to smooth the Capacity Charges for each year. In the early years of the rate smoothing plan the RDDA is debited since the actual billed delivery revenues are lower than the allowed delivery cost of service. When the RDDA is forecast to be debited, the rates set are lower than if the rates were set based on annual full recovery of the cost of service without the RDDA.

In the later years of the rate smoothing plan the RDDA is credited since the actual billed delivery revenues are higher than the allowed delivery cost of service. When the RDDA is forecast to be credited, the rates set are higher than if the rates were set based on annual full recovery of the cost of service without the RDDA.

(d) Calculation of the RDDA

The RDDA captures the difference between (a) the actual delivery revenues and (b) the total allowed delivery cost of service.

The actual delivery revenues are the actual delivery revenues from all rate classes.

The total allowed delivery cost of service is the sum of:

(i) actual non-controllable delivery costs;

(ii) forecast approved controllable delivery costs; and

(iii) forecast approved costs for those delivery costs.

Non-controllable delivery costs are costs which the Utility has a) no reasonable ability to control, b) costs which are influenced by factors outside its control, or c) costs that are not reasonably predictable. Non-controllable costs include the following:

- All delivery costs including O&M that are not controllable delivery costs.
- Unforeseen labor costs due to meeting operational compliance requirements.
- Insurance costs.
- External regulatory costs.
- Taxes other than income taxes.
- Income taxes.
- Depreciation and amortization on actual plant account balances.
- Amortization of other approved delivery deferral account balances, if any.
- Debt interest costs on the debt portion of actual rate base.
- Allowed return on equity on the equity portion of actual rate base.

Controllable delivery costs are costs which the Utility has a reasonable ability to control and minimize with reasonable care and effort following prudent utility operational practice. Controllable costs include the following:

- Internal labor.
- O&M costs arising from regional costs allocations.
- O&M costs arising from corporate costs allocations.

In the calculation of the actual RDDA activity for each year, the allowed regional costs allocations and corporate costs allocations are based on the forecast approved test year amounts.

The RDDA is included in rate base. The actual RDDA additions or deductions for the year are calculated following the end of each fiscal year.

(e) RDDA Balance Mitigation Measures

The target date by which the RDDA balance shall be fully repaid is December 31, 2041.

If the forecast RDDA balance in a year exceeds 20% of the forecast plant net book value of the Utility or the forecast RDDA balance is not expected to be fully recovered by the RDDA full repayment date, the Utility is permitted to (1) increase the Monthly Capacity Rates, (2) require a customer revenue contribution (e.g. rate rider recovery or lump sum payment), (3) require an asset contribution in aid of construction, or (4) a combination of the foregoing, all subject to Commission approval.

(f) RDDA Full Repayment Date Extension

At the discretion of the Utility, it may apply for an extension of the RDDA full repayment date if there are i) build-out delays in the anticipated Service Connection of the last remaining Buildings in the development, ii) capital costs are materially higher than initially forecast, or iii) unexpected operating costs not contemplated, which cannot be mitigated without an extension all which is subject to Commission approval.

(g) Audit Procedures

All items recorded in the RDDA are subject to regulatory audit. Adjustments to the account may be proposed on a retroactive basis for items identified in such regulatory audits that are not in compliance with the account standards and procedures, not in compliance with prior orders of the Commission, or imprudently incurred.

Proposed adjustments shall be designated no later than one year after the end of the fiscal year being audited. Proposed adjustments may be adopted by the Utility without Commission review. If a proposed adjustment is not adopted by the Utility, the proponent of the adjustment may seek Commission resolution of the proposed adjustment.