

HL&P AMENDMENT

RESOLUTION 2026-04

SUMMARY

- Midway City is a member and partial owner of Heber Light & Power Company (HL&P).
- HL&P wants to amend its organization agreement regarding “distributable income”.
- 2 of the 3 members must approve amendments
- Dividend amount would be prior to depreciation and amortization but after a contingency fund for the replacement or repair of self-insured assets.

PROPOSED LANGUAGE

“Distributable Income” means the amount, if any, of the Company’s net income before depreciation or amortization that is available for distribution to the Parties after the payment of all operating expenses and debt service costs of the Company and the funding of all rate stabilization, surplus or similar funds established under the Company’s bond indenture or resolution, or of any contingency reserves determined by the Board to be reasonably necessary to pay the cost of unexpected energy price fluctuations, and equipment failures, or replacement or repair of self-insured assets or to provide rate stabilization. The amount of Distributable Income shall not exceed the available amount on deposit in the rate stabilization, surplus or similar fund established under the Company’s bond indenture or resolution.