



*A Municipal
Electric Utility*



Founded 1909



August 1, 2013

COPY

Civil Review Committee
State of Utah Office of the Attorney General
PO Box 142320
Salt Lake City, UT 84114-2320

Re: Heber Light & Power Company

Dear Civil Review Committee:

The Board of Directors of the Heber Light & Power Company ("Board") submits this letter in response to the Civil Review Committee's ("Committee") analysis of the Board's November 16, 2011 compensation decision.

The Board of Directors has carefully considered the analysis and recommendation of the Civil Review Committee. The Board and Committee share the goal of fostering transparency and improving procedures. So, to accomplish this end, the Board on November 27, 2012, adopted Bylaws which incorporated significant portions of the Utah Open and Public Meetings Act and which adopted a notice and hearing provision on Board compensation, which in some respects provide more transparency than required by the Utah Municipal Code.

As an interlocal entity, the Company was not required by Utah law to adopt these rules. The Board however adopted them nonetheless because it wished to address the transparency concerns raised by the Company's ratepayers.

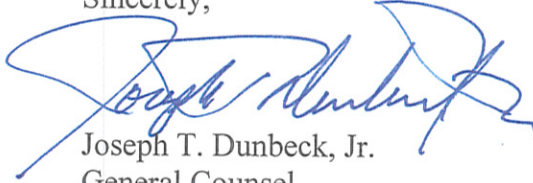
As general counsel for the Company and Board, I have serious concerns about the Committee's legal analysis. For example, the Committee retroactively applies these Bylaws to a decision made months before the Bylaws were adopted. We also believe that the Committee may have misinterpreted the plain language of the cited statutes, particularly the Utah Municipal Code. But, these concerns might be more appropriately addressed with the Committee at a later time.

While disagreeing with the Committee's conclusions about the propriety of the compensation decision, the Board wishes to lay this matter to rest. The Board members have therefore decided to make arrangements to reimburse the increase in Board compensation adopted in November, 2011, including arrangements for the full reimbursement of amounts paid directly to Heber City, on behalf of its council members.

Civil Review Committee
State of Utah Office of the Attorney General
August 1, 2013
Page 2

The Committee and Board share the view that reimbursement of the funds will bring this matter to a close and eliminate this distraction to the Company's sole purpose of providing its customers with safe and reliable electric service.

Sincerely,



Joseph T. Dunbeck, Jr.
General Counsel