

HEBER LIGHT & POWER COMPANY

LONG TERM DEBT

June 23, 2014

2002 Bonds

<u>Principal</u>	\$4,995,000 on issuance on October 15, 2002
<u>Interest</u>	3.25% - 5.00% coupon rate
<u>Proceeds</u>	System upgrades including three gas engines and related facilities, 46kv to 12.270kv substation, distribution system improvements
<u>Refinanced</u>	2012 Bonds

2005 CAT Lease

<u>Principal</u>	\$2,615,000 on execution January 1, 2005
<u>Interest</u>	4.75%
<u>Proceeds</u>	Purchase gas generator
<u>Refinanced</u>	2010A Bonds

2010A Bonds

<u>Gross Production</u>	\$1,725,408
Principal	\$1,675,000 on issuance November 23, 2010
Premium	\$ 50,408 on issuance November 23, 2010
<u>Interest</u>	
Coupon	3.00 - 5.00%
Yield	1.20 - 4.64%
Aver. Coupon	4.64%
Interest Cost	4.25% (True Interest Cost)
All-In Cost	4.55% (All Inclusive Cost)
<u>Proceeds</u>	Paid 2005 CAT Lease of \$1,850,000

2010B Bonds (Build America Bonds Interest Subsidy of 35%)

Gross Production \$4,771,558

Principal \$4,850,000
Discount \$ 78,441

Interest

Subsidy 35% of interest (BABS Subsidy)
Interest 4.55% (Coupon of 7% less Subsidy of 35%)
Interest Cost ___% (True Interest Cost)
All -In Cost 4.91% (All Inclusive Cost)

Proceeds

Purchase Upper Snake Creek Plant and AMI meters, upgrade to plant, distribution and generation improvements

2012 Bonds

Gross Production \$3,960,069

Principal \$3,750,000
Premium \$ 255,070

Interest

Coupon 2.0 - 4%
Yield .5 - 2.75%
Interest Cost 2.26%
All-In Cost 2.60%

Proceeds

2002 Bonds Paid at favorable interest rate (2.0-4% v. 3.25-5%)
Cash \$624,000.00

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All-In Cost	2.60%
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Cash	\$624,000.00

**HEBER LIGHT & POWER COMPANY
AGGREGATE DEBT SERVICE**

As of June 20, 2014

YEAR	SERIES 2010 BONDS			PROPOSED 2012 BONDS			TOTAL DEBT SERVICE	
	PRINCIPAL	INTEREST	BUILD AMERICA BOND SUBSIDY	TOTAL	PRINCIPAL	INTEREST		TOTAL
2012	65,000	402,050	(118,825)	348,225	120,000	54,044	174,044	521,761
2013	65,000	400,100	(118,825)	346,275	260,000	100,000	360,000	706,375
2014	75,000	398,150	(118,825)	354,325	255,000	94,800	349,800	709,225
2015	70,000	395,900	(118,825)	347,075	270,000	89,700	359,700	706,775
2016	70,000	393,100	(118,825)	344,275	275,000	84,300	359,300	703,575
2017	80,000	390,300	(118,825)	351,475	275,000	78,800	353,800	705,275
2018	75,000	387,100	(118,825)	343,275	290,000	73,300	363,300	706,575
2019	80,000	384,100	(118,825)	345,275	290,000	67,500	357,500	702,775
2020	85,000	380,900	(118,825)	347,075	300,000	58,800	358,800	705,875
2021	90,000	377,500	(118,825)	348,675	305,000	49,800	354,800	703,475
2022	95,000	373,000	(118,825)	349,175	315,000	40,650	355,650	704,825
2023	95,000	368,250	(118,825)	344,425	330,000	31,200	361,200	705,625
2024	95,000	363,500	(118,825)	339,675	350,000	18,000	368,000	707,675
2025	385,000	358,750	(118,825)	624,925	100,000	4,000	104,000	728,925
2026	395,000	339,500	(118,825)	615,675	-	-	-	615,675
2027	415,000	311,850	(109,148)	617,703	-	-	-	617,703
2028	430,000	282,800	(98,980)	613,820	-	-	-	613,820
2029	450,000	252,700	(88,445)	614,255	-	-	-	614,255
2030	470,000	221,200	(77,420)	613,780	-	-	-	613,780
2031	490,000	188,300	(65,905)	612,395	-	-	-	612,395
2032	515,000	154,000	(53,900)	615,100	-	-	-	615,100
2033	535,000	117,950	(41,283)	611,668	-	-	-	611,668
2034	560,000	80,500	(28,175)	612,325	-	-	-	612,325
2035	590,000	41,300	(14,455)	616,845	-	-	-	616,845
TOTAL	\$ 6,275,000	\$ 7,362,800	\$ (2,360,085)	\$ 11,277,715	\$ 3,735,000	\$ 844,894	\$ 4,579,894	\$ 15,862,301

**HEBER LIGHT & POWER COMPANY
DEBT SERVICE COMPARISON**

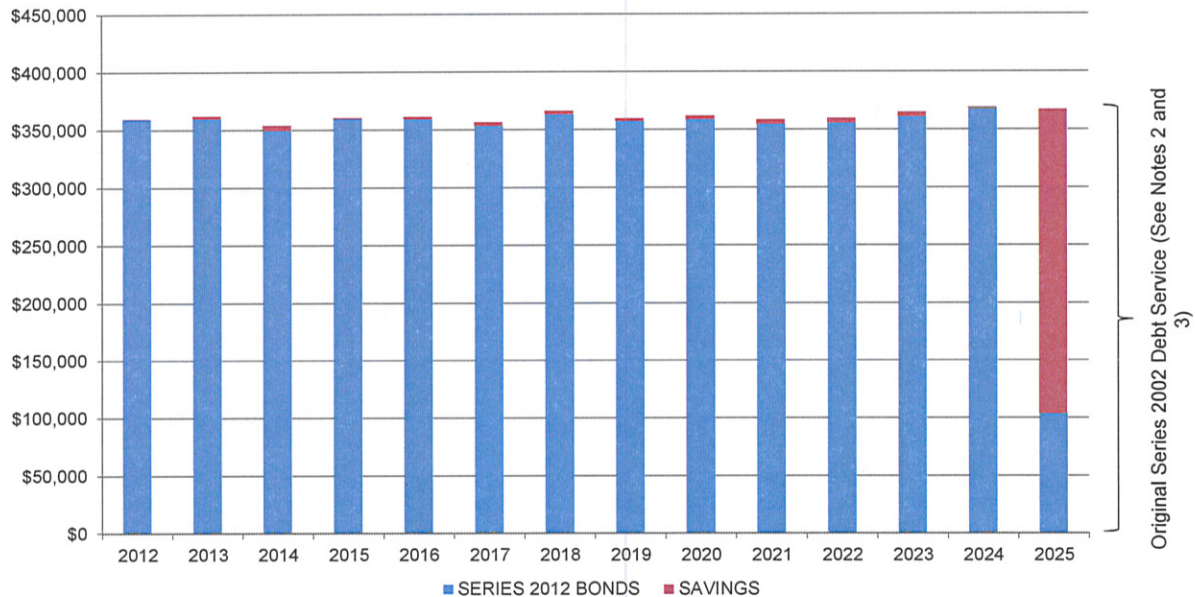
As of May 22, 2012

NUMERICAL DEPICTION

YEAR	SERIES 2002 BONDS				SERIES 2012 BONDS					SAVINGS
	PRINCIPAL	COUPON	INTEREST	TOTAL	PRINCIPAL	COUPON	INTEREST	BOND FUND MONIES ¹	TOTAL	
2012	190,000	3.90%	170,005	360,005	120,000	2.00%	54,044	185,614	174,044	347
2013	200,000	4.10%	162,595	362,595	260,000	2.00%	100,000	-	360,000	2,595
2014	200,000	4.20%	154,395	354,395	255,000	2.00%	94,800	-	349,800	4,595
2015	215,000	4.30%	145,995	360,995	270,000	2.00%	89,700	-	359,700	1,295
2016	225,000	4.40%	136,750	361,750	275,000	2.00%	84,300	-	359,300	2,450
2017	230,000	4.50%	126,850	356,850	275,000	2.00%	78,800	-	353,800	3,050
2018	250,000	4.60%	116,500	366,500	290,000	2.00%	73,300	-	363,300	3,200
2019	255,000	5.00%	105,000	360,000	290,000	3.00%	67,500	-	357,500	2,500
2020	270,000	5.00%	92,250	362,250	300,000	3.00%	58,800	-	358,800	3,450
2021	280,000	5.00%	78,750	358,750	305,000	3.00%	49,800	-	354,800	3,950
2022	295,000	5.00%	64,750	359,750	315,000	3.00%	40,650	-	355,650	4,100
2023	315,000	5.00%	50,000	365,000	330,000	4.00%	31,200	-	361,200	3,800
2024	335,000	5.00%	34,250	369,250	350,000	4.00%	18,000	-	368,000	1,250
2025	350,000	5.00%	17,500	367,500	100,000	4.00%	4,000	-	104,000	263,500
TOTAL	\$3,610,000	-	\$ 1,455,590	\$ 5,065,590	\$3,735,000	-	\$844,894	\$ 185,614	\$4,579,894	\$300,082

GRAPHICAL DEPICTION

DEBT SERVICE COMPARISON



Notes

- 1) Bond Fund monies intended to make the 6/15/2012 payment were applied to the Series 2012 Bonds to reduce the par amount of bonds issued.
- 2) The Series 2012 Bonds debt service was structured to be less than the Series 2002 Bonds debt service in each maturity.
- 3) Debt Service Reserve Fund monies that would have been used towards the 12/15/2025 payment were applied to the Series 2012 Bonds to reduce the amount of bonds that were issued.

**BENEFITS TO HEBER LIGHT & POWER COMPANY
OF
REFINANCING 2002 BONDS**

<u>Interest Savings</u>		
	2002	2012
Coupon Rates	3.9% - 5.0%	2.0%-4.0%
Average Coupon	5.17%	3.10%

<u>Debt Service Savings</u>	\$ 300,082.00
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<u>Cash to Company</u>	\$ 624,000.00
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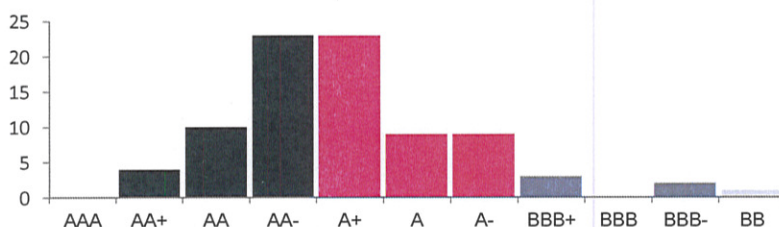
U.S. Public Power Peer Study – February 2014

Portfolio Overview

System Type	Number of Issuers	Total Debt (\$ Mil.)	Total Debt (\$ Mil.)	Total Debt (\$ Mil.)	Total Debt (\$ Mil.)
		FY 2009	FY 2010	FY 2011	FY 2012
Retail Distribution	84	94,309	97,793	103,544	104,991
Wholesale	26	64,993	69,048	72,022	73,885
G&T Cooperative	21	27,993	31,470	34,262	35,801
Total	131	187,295	198,311	209,828	214,677

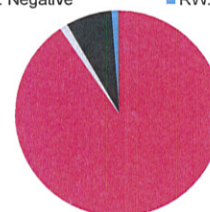
Select System Type:

U.S. Public Power Ratings



Rating Outlook/Watch

■ RO: Stable
■ RO: Positive
■ RO: Negative
■ RW: Negative



Report Overview

Fitch Ratings' Public Power Peer Study addendum contains operating and financial data for 131 Fitch-rated public power issuers including retail and wholesale utility systems, and rural cooperatives. It provides updated statistics and metrics for utilities with fiscal years ending Sept. 30, 2013 (as available), and revised medians to reflect updated statistics and rating actions taken through Dec. 31, 2013.

The addendum features a dynamic charting application that allows the user to generate a quick graphic representation of how a utility's selected financial metrics compare with the respective medians, and offers the ability to compare a utility's key financial metrics to median calculations on a notch-specific rating basis for comparable entities rated within the same rating category (i.e. 'AA', 'A', 'BBB'), or against the entire portfolio of Fitch-rated issuers.

The addendum also features the new Public Power Dashboard, which provides a system overview, including key rating, operational, and financial information for each of the public power and cooperative issuers included in the peer study, and the ability to compare trends in operational and financial data between two systems, and financial metrics against rating category medians.

Related Research

[2014 Outlook: U.S. Public Power and Electric Cooperative Sector – Calm Under Pressure \(December 2013\)](#)

[Revenue-Supported Rating Criteria \(June 2013\)](#)

[U.S. Public Power Peer Study – June 2013 \(June 2013\)](#)

[U.S. Public Power Rating Criteria \(December 2012\)](#)

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