



Knoxville Utilities Board

**Board Meeting Agenda
Thursday, November 18, 2021
Noon**

Call to Order

Roll Call

Approval of Minutes

Official Action

Resolution 1447 – A Resolution Authorizing the Purchase, Sale, Transportation and Storage of Natural Gas and Repealing Resolution 1387

Resolution 1448 – A Resolution Amending the Existing Purchased Power Adjustment of the Electric Division, as Previously Established by Resolution No. 1065, as Heretofore Amended, to Further Address Changes to Wholesale Power Supply Costs Provided by the Tennessee Valley Authority's Pandemic Recovery Credit Program – 1st Reading

President's Report

Other Business

Public Comments

Adjournment

Note: The Chair may declare a periodic recess in these proceedings as may be necessary for comfort or convenience.



November 12, 2021

Knoxville Utilities Board
445 S. Gay Street
Knoxville, Tennessee 37902-1109

Commissioners:

The November 18 Board meeting agenda includes two official action items, including a resolution amending the Natural Gas Contracting Authority Policy and a resolution amending the Purchased Power Adjustment (PPA) regarding the use of Pandemic relief assistance provided by TVA.

Resolution 1447

The Board previously adopted a Natural Gas Contracting Authority Policy authorizing the purchase, sale, transportation, and storage of natural gas under certain terms and conditions. The Policy was last updated in 2018.

Resolution 1447 adopts a revised Natural Gas Contracting Authority Policy, providing KUB additional flexibility in purchasing East Tennessee Natural Gas (“ETNG”) pipeline capacity.

Natural gas purchased by KUB for its customers is transported on the ETNG pipeline, which is the only pipeline directly connected to KUB’s natural gas distribution system. Although ETNG pipeline capacity is currently fully subscribed, from time to time existing capacity may come available for pipeline users (such as KUB) to competitively bid upon. Given our desire to increase our ETNG pipeline capacity to accommodate future customer growth, we are interested in bidding on existing capacity when it becomes available.

Such bidding opportunities typically provide little advance notice and include a relatively concise bid period. This would likely not provide sufficient time for staff to bring forth a resolution for Board consideration in the event the desired ETNG capacity would raise our total ETNG capacity above the limits of the Policy.

The revised Policy grants KUB the authority to exceed the capacity limit through the bidding process for ETNG pipeline capacity, provided the President and CEO shall notify the Board’s Audit and Finance Committee in advance of any such bid that would exceed the capacity limit.

Resolution 1447 is enclosed for your information. I recommend its approval on first and final reading.

Resolution 1448 (First Reading)

Resolution 1448 further amends the Electric Division's Purchased Power Adjustment (PPA) related to the use of Pandemic Recovery Credits from TVA.

KUB will receive its estimated \$7.3 million in standard service credits from TVA through its monthly wholesale power invoice from TVA over a period of twelve months beginning with the October 2021 invoice.

As you will recall, at last month's meeting the Board approved, on second and final reading, an amendment to the PPA to set aside \$1.3 million in Pandemic Recovery Credits to provide utility bill assistance for customers with outstanding payment arrangements for past due balances.

There was also discussion about the use of the remaining estimated \$6 million in Pandemic Recovery Credits. Following the discussion, the Board directed Staff to present a resolution for Board consideration at the November meeting to further amend the PPA to set aside all of the Pandemic Recovery Credits to provide funding for customer assistance programs.

If approved, Staff recommends applying the estimated remaining \$6 million in credits toward emergency utility bill assistance (\$5 million) and home weatherization (\$1 million).

Resolution 1448 is enclosed for your review. I recommend its adoption on first reading. If adopted on first reading, second reading would occur at the December Board meeting.

Respectfully submitted,



Gabriel J. Bolas II
President and CEO

RESOLUTION NO. 1447

A Resolution Authorizing the Purchase, Sale, Transportation and Storage of Natural Gas and Repealing Resolution 1387

Whereas, historically the Knoxville Utilities Board (“KUB”) purchased all or a major part of its natural gas supply from East Tennessee Natural Gas Company (“ETNG”); and

Whereas, in 1992 the Federal Energy Regulatory Commission issued orders which deregulated the sale and restructured the transportation of natural gas; and

Whereas, recognizing the necessity of maintaining an economic and reliable supply of natural gas in a rapidly changing market environment, the Board of Commissioners of the Knoxville Utilities Board (the “Board”) adopted Resolution No. 817 and, subject to certain limitations, thereby temporarily authorized the negotiation and execution of contracts for the supply and transportation of natural gas without the further approval of the Board; and

Whereas, in Resolution No. 817, the Board instructed the President and Chief Executive Officer (CEO) to recommend to the Board a long-term policy with respect to the purchase and transportation of natural gas; and

Whereas, by Resolutions No. 856, 970, and 1387, the Board authorized employees in certain KUB positions to contract for the purchase, sale, transportation, and storage of natural gas; and

Whereas, KUB transports all its natural gas supply on the ETNG pipeline, which is the only pipeline directly connected to KUB’s natural gas distribution system; and

Whereas, KUB desires to increase its existing and future pipeline transportation capacity to meet the needs of its customers and facilitate customer growth; and

Whereas, construction of new natural gas pipelines and substantial upgrades to capacity are costly endeavors and the ETNG pipeline currently has no known plans to increase the capacity at KUB’s connection points to the pipeline (city gate stations); and

Whereas, the ETNG pipeline is fully subscribed and capacity is rarely turned back by the existing shippers; and

Whereas, from time to time, existing pipeline capacity on the ETNG pipeline may come available for pipeline shippers to bid upon; and

Whereas, the opportunity to bid on existing ETNG Pipeline capacity may not be known in advance and when announced, the bid period may be less than two weeks; and

Whereas, a short bid period does not provide sufficient time for KUB staff to bring a resolution to the Board at its monthly meeting, thereby precluding KUB from participating in the bid process and potentially obtaining additional ETNG Pipeline capacity; and

Whereas, the Board desires KUB to have the flexibility to participate in such bids and not miss an opportunity to obtain additional ETNG Pipeline capacity should it become available.

Whereas, the Board desires to update the existing Gas Contracting Authority Policy to provide additional flexibility in purchasing ETNG Pipeline capacity.

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE BOARD OF COMMISSIONERS OF THE KNOXVILLE UTILITIES BOARD:

Section 1. That the Board hereby adopts the Gas Contracting Authority Policy attached hereto as Exhibit A providing for the authority to contract for the purchase, sale, transportation, and storage of natural gas.

Section 2. That, periodically, the President and CEO shall report to the Board in such detail as may reasonably be required to permit the Board to monitor the purchase, sale, transportation and storage of gas by KUB under this resolution.

Section 3. That Resolution 1387, authorizing the purchase, sale, transportation, and storage of natural gas, and all resolutions amendatory thereto adopted prior to this resolution are hereby repealed.

Section 4. This Resolution shall take effect immediately upon its passage.

Jerry Askew, Chair

Mark Walker, Board Secretary

APPROVED ON 1st
& FINAL READING: _____
EFFECTIVE DATE: _____
MINUTE BOOK _____ PAGE _____

Knoxville Utilities Board
Natural Gas Contracting Authority Policy

November 2021

The President and Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) be and they hereby are each authorized to contract for the purchase, sale, transportation and storage of natural gas on such terms and conditions as such officer determines are in the best interests of KUB and its customers, all subject to the following conditions:

A. PURCHASE AND TRANSPORTATION

Notwithstanding Section A (vi), authority is hereby granted to purchase and transport up to One Hundred Sixty Thousand (160,000) dekatherms of natural gas per day (the "Maximum Capacity"), subject to the following limitations and conditions:

(i) Authority is granted to contract from time to time for the purchase and transportation of up to the Maximum Capacity of natural gas under contracts having a term from the date of such contract of two (2) years or less.

(ii) Authority is granted to contract from time to time for the purchase and transportation of natural gas under contracts having a term from the date of such contract of more than two (2) years but in no event more than six (6) years, provided that the total supply and capacity of natural gas provided for under any such contract executed after the date of this Resolution shall not exceed Fifteen Thousand (15,000) dekatherms per day.

(iii) The Maximum Capacity at any point in time shall be inclusive of all the then currently executed firm contracts in service at that point in time for the purchase and/or transportation of natural gas to the facilities of KUB.

(iv) Authority is hereby granted to purchase and transport natural gas for the operation of KUB's system on an interruptible basis.

(v) Authority is hereby granted for KUB to assign its capacity, accept an assignment of capacity (in cases of reciprocal agreements), and/or sell its capacity for the transportation and/or storage of natural gas in connection with entering into contracts for the purchase, transportation, and/or storage of natural gas with suppliers

of natural gas and/or suppliers of capacity for the transportation and/or storage of natural gas. The term of any sale or assignment of capacity shall not exceed the term of the corresponding supply contract. Any sale or assignment of capacity shall be on terms and conditions which are determined to be in the best interest of KUB.

(vi) Authority is hereby granted for KUB to bid on pipeline capacity on the East Tennessee Natural Gas ("ETNG") Pipeline as it may come available for competitive bidding. The term and value of the bid should be deemed at the then market price of capacity. The volume for bidding shall be determined by KUB, and authority is granted to exceed One Hundred Sixty Thousand (160,000) dekatherms of ETNG Pipeline capacity through the bidding process.

The President and CEO, or his/her designee, shall notify the KUB Board's Audit and Finance Committee in advance of any such bid that would result in KUB exceeding One Hundred Sixty Thousand (160,000) dekatherms of ETNG Pipeline capacity.

B. STORAGE

Authority is granted to store up to Five Million dekatherms of natural gas. In addition thereto, authority is granted to contract from time to time for a term of not more than six (6) years from the date of such contract for the firm right to demand delivery from storage of up to Ten Thousand (10,000) dekatherms of natural gas per day. Any such contract shall be in addition to the then current contractual firm rights to demand delivery from storage. Authority is hereby granted to take such actions and adopt such policies and procedures as are necessary to assure KUB's right to withdraw natural gas which has been placed in storage.

C. SALES OF EXCESS CAPACITY

Authority is hereby granted for KUB to sell excess quantities of its capacity for the transportation and/or storage of natural gas to other governmental or private natural gas distributors, other resellers and other industrial users. The price at which the transportation and/or storage capacity for natural gas is sold by KUB shall be a negotiated price which is determined to be in the best interest of KUB after considering the then current market prices and conditions. Contracts for the sale of transportation and/or storage capacity may be for a term not to exceed six (6) years. The contracts may provide that from time to time the sale may be terminated and/or recalled by KUB if KUB determines such action is necessary in order to adequately supply the customers on KUB's system. Non-recallable sales of transportation and/or storage capacity shall not exceed 25% of the Maximum Capacity at any point in time.

D. SALES OF EXCESS GAS

Authority is hereby granted for KUB to sell excess quantities of natural gas: (i) to Middle Tennessee Natural Gas, and other natural gas distributors or resellers doing business on the ETNG Pipeline system; (ii) to Resolute Forest Products, , ALCOA, Eastman Chemical Company , the Department of Energy (for its East Tennessee operations) and similar directly connected industrial users on the ETNG Pipeline system; (iii) to the Tennessee Valley Authority; (iv) to KUB's current suppliers and other suppliers with whom KUB has had a substantial relationship in the past and (v) to other governmental or private natural gas distributors, other resellers and other industrial users, provided that before entering into any such transaction the President and CEO, , and/or the CFO shall determine that the buyer is credit worthy. The price at which excess natural gas is sold by KUB shall be a negotiated price which is determined to be in the best interest of KUB after considering KUB's obligations to take the excess gas and the then current market prices and conditions. Contracts for the sale of natural gas shall not have a term in excess of two (2) years.

E. DEFINITIONS

As used in this Resolution: (i) "excess quantities of natural gas" shall mean the difference between: (a) the quantities of gas that KUB contracts to purchase from time to time to meet the reasonably anticipated requirements of the customers on KUB's gas system, and (b) the actual quantities of gas that are used by the customers on KUB's gas system; and (ii) "excess capacity" shall mean the difference between: (x) the capacity for transportation or storage that from time to time is contracted for by KUB to meet the reasonably anticipated requirements of the customers on KUB's gas system, and (y) the actual capacity for the transportation or storage that is used by KUB to serve the customers on KUB's gas system. To the extent reasonably necessary to assure the availability of customers who are willing to purchase KUB's excess quantities of natural gas, as defined above, additional quantities of gas may be purchased on an infrequent basis to meet the reasonable needs of KUB's excess supply customers.

F. DELEGATION OF AUTHORITY

The President and CEO, and the CFO are each hereby authorized: (i) to make written delegations of the authority granted by this Resolution to selected employees involved in the day to day operation of the buying and selling of natural gas provided this authority be limited to contracts with a maximum term of one (1) year and (ii) to adopt, modify, amend and revoke such operating policies and procedures as are necessary to protect the interests of KUB and its customers and to assure the economic, orderly and efficient purchase, sale, transportation and storage of natural gas by KUB.

RESOLUTION NO. 1448

A Resolution Amending the Existing Purchased Power Adjustment of the Electric Division, as Previously Established by Resolution No. 1065, as Heretofore Amended, to Further Address Changes to Wholesale Power Supply Costs Provided by the Tennessee Valley Authority's Pandemic Recovery Credit Program

Whereas, Knoxville Utilities Board of Commissioners (the "Board") has rate setting authority pursuant to Article XI of the Charter of the City of Knoxville; and

Whereas, the Board previously adopted Resolution No. 1065, as heretofore amended, providing for a Purchased Power Adjustment ("PPA") for the Electric Division; and

Whereas, Knoxville Utilities Board ("KUB") purchases its full electric power requirements from the Tennessee Valley Authority ("TVA"); and

Whereas, the communities in KUB's service territory continue to be impacted by the worldwide COVID-19 pandemic; and

Whereas, the TVA Board of Directors recently approved a one-year extension of pandemic relief financial assistance ("Pandemic Recovery Credits") for local power companies to invest in their communities and support those they serve; and

Whereas, TVA's Pandemic Recovery Credits include two categories, one based on Standard Service volumes, and the other based on the volumes of each Non-Standard Service customer; and

Whereas, KUB will receive Pandemic Recovery Credits from TVA on the monthly wholesale power invoice for the period October 2021 to September 2022; and

Whereas, it is estimated the Standard Service Pandemic Recovery Credits to be received by KUB will total \$7,300,000; and

Whereas, at the October 21, 2021 meeting of the Board, the Board adopted Resolution 1446 which set aside \$1,300,000 of Pandemic Recovery Credits to provide utility bill assistance to KUB customers, particularly those with outstanding payment arrangements for past due balances; and

Whereas, at the October 21, 2021 meeting of the Board, the Board adopted a motion directing KUB staff to present a resolution for Board consideration at the November 18, 2021 meeting of the Board setting aside all of the Pandemic Recovery Credits for uses determined to be in the best interest of KUB and its customers; and

Whereas, in accordance with Section 1107(L) of the Charter of the City of Knoxville, KUB has provided the required public notice of not less than five (5) days prior to a meeting of the Board when a rate schedule change is to be considered.

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE BOARD OF COMMISSIONERS OF THE KNOXVILLE UTILITIES BOARD:

Section 1. That all Pandemic Recovery Credits provided by TVA to KUB on the monthly wholesale invoice for the period October 2021 to September 2022 shall be excluded from the Unrecovered Purchased Power Adjustment Accounts (EL 191010 and EL 191020).

Section 2. That this Resolution shall be effective upon second and final reading.

Jerry Askew, Chair

Mark Walker, Board Secretary

APPROVED ON 1st
READING: _____
APPROVED ON 2nd
READING: _____
EFFECTIVE DATE: _____
MINUTE BOOK ___ PAGE _____

**Knoxville Utilities Board
Board Meeting
Minutes
Thursday, October 21, 2021 Noon**

Call to Order

The Knoxville Utilities Board met in regular session in the Mintha E. Roach Corporate Services and Conference Center at 4505 Middlebrook Pike, on Thursday, October 21, 2021, pursuant to the public notice published in the January 2, 2021, edition of the *News Sentinel*. Chair Jerry Askew called the meeting to order at 12:00 p.m.

Roll Call

Commissioners Present: Jerry Askew, Claudia Caballero, Kathy Hamilton, Celeste Herbert, Adrienne Simpson-Brown, and Tyvi Small.

Commissioner Absent: John Worden

Approval of Minutes

Upon a motion by Commissioner Small and a second by Commissioner Caballero, the September 16, 2021 Board Meeting minutes were approved by a roll call vote. The following Commissioners voted “aye”: Askew, Caballero, Hamilton, Herbert, Simpson-Brown, and Small. No Commissioner voted “nay”.

New Business

Consideration of Nominees for Commissioner Term Beginning January 1, 2022

Commissioner Simpson-Brown, Chair of the Nominating Committee, gave the following report:

This year’s nominating process for the term beginning January 1, 2022 began in January of this year when the online application became available on KUB’s website. The Committee met in August, and advertisements ran in the *News Sentinel*, KUB’s website, and on social media that month.

The committee evaluated submitted applications and identified qualified applicants. The Charter requires that the Board provide the Mayor at least five nominees for each Commissioner vacancy. The Nominating Committee submitted the following five nominees:

October 21, 2021

1. Ron Feinbaum
2. Cynthia Gibson
3. Misty Mayes
4. Heetesh Patel
5. George Wallace

Public comments were heard from the following regarding the nominations:

Brady Watson – Address not provided

Chair Askew recognized Mark Walker, Board Secretary, who distributed and collected the ballots. Mr. Walker then reported that each of the following nominees received a majority of the votes:

1. Ron Feinbaum
2. Cynthia Gibson
3. Misty Mayes
4. Heetesh Patel
5. George Wallace

Chair Askew stated the names of the five nominees would be submitted to Mayor Kincannon, and he thanked the members of the Nominating Committee for their work.

Old Business

Resolution 1446, A Resolution Amending the Existing Purchased Power Adjustment of the Electric Division, as Previously Established by Resolution No. 1065, as Heretofore Amended, to Address Changes to Wholesale Power Supply Costs Provided by the Tennessee Valley Authority's Pandemic Recovery Credit Program

President Gabriel Bolas recognized Tiffany Martin, Vice President and Chief Customer Officer, to provide an overview of proposed Resolution 1446 on second and final reading.

President Bolas recommended adoption of Resolution 1446 on second and final reading. His written recommendation is included in Attachment 1.

A motion was made by Commissioner Herbert and a second by Commissioner Small to adopt Resolution 1446 on second and final reading. Commissioner Caballero then made a motion to Amend Resolution 1446 to exclude the entire \$7.3 million standard service credits from the Purchased Power Adjustment. Commissioner Small seconded the motion.

October 21, 2021

After further discussion by the Board, Commissioner Caballero withdrew her motion to amend Resolution 1446 and Commissioner Small withdrew his second.

Resolution 1446 was then adopted by a roll call vote on second and final reading. The following commissioners voted “aye”: Askew, Caballero, Hamilton, Herbert, Simpson-Brown, and Small. No commissioner voted “nay”.

Public comments were heard from the following regarding Resolution 1446:

Brady Watson – Address not provided

A motion was next made by Commissioner Caballero and seconded by Commissioner Small for Staff to bring a resolution to the November Board meeting to exclude the remaining \$6 million standard service credits provided by the TVA Pandemic Recovery Credit Program from the Purchased Power Adjustment. After discussion by the Board a roll call vote was conducted. The following commissioners voted “aye”: Askew, Caballero, Hamilton, Herbert, Simpson-Brown, and Small. No commissioner voted “nay”.

President’s Report

Application and IT Systems Update

President Bolas recognized Mark Kenner, Director of Information Services and Security, to provide details about recent software application updates that enable KUB operations to run more efficiently and provide better service to customers.

Material & Supply Chain Update

President Bolas recognized John Piotrowski, Manager of New Service, Procurement, and Storeroom, to share information on how the current widespread supply chain issues are impacting KUB’s projects.

Other Business

President Bolas shared news with the Board that KUB recently received the Governor’s Environmental Stewardship Pursuit of Excellence award and thanked them for their support of sustainability initiatives. He also thanked the KUB employees who work on these projects.

October 21, 2021

President Bolas then recognized Derwin Hagood, Senior Vice President of Operations, for good news received from the Tennessee Department of Environment and Conservation (TDEC). KUB received a perfect score on a recent comprehensive TDEC inspection in regard to water quality and management of the water system.

Public Comment

Erin Rose – 1140 Farrington Drive – Knoxville, TN 37923

Adjournment

There being nothing further to come before the Board, Chair Askew declared the Board meeting adjourned at 1:37 p.m.

Jerry Askew, Chair

Mark Walker, Board Secretary

Attachments

Attachment 1	Recommendation Letter and Resolution 1446 – A Resolution Amending the Existing Purchased Power Adjustment of the Electric Division, as Previously Established by Resolution No. 1065, as Heretofore Amended, to Address Changes to Wholesale Power Supply Costs Provided by the Tennessee Valley Authority’s Pandemic Recovery Credit Program	<u>Page(s)</u> 11260 - 11263
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October 15, 2021

Knoxville Utilities Board
445 S. Gay Street
Knoxville, Tennessee 37902-1109

Commissioners:

The October 21 Board meeting agenda includes two official action items, including the selection of nominees to be sent to the City Mayor to fill the Board seat to be vacated by Commissioner Worden at the end of this year (no resolution), and the resolution amending the Purchased Power Adjustment (PPA) on second and final reading regarding the use of Pandemic relief assistance provided by TVA.

Resolution 1446 (Second Reading)

Resolution 1446 amends the Electric Division's Purchased Power Adjustment (PPA) related to the use of Pandemic Recovery Credits from TVA.

At its meeting in August, the TVA Board approved \$220 million in Pandemic Recovery Credits to be provided to its customers, including local power companies like KUB, over a 12-month period beginning in October. KUB will receive its credits through its monthly wholesale power invoice from TVA.

As you may recall, KUB's Pandemic Recovery Credits have two components: a 2.5% credit for standard service power costs and a 2.5% credit for non-standard service power costs. Non-standard service costs represent power purchased from TVA for our largest commercial and industrial electric customers. The credits associated with non-standard service must be applied directly to the monthly bills of those customers.

Staff has proposed to use the estimated \$7.3 million in standard service credits as follows:

- Use \$1.3 million to make funds available for customers with payment arrangements for past due bills. KUB has approximately 2,000 customers with an outstanding balance on payment arrangements. KUB is coordinating this effort with the Knoxville-Knox County Community Action Committee (CAC). We will notify all customers with outstanding payment arrangements. Customers will need to contact CAC who will confirm the payment arrangement. CAC will notify KUB and KUB will apply a credit on the customer's bill eliminating the outstanding balance.

- Flow the remaining \$6 million to all standard service electric customers (residential and commercial) through lower rates over the next 12 months. The average residential electric customer would save \$17 for the 12-month period, offsetting about 40% of the electric rate increase that will take effect during that same 12-month period. A mid-sized business customer would save about \$260 over the same period.

We considered allocating the entire \$7.3 million for utility bill assistance for customers, however, there is currently a significant amount of financial assistance available in our area for utility bills. Including federal grants, Project Help, and our CURE (COVID Utility Relief Effort) program, there is over \$25 million in funds available to our customers for utility bill assistance over the next 12 months.

Due to the amount of available assistance and given the Board recently approved annual 3% electric rate increases over the next three years beginning April 2022, staff felt it was appropriate for all residential and business electric customers to receive a portion of the power cost credits.

There was some discussion at the last meeting about allocating this credit in a different manner, which is certainly at the Board's discretion. Should the Board desire to make such a change, I would still recommend the Board adopt Resolution 1446 on second reading, so we can begin applying the proposed \$1.3 million in assistance for customers with outstanding payment arrangements as soon as possible. We would then bring the Board an additional amendment to the PPA for consideration in November and December, reflecting the revised allocation of the credits in accordance with the Board's wishes.

Resolution 1446 is enclosed for your information. I recommend its adoption on second and final reading at the October 21 meeting.

Respectfully submitted,



Gabriel J. Bolas II
President and CEO

RESOLUTION NO. 1446

A Resolution Amending the Existing Purchased Power Adjustment of the Electric Division, as Previously Established by Resolution No. 1065, as Heretofore Amended, to Address Changes to Wholesale Power Supply Costs Provided by the Tennessee Valley Authority's Pandemic Recovery Credit Program

Whereas, Knoxville Utilities Board of Commissioners (the "Board") has rate setting authority pursuant to Article XI of the Charter of the City of Knoxville; and

Whereas, the Board previously adopted Resolution No. 1065, as heretofore amended, providing for a Purchased Power Adjustment ("PPA") for the Electric Division; and

Whereas, Knoxville Utilities Board ("KUB") purchases its full electric power requirements from the Tennessee Valley Authority ("TVA"); and

Whereas, the communities in KUB's service territory continue to be impacted by the worldwide COVID-19 pandemic; and

Whereas, the TVA Board of Directors recently approved a one-year extension of pandemic relief financial assistance ("Pandemic Recovery Credits") for local power companies to invest in their communities and support those they serve; and

Whereas, TVA's Pandemic Recovery Credits include two categories, one based on Standard Service volumes, and the other based on the volumes of each Non-Standard Service customer; and

Whereas, KUB will receive Pandemic Recovery Credits from TVA on the monthly wholesale power invoice for the period October 2021 to September 2022; and

Whereas, it is estimated the Standard Service Pandemic Recovery Credits to be received by KUB will total \$7,300,000; and

Whereas, it is KUB staff's recommendation to use \$1,300,000 of the Standard Service Pandemic Recovery Credits to make funds available for customers with payment arrangements for past due balances accrued during the Pandemic crisis; and

Whereas, the remaining balance of credits shall automatically flow through to all Standard Service customers via the PPA and be reflected in lower rates; and

Whereas, the Board has determined, upon recommendation from KUB staff, that it is in the best interest of KUB, its customers, and the community to utilize the Pandemic Recovery Credits for both utility bill assistance to specific customers and reduced rates for all KUB customers; and

Whereas, in accordance with Section 1107(L) of the Charter of the City of Knoxville, KUB has provided the required public notice of not less than five (5) days prior to a meeting of the Board when a rate schedule change is to be considered.

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE BOARD OF COMMISSIONERS OF THE KNOXVILLE UTILITIES BOARD:

Section 1. That during the KUB fiscal year ending June 30, 2022, an accounting entry shall be made which excludes \$520,000 of Pandemic Recovery Credit from Unrecovered Purchased Power Adjustment - Demand, Account EL191010, and excludes \$780,000 of Pandemic Recovery Credit from Unrecovered Purchased Power Adjustment - Commodity, Account EL191020.

Section 2. That this Resolution shall be effective upon second and final reading.

Jerry Askew/s
Jerry Askew, Chair

Mark Walker/s
Mark Walker, Board Secretary

APPROVED ON 1st
READING: 9-16-21
APPROVED ON 2nd
READING: 10-21-21
EFFECTIVE DATE: 10-21-21
MINUTE BOOK 44 PAGE 11262-11263

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