



STIRBA UTAH PUBLIC  
AND ASSOCIATES SERVICE COMMISSION

A PROFESSIONAL LAW CORPORATION

2009 JUN 15 A 7 21

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RECEIVED

June 10, 2009

Julie Orchard  
Commission Secretary  
Public Service Commission  
160 East 300 South  
Salt Lake City, Utah 84111

Dear Ms. Orchard:

Hildale, Utah has retained Stirba & Associates, to assist the City in transferring or selling certain electric and gas assets and/or infrastructure. In our opinion, UTAH CODE ANN. § 54-4-29 and/or § 54-4-30 does not apply to the transfer, sale or continued use of any of Hildale's power assets. However, Hildale is providing notice of the City's intent to sell or transfer electric and gas assets and/or infrastructure to the Public Service Commission.

In December 1995, Hildale issued \$20,005,000 in electric revenue bonds to finance the construction and purchase of certain infrastructure, and in June 1997, Hildale issued \$1,380,000 in electric revenue bonds to finance the balance of construction and purchase of certain infrastructure to operate its own electric utility systems (collectively, the "Revenue Bonds"). Hildale defaulted on the Revenue Bonds in 2003 due to economic circumstances in the volatile energy market.

Wells Fargo, Trustee of the Revenue Bonds, and the City are working together to recoup the maximum funds available for bondholders, seek debt relief for Hildale, and provide a continuous supply of power for Hildale at a fair and reasonable rate. The City authorized and affirmed Proposition #6 for the sell or transfer of electrical distribution and power assets at a duly noticed public election on November 4, 2008.

The parties entered a Memorandum of Understanding with Garkane for the purchase of the majority of Hildale's electrical assets.



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As mentioned above, it is our opinion that UTAH CODE ANN. § 54-4-29 and/or §54-4-30 does not apply to the transfer, sale or continued use of any of Hildale's power assets.

Please call me if you would like to discuss any additional statutory requirements. I will look forward to your call.

Sincerely,

STIRBA & ASSOICATES,

CARRIE L. TOWNER

cc: Jerry Barlow  
Bret Rawson