

HMLP Voluntary Earned Surplus Payment to the Town Policy

The HMLP Board has authority to make a voluntary payment to the Town of Hingham from unappropriated earned surplus on an annual basis. The Voluntary Payment amount shall be based on the calculation of the number of kilowatt hours sold by HMLP on an annual basis multiplied by \$0.0025 per kilowatt hour. The minimum payment that HMLP will endeavor to make to the Town is \$450,000 from earned surplus funds. If HMLP does not have sufficient earned surplus funds, no payment will be made or the payment shall be reduced accordingly. The voluntary payment from surplus shall be paid in June of the following year following a Board Vote authorizing the same

Calculation:

of kWh sold x \$0.0025/kWh = Voluntary Earned Surplus Payment

The \$0.0025/kWh is based on the average Voluntary Payments by other Municipal Light Plants in Massachusetts. HMLP will review this number each time a survey of the Voluntary Payments paid by Municipal Light Plants is conducted by MEAM (Municipal Electric Association of Massachusetts) and ensure that the figure is updated to remain at the average amount paid by other Municipal Light Plants.