



November 21, 2024

Procurement Procedures Amendment

Resolution 1497



KUB Procurement Procedures

- Master document governing purchase of goods and services
- Reflect state law municipal purchasing requirements
- Authority delegated to President and CEO or designee
- Provide for the establishment of Procurement Guidelines
- Adopted by Board in 2002
- Last amended in 2022

Proposed Changes

- Expand scope of authority of President and CEO to resolve protests related to a competitive bid and contract disputes
- Provide general delegation of authority to President and CEO to implement Procedures and take any action necessary to manage all aspects of procurement
- Housekeeping edits

Resolution 1497

- Approves amended Procurement Procedures
- Effective upon passage



November 21, 2024

Authorization of Flexibility Power Purchase Agreement – Silicon Ranch Solar

Resolution 1498

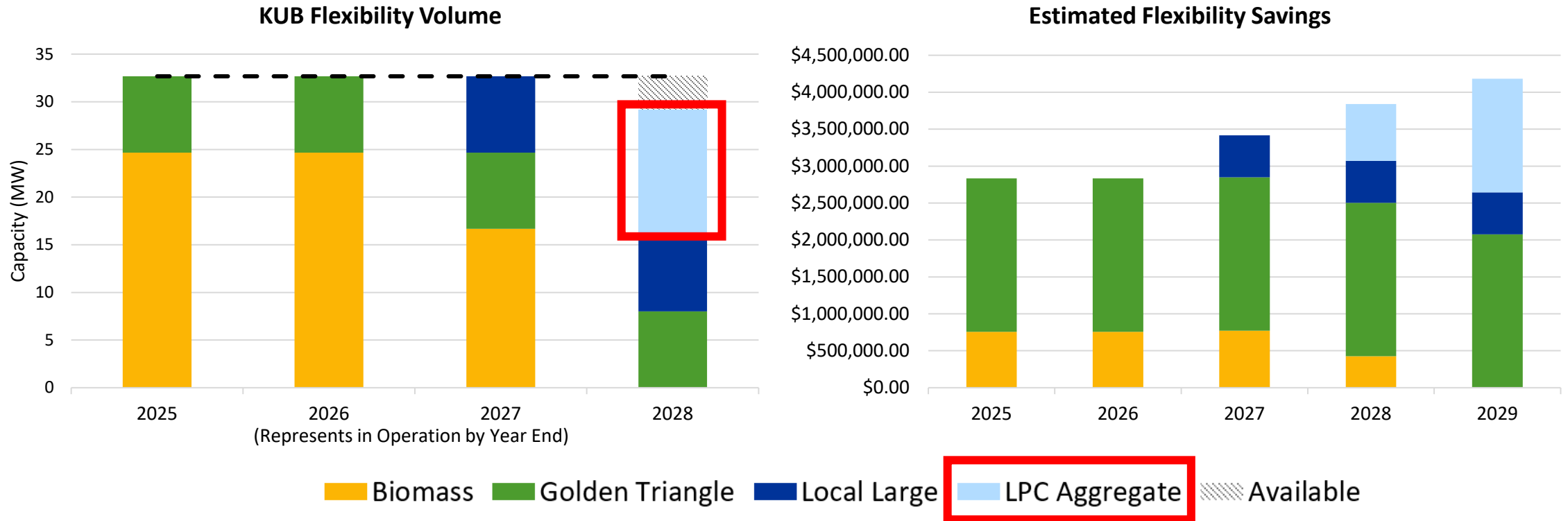


Generation Flexibility Project Preview*

Project	Estimated Capacity	Expected KUB Board Review	Estimated Operation Date
Biomass Project (Three-year short-term)	Non-solar: 32 MW → 15 MW (tiered)	December 2024	December 2024
Green Invest Conversion	Solar: 20 MW	Approved	January 2025
LPC Aggregated Project	Solar: 33 MW	November 2024	June 2028
Local Solar Partnership	Solar: ~20 MW	Winter 2024	January 2027
Small Solar Site(s)	Solar: ~4 MW	TBD	TBD

*All projections are preliminary estimates and subject to change pending final agreements.

Generation Flexibility Project Preview*



*All projections are preliminary estimates and subject to change pending final agreements.

Flexibility Power Purchase Agreements

Flexibility projects located outside of KUB's service territory require agreements with both the generator of electricity (i.e., a solar developer) and with TVA.

Power Purchase Agreement (PPA) → Developer sells to KUB

Flexibility Option Power Purchase Agreement (FOPPA) → KUB sells to TVA

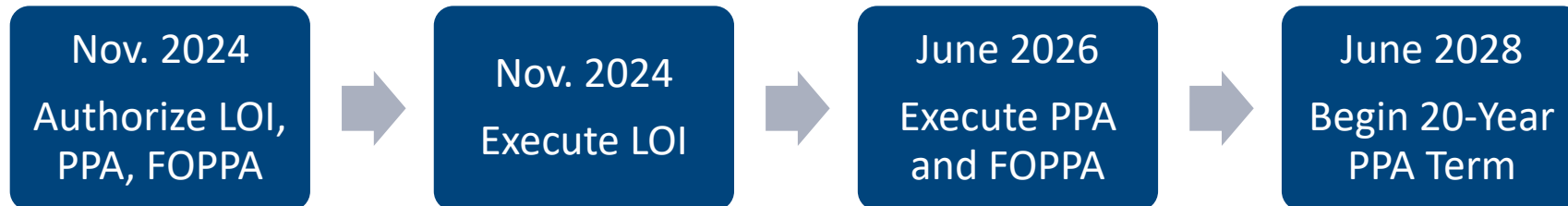
The PPA and FOPPA work together to create net savings to KUB, even while KUB is billed by TVA "as usual" for electricity consumed by customers on our local system.

Silicon Ranch: 33 MW Solar

- Partnership with EPB Chattanooga; KUB is 50% of a 66 MW solar site
- Procured through a competitive process led by EPB
- Silicon Ranch will develop, own, and operate the project in western Tennessee with expected completion in June 2028
- Interconnected to TVA transmission system
- Price / MWh is fixed (no escalation) for 20 years
- Net annual KUB savings = Est. \$1.5 million
- 20-year PPA term starts upon initial energy delivery date (June 2028)

Contract Approach

- City Charter limits KUB contract terms to 20 years, with a two-year allowance for project development
- Executing PPA and FOPPA in June 2026 will align with two-year development window ahead of 20-year power purchase term
- Proposed Letter of Intent Agreement provides necessary assurances for partners to continue project design and development prior to PPA execution



Resolution 1498

- Authorizes execution of a Letter of Intent with SR Durhamville supporting development of a 33 MW solar project
- Authorizes future execution of a 20-year PPA to purchase produced electricity and renewable energy credits from SR Durhamville
- Authorizes future execution of FOPPA to sell electricity to TVA
- Permits President and CEO to make minor revisions to the PPA and FOPPA in the best interest of KUB and its customers
- Takes effect upon passage by the Board



November 21, 2024

Natural Gas Purchasing & Winter Update



Summary of Today's Discussion

- Natural gas purchasing requirements
- Natural gas price risk management reporting
- Customer winter bill projections

Resolution 1447 Requirements

- Board authority required for
 - Contracts in excess of six years and/or volume limits*
 - Purchase and transportation: 160,000 Dth/day*
 - Storage: Five million Dth maximum inventory
- Purchasing authority delegated to CEO/CFO for contracts
 - Two years or less
 - Two to six years for purchase and transport up to 15,000 Dth/day*
 - Specific authority regarding ETNG capacity
 - Six years (max) storage for firm withdrawal rights up to 10,000 Dth/day
- Authorizes sale of excess capacity

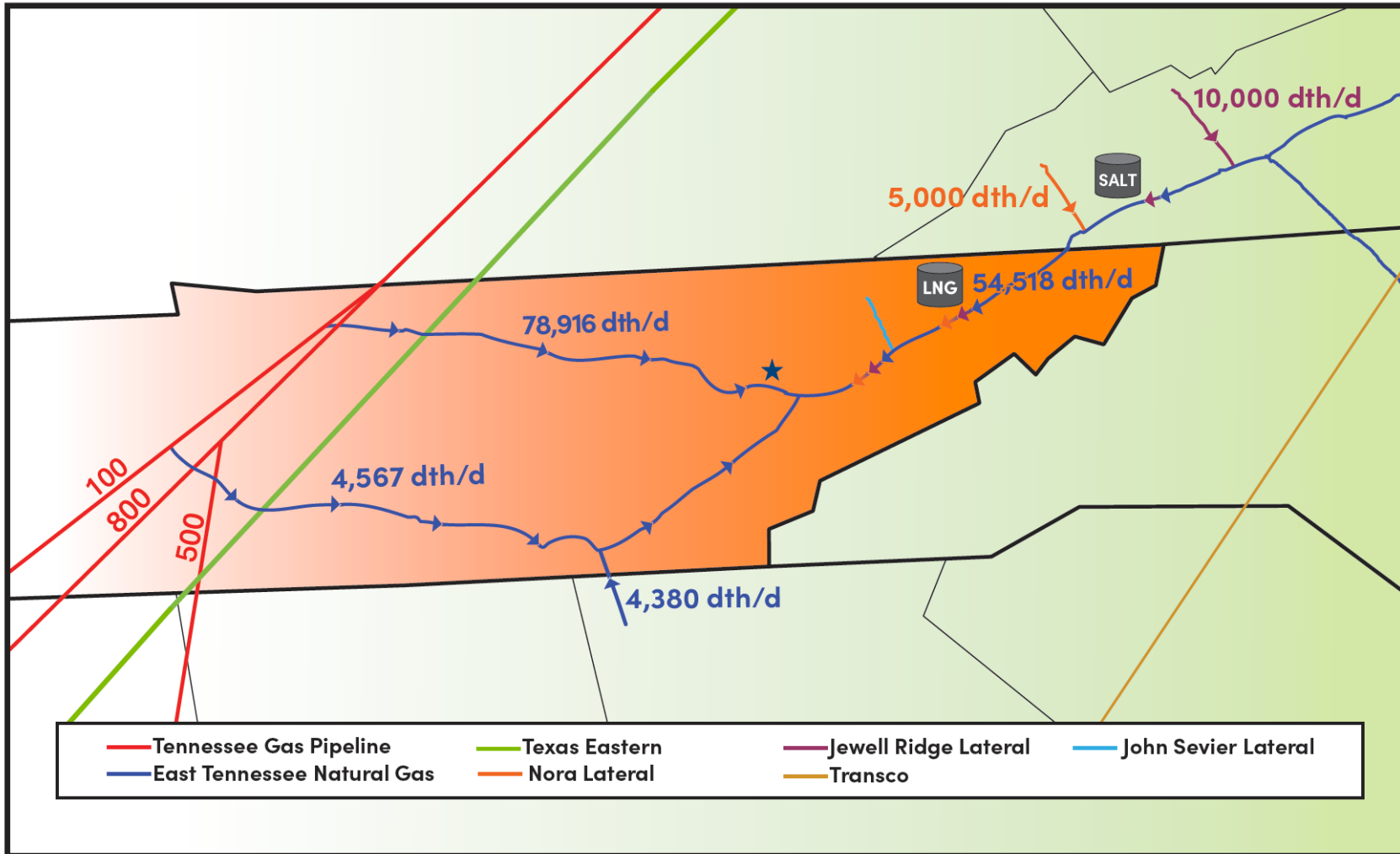
Supply Contracts

Supplier	Supply Region	Volume	Firm/ Variable	Expiration
BP Energy	Gulf of Mexico	8,000	Variable	10/31/2025
ConocoPhillips	Gulf of Mexico	13,000	Variable Daily	10/31/2025
Shell Energy	Gulf of Mexico	11,000	Variable	10/31/2025
Nextera*	Gulf of Mexico	12,500	Variable	10/31/2027
CNX Energy*	Appalachia	3,000 s/w	Firm	3/31/2026
Enervest*	Appalachia	2,000 s/w	Firm	3/31/2028
Morgan Stanley	Gulf of Mexico	2,800 Average	Pre-Pay Gas	10/31/2051
Goldman Sachs	Gulf of Mexico	2,800	Pre-Pay Gas	8/31/2053

Others	
New Jersey Resources	Sequent Energy
Stand Energy	Texla Energy
Symmetry	Other utilities

* Contract activity

KUB Transportation Portfolio

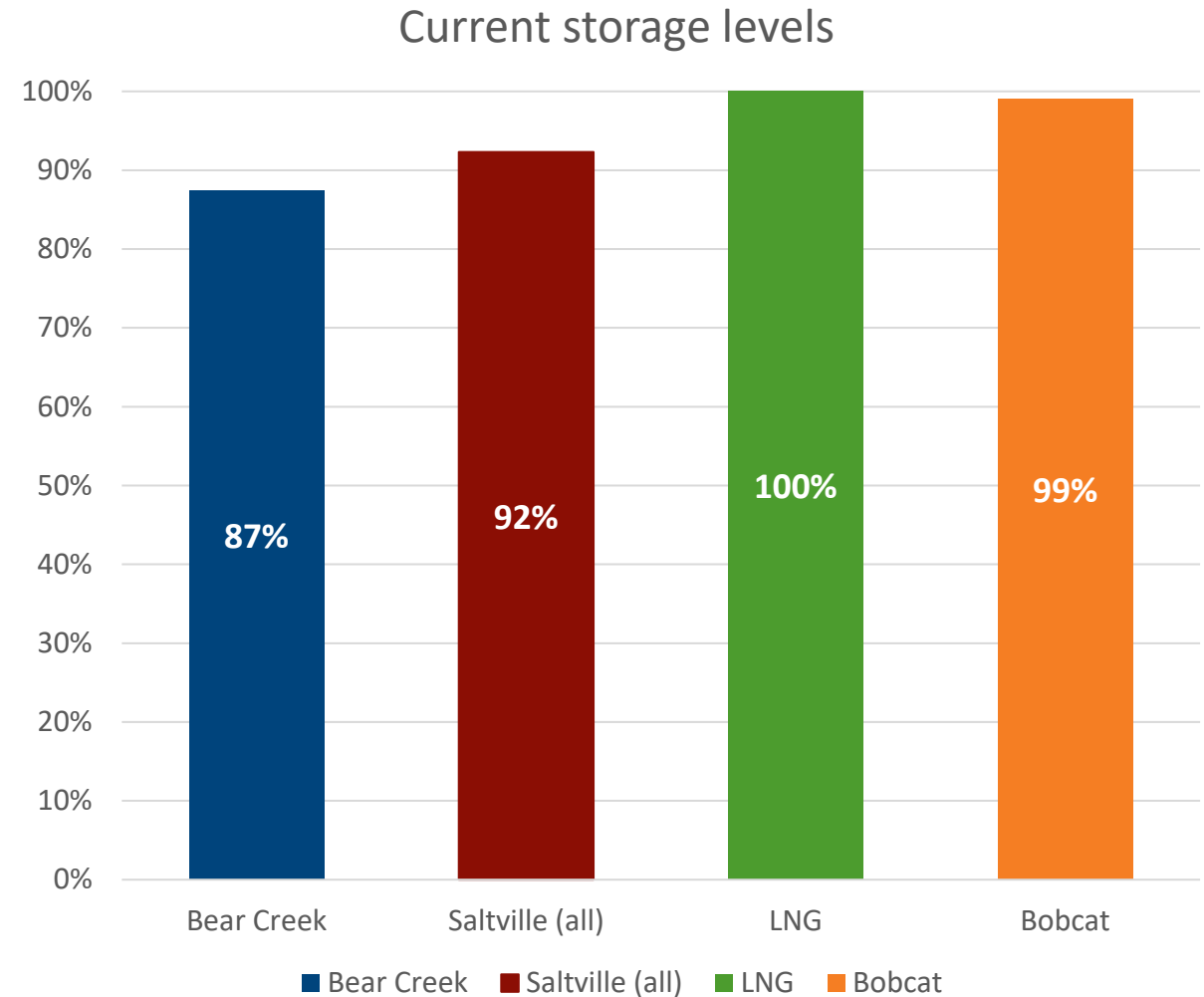


Pipeline	Volume	Expiration
<u>ETNG*</u>	157,381	10/31/2030
<u>TGP*</u>	68,289	10/31/2030
<u>TETCO*</u>	7,500	10/31/2030

* Contract activity

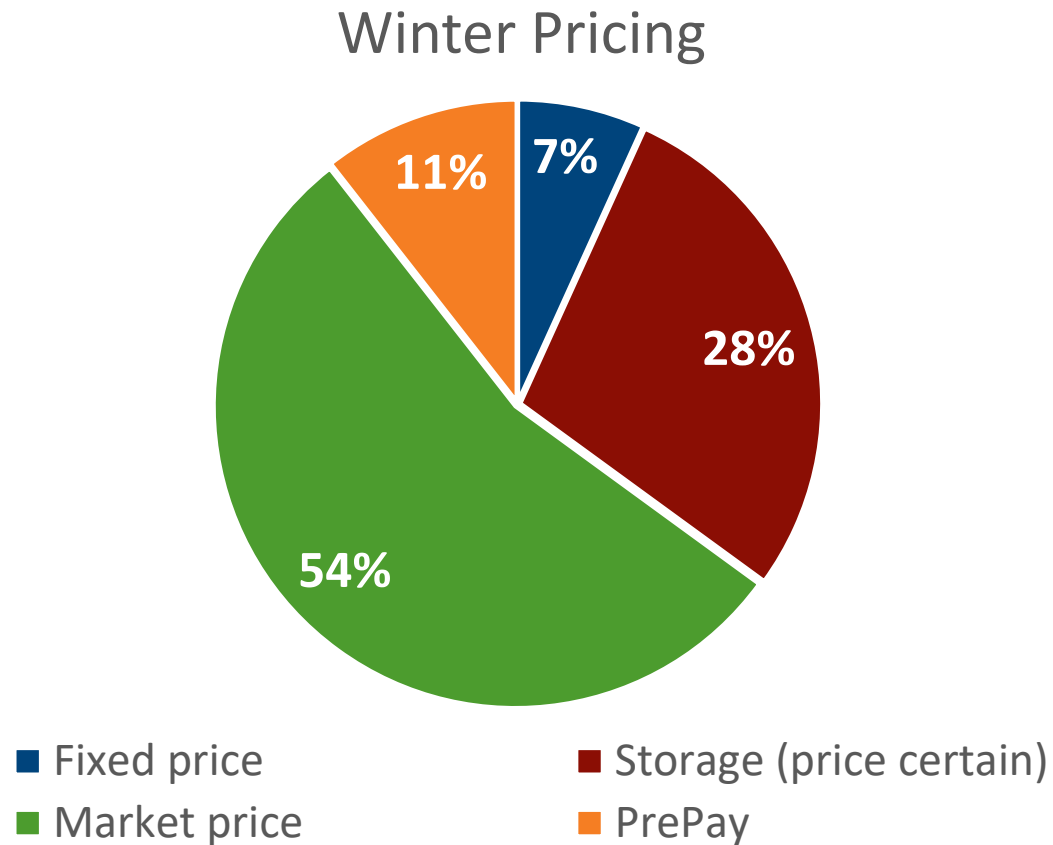
KUB Storage

Storage	Pipeline	MSQ (Space)	Expiration
Bear Creek*	TGP	3,325,920	10/31/2030
Saltville 1	ETNG	200,000	3/31/2028
Saltville 2	ETNG	100,000	3/31/2028
Saltville 3	ETNG	100,000	3/31/2025
LNG	ETNG	412,000	10/31/2025
Bobcat*	TETCO	150,000	10/31/2030
		4,287,920	



* Contract activity

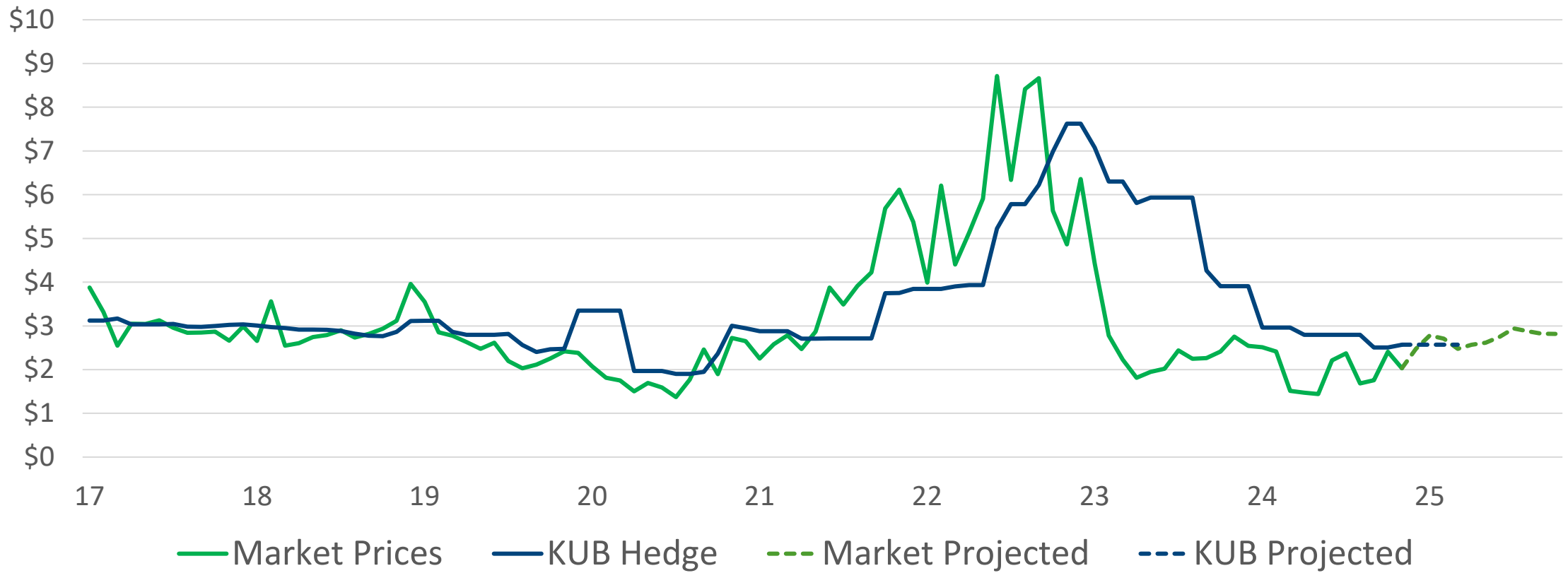
Resolution 1388 Reporting



- Price Risk Committee approved current strategy which targets 25% hedged for near month purchases
- All transactions met requirements for opening and closing positions
- Monthly status reports to Price Risk Committee

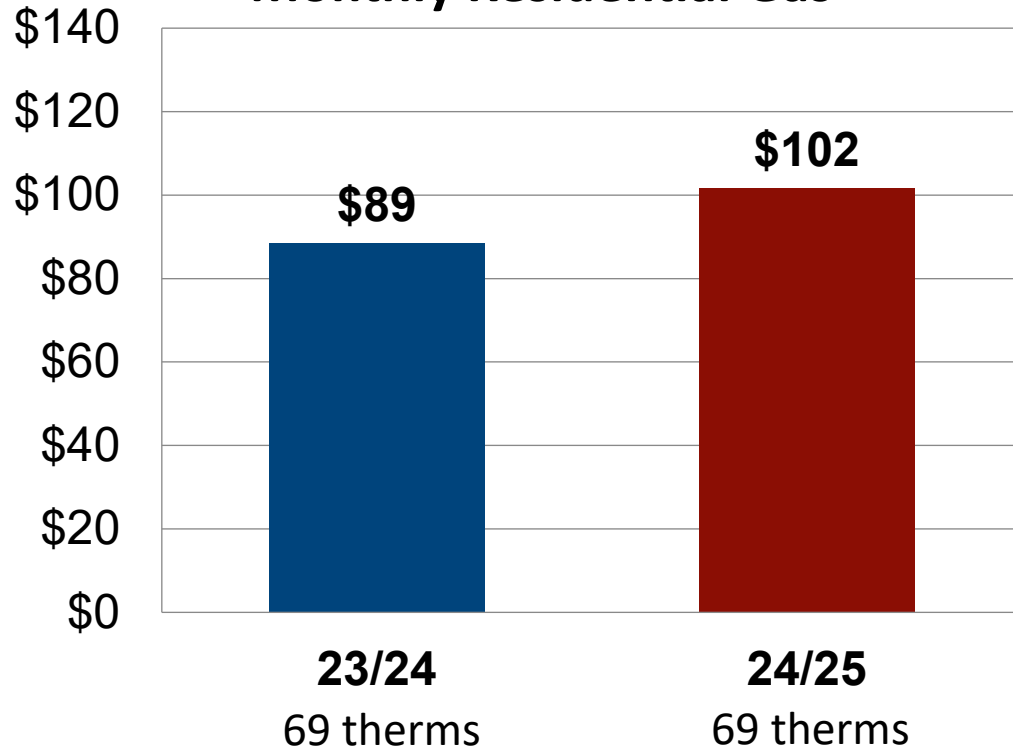
KUB Hedges vs. Market Prices

January 2017 to October 2025

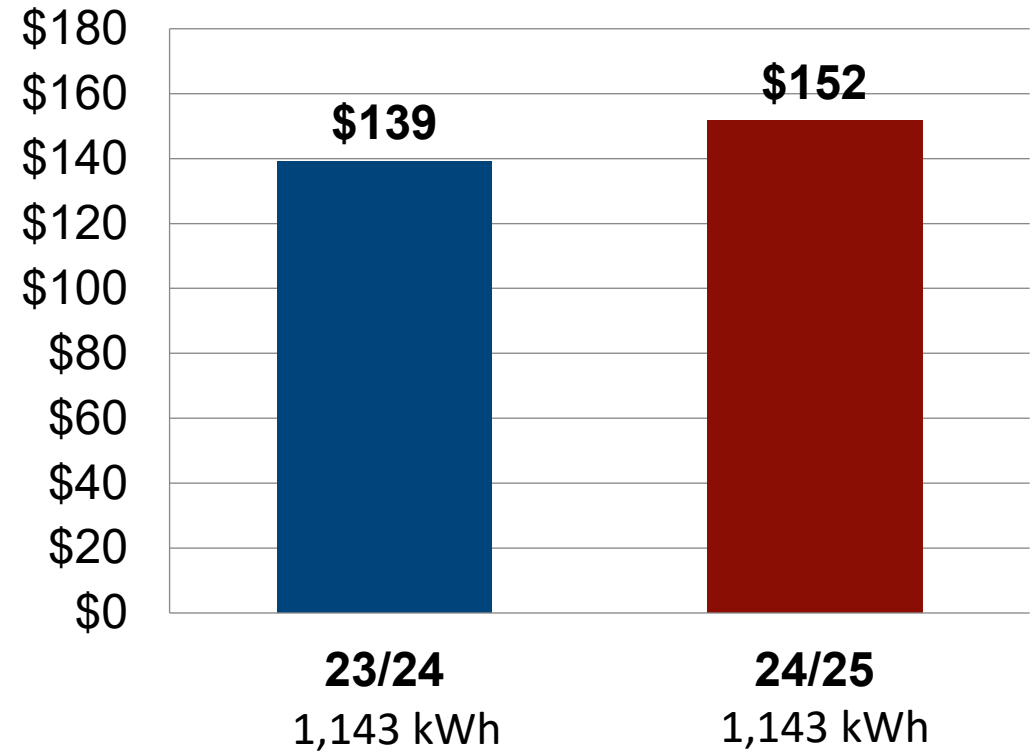


Winter Bill Projections

Monthly Residential Gas



Monthly Residential Electric





November 21, 2024

2024 United Way Campaign



KUB Proudly Supports United Way

- Over 30 years of giving history
- Contributions are 100% employee funded
- Included fundraising events, agency education, and community service
- Employee-led campaign committee
 - Chair – Daniel Kembel
 - Co-chair – Kristy Lund



2024 Campaign Highlights

- Kick-off and celebration events
 - Rubber Duck Race
 - Car Show
 - Silent Auction
 - Fun, fellowship, and food
- Agency visits
 - 40+ employees
 - Eight agencies visited
- Week of Service
 - 105 volunteers
 - Seven non-profits supported



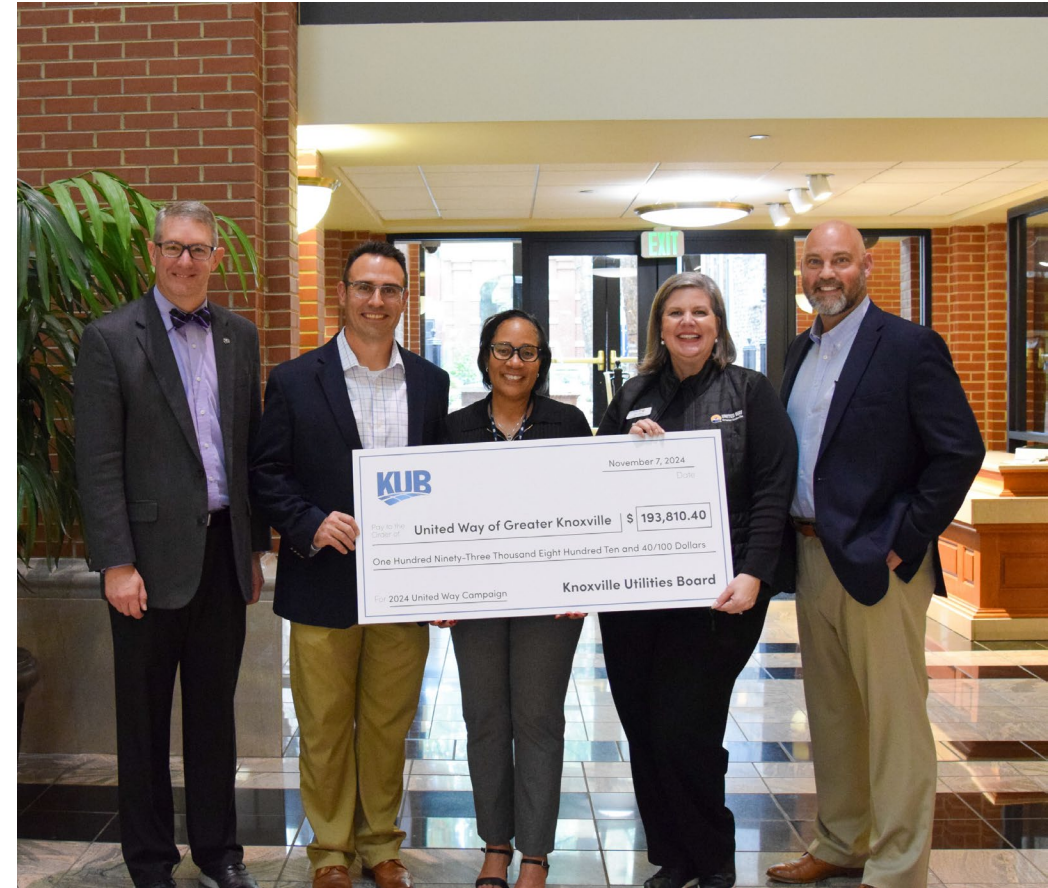
254 Hours Volunteered During Week of Service

- Compassion Closet
- Second Harvest Food Bank
- Shangri-la Therapeutic Academy of Riding (STAR)
- Knox County Adopt-a-Stream
- Boys & Girls Clubs of the Tennessee Valley
- Emerald Youth Foundation
- Helping Mamas



Employee Contributions Making a Difference

- More than **\$193,000** raised during 2024 campaign
- More than **\$4.1 million** contributed since the early 2000s
- Campaigns reflect KUB's mission of service and employee commitment to the community





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APPA Customer Satisfaction Survey



Partnered with Industry Experts to Seek Customer Perspectives

- Partnered with American Public Power Association (APPA) and GreatBlue Research
- Distributed survey to more than 10,000 electric customers
- Received over 500 customer responses
- Measured various organizational areas



HOW ARE WE DOING?

We are committed to providing exceptional customer service and want to hear from you!



Help us provide the best customer service by completing a brief survey.

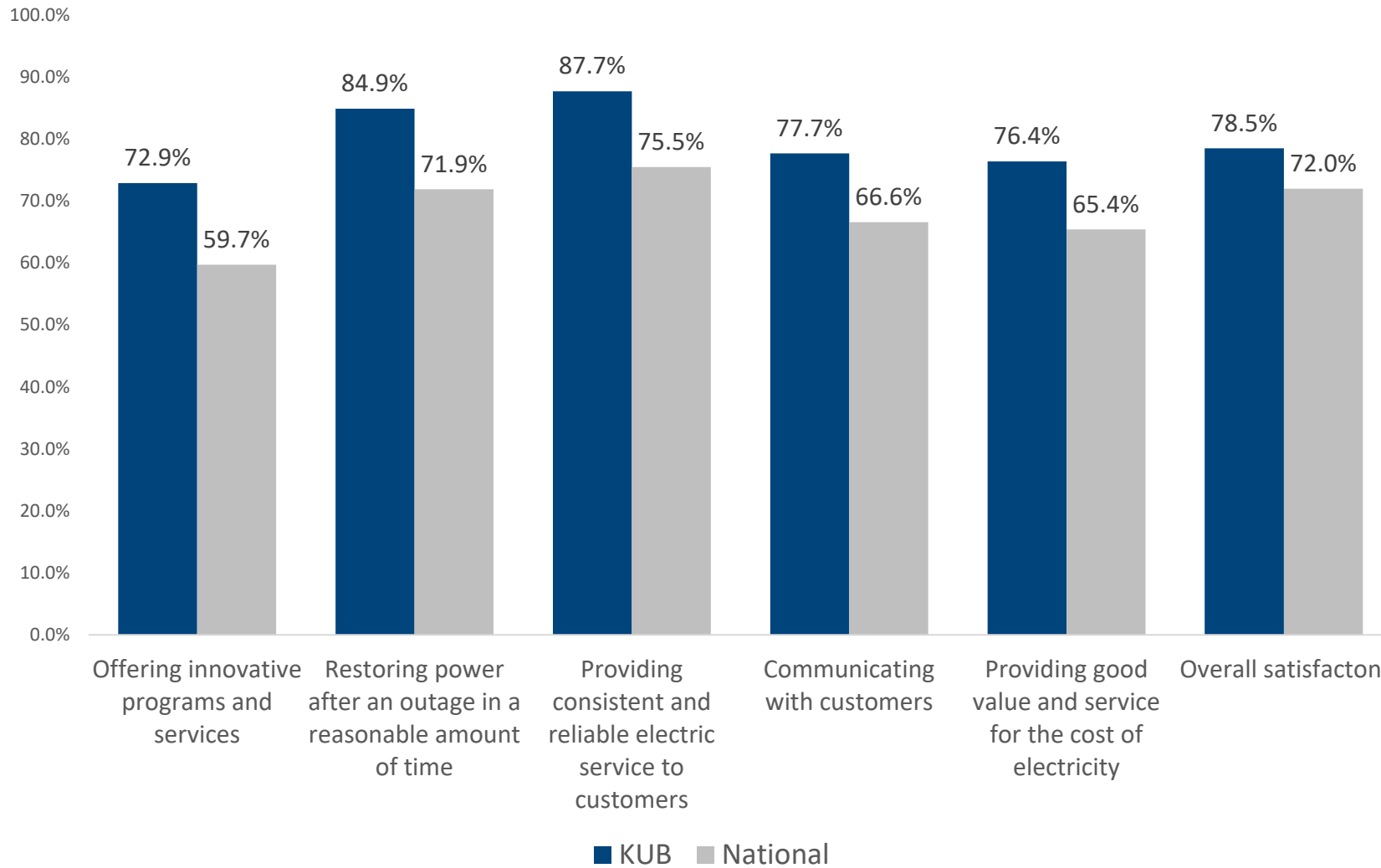


Customers Provided Ratings on Five Focus Areas

- Communicating with customers
- Providing good service and value for the cost of electricity
- Restoring power after an outage in a reasonable amount of time
- Providing consistent and reliable electric service to customers
- Offering innovative programs and services
- Overall satisfaction

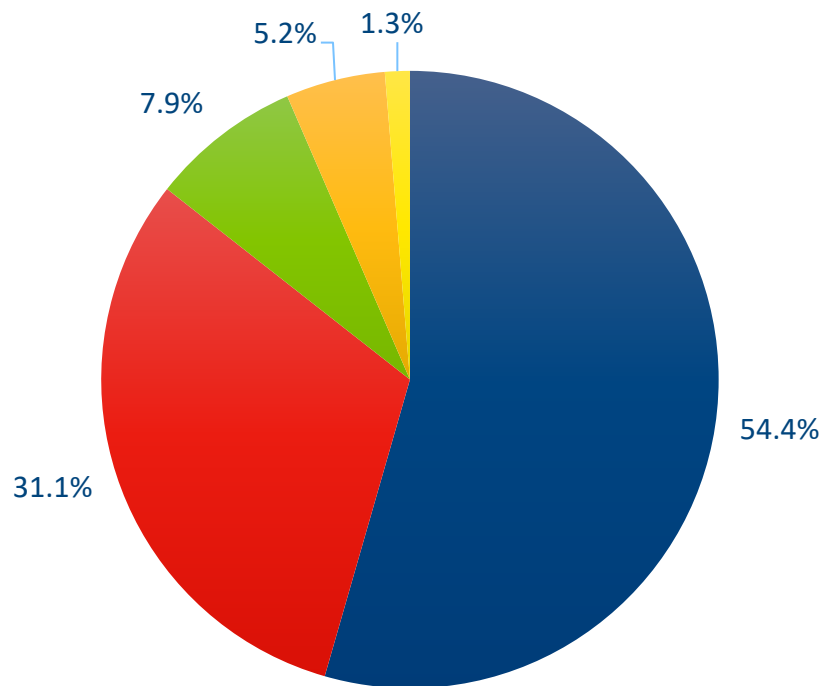


Customers Appreciate Programs, Communication, & Restoration Response Times

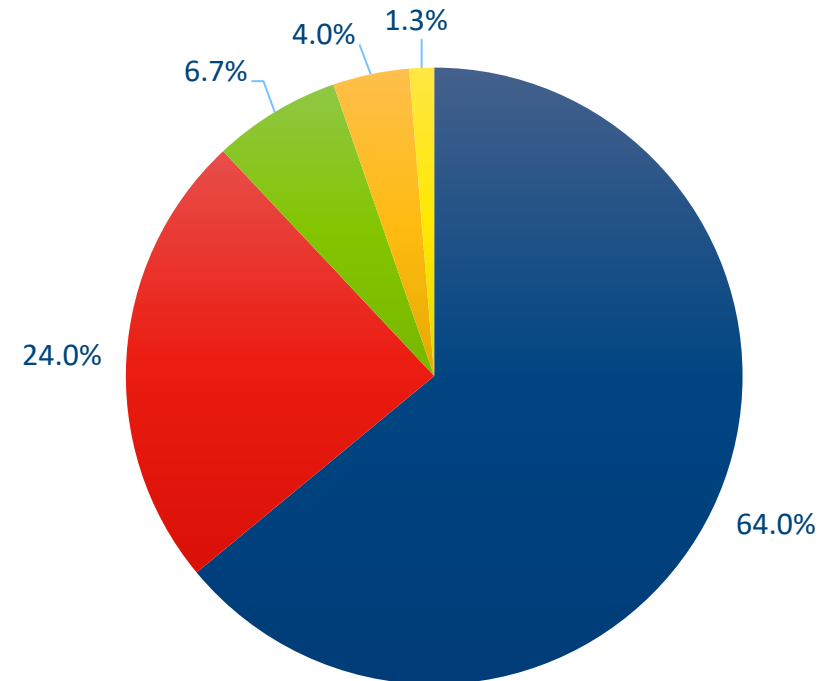


High Ratings for Recent Customer Service & Customer Support Interactions

85.5% Customers Satisfied with Customer Service Interactions

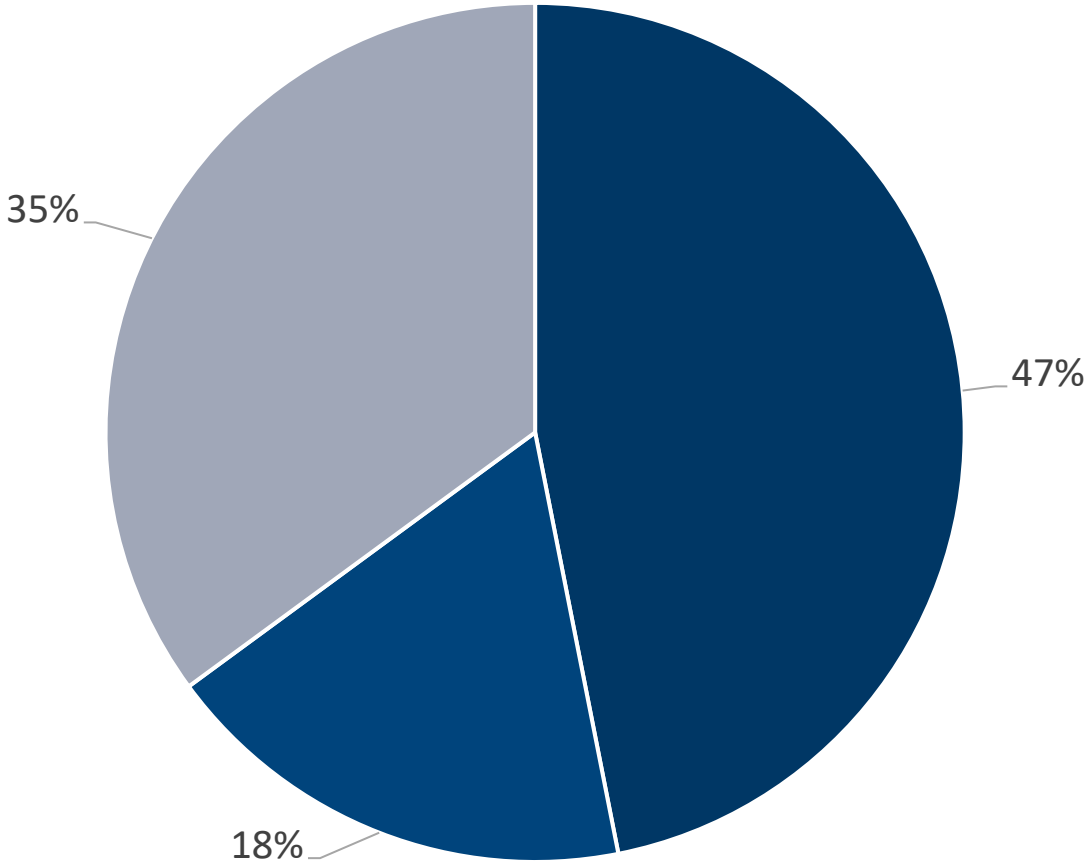


88% Customers Satisfied with Customer Support Interactions



■ Very satisfied ■ Somewhat satisfied ■ Somewhat dissatisfied
■ Very dissatisfied ■ Don't know/unsure

Survey Insight: 65% Unaware KUB is a Public, Community-owned Utility



■ Don't know/unsure ■ Business Owned or Private Investor Owned Company ■ Community Owned Municipal Utility

KUB Received Bronze APPA Customer Satisfaction Award

- Participation in survey included eligibility for APPA customer satisfaction award
- Utilities scoring average of 80% or higher are recognized
 - Gold = 95% or higher
 - Silver = 90-94%
 - Bronze = 80-89%
- KUB achieved average score of 81.1%



Results Will Influence Future Initiatives

Evaluating post-interaction survey tools to implement in FY26

Seeking deeper insights on actionable improvement opportunities

Continuing focus on customer service and restoration response times

Considering and executing strategy to increase awareness of community ownership

Ongoing emphasis on communicating with and educating customers



November 21, 2024

Association of Metropolitan Water Agencies Awards



KUB Receives National AMWA Environmental Justice & Equity Award

- KUB was sole recipient of this honor
- Awarded for commitment to advancing environmental equity and justice
- KUB recognized for:
 - Workforce initiatives to recruit candidates from underrepresented communities
 - Lower income customer assistance
 - Community engagement and outreach
 - Supporting Minority & Women-Owned and Small Business Enterprises
 - Ensuring access to safe, high-quality water

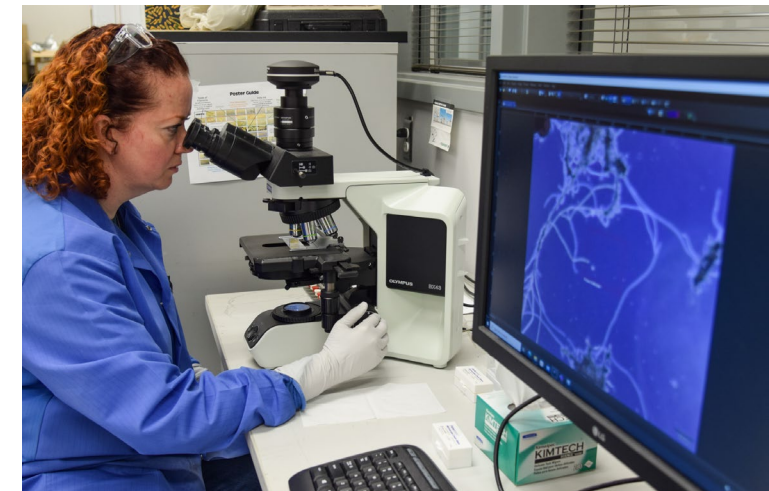


ASSOCIATION OF
METROPOLITAN
WATER AGENCIES



KUB Earns Second AMWA Sustainable Water Utility Management Award

- National award recognizes KUB's commitment to sustainable management
 - Century II infrastructure investments and results
 - 64% reduction in water main breaks since 2008
 - 80% reduction in SSOs since 2004
 - Water Quality Laboratory and outstanding regulatory compliance
 - Use of advancing technologies
 - Strong financial management
 - Environmental stewardship initiatives



KUUB

KNOXVILLE
UTILITIES BOARD