

**Knoxville Utilities Board  
Board Meeting  
Minutes  
Thursday, September 15, 2022 Noon**

**Call to Order**

The Knoxville Utilities Board met in regular session in the Larry A. Fleming Board Room at 445 S. Gay Street, on Thursday, September 15, 2022, pursuant to the public notice published in the January 4, 2022, 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, Ron Feinbaum, Kathy Hamilton, Celeste Herbert, Adrienne Simpson-Brown, and Tyvi Small.

Commissioner Absent: None

**Approval of Minutes**

Upon a motion by Commissioner Herbert and a second by Commissioner Caballero, the August 18, 2022 Board Meeting minutes were approved by a roll call vote. The following Commissioners voted "aye": Askew, Caballero, Feinbaum, Hamilton, Herbert, Simpson-Brown, and Small. No Commissioner voted "nay".

**Old Business**

**Resolution 1463, A Resolution Amending the Existing Rate Schedules of the Electric Division, as Previously Established by Resolution No. 1060, as Heretofore Amended, Providing for a Revised Electric Vehicle Charging Power (EVC) Rate**

**This Resolution Replaces the Existing Purchased Power Adjustment of the Electric Division, as Previously Established by Resolution No. 1065, as Heretofore Amended, to Reflect the New EVC Rate**

President Gabriel Bolas recognized Mark Walker, Senior Vice President and Chief Financial Officer, to present a proposed resolution on second and final reading to amend the electric rate schedule with a revised Electric Vehicle Charging (EVC) rate for commercial customers. The resolution also replaces the existing Purchased Power Adjustment of the Electric Division to reflect the new EVC rate.

September 15, 2022

**Other Business**

Commissioner Herbert announced The Nominating Committee received 27 applications for the Commissioner term beginning in January. The next step is for the committee to conduct interviews and those are tentatively scheduled for September 22<sup>nd</sup> and 23<sup>rd</sup>. Pursuant to the City Charter, at least five candidates will be submitted to the Mayor, and those candidates will be nominated at next month's meeting.

**Public Comment**

None

**Adjournment**

There being nothing further to come before the Board, Chair Askew declared the Board meeting adjourned at 1:00 p.m.

  
\_\_\_\_\_  
Jerry Askew, Chair

  
\_\_\_\_\_  
Mark Walker, Board Secretary



September 9, 2022

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

Commissioners:

The September 15 Board meeting agenda includes two official action items:

- Adoption of a new electric vehicle (EV) charging station rate and associated Purchased Power Adjustment (PPA) amendment on second and final reading.
- Authorization to enter a long-term natural gas supply contract with Tennergy Corporation, for the purpose of receiving a significant price discount over the term of the contract.

**Resolution 1463 (Second and Final Reading)**

Last month the Board adopted on first reading a new electric vehicle (EV) charging station rate, replacing the existing EV charging station rate schedule approved by the Board in 2021, and amending the Electric Division's Purchased Power Adjustment (PPA), as the new EV charging station rate is a standard service electric rate.

The proposed new EV charging rate reflects recent modifications in TVA's wholesale rate for charging stations, providing flexibility in rate structure, removing certain ancillary charges for participating customers, and simplifying the reporting process.

I recommend the adoption of Resolution 1463, providing for the new EV charging station rate and PPA amendment, on second and final reading.

**Resolution 1464**

Resolution 1464 authorizes the execution of a new long-term natural gas supply contract with Tennergy Corporation of up to 32 years, providing for a significant price discount on contracted gas purchases.

Under state law, Energy Acquisition Corporations, such as Tennergy, may contract with municipalities to provide natural gas supply on a long-term basis offering significant price discounts, due to the longer contract term.



## RESOLUTION NO. 1463

**A Resolution Amending the Existing Rate Schedules of the Electric Division, as Previously Established by Resolution No. 1060, as Heretofore Amended, Providing for a Revised Electric Vehicle Charging Power (EVC) Rate**

**This Resolution Replaces the Existing Purchased Power Adjustment of the Electric Division, as Previously Established by Resolution No. 1065, as Heretofore Amended, to Reflect the New EVC Rate**

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

**Whereas**, KUB supports the environment through numerous programs such as home weatherization assistance, participation in TVA's Green Invest Program, and TVA's Green Switch and Green Switch Match programs; and

**Whereas**, KUB supports the adoption and utilization of electric vehicles through its participation in Drive Electric Tennessee, its first-in-the-Valley Electric Vehicle (EV) rebate program, and by offering Time of Use rates to support charging EV's at home; and

**Whereas**, the KUB Board previously adopted Resolution 1432, authorizing KUB's participation in TVA's EVC Rate program, and amending the rate schedules of the Electric Division providing for an EVC Rate; and

**Whereas**, KUB was the first local power company in the Tennessee Valley to provide the EVC Rate to its customers; and

**Whereas**, the EVC Rate is an optional rate for eligible KUB customers designed to encourage and support EV adoption throughout the Tennessee Valley; and

**Whereas**, TVA recently modified its wholesale EVC Rate, providing greater flexibility in rate structure, eliminating certain ancillary charges for participating customers, and simplifying reporting requirements; 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 amend its Electric Division Rate Schedules to provide for the new EVC Rate; and

**Whereas**, it is also necessary to amend the Purchased Power Adjustment for the Electric Division to reflect the new EVC Rate, as the new rate is a standard service electric rate; and

**RESOLUTION 1463**

**EXHIBIT A**

**RATE SCHEDULES OF THE ELECTRIC DIVISION**

**EFFECTIVE OCTOBER 1, 2022**

### Determination of Seasonal Periods

Summer Period shall mean the June, July, August, and September billing months. Winter Period shall mean the December, January, February, and March billing months. Transition Period shall mean the April, May, October, and November billing months. The Seasonal Periods under this rate schedule are subject to change by KUB. In the event KUB determines that changed Seasonal Periods are appropriate, such decision shall be made at least 11 months prior to the effective date of such changed periods, and KUB shall promptly notify customer.

### Determination of Onpeak and Offpeak Hours

Except for Saturdays, Sundays, November 1, and the weekdays that are observed as Federal holidays for New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day, onpeak hours for each day shall for purposes of this rate schedule be from 2 p.m. to 8 p.m. during the months of April, May, June, July, August, September and October and from 5 a.m. to 11 a.m. during the months of January, February, March, November, and December. For all other hours of each day and all hours of such excepted days shall be offpeak hours. Such times shall be EST or EDT, whichever is then in effect. Said onpeak and offpeak hours are subject to change by KUB. In the event KUB determines that such changed onpeak and offpeak hours are appropriate, such decision shall be made at least 11 months prior to the effective date of such changed hours, and KUB shall promptly notify customer.

### Minimum Bill

The base customer charge constitutes the minimum monthly bill for all customers served under this rate schedule except those customers for which a higher minimum monthly bill is required under KUB's standard policy because of special circumstances affecting the cost of rendering service.

### Contract Requirement

At its sole discretion, KUB may require contracts for service provided under this rate schedule and such contracts shall be for an initial term of at least 90 days. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and KUB shall not be obligated to supply power in greater amount at any time than the customer's currently effective contract demand. The customer is prohibited from using any power other than that supplied by KUB under this rate schedule. All other power sources are prohibited. The contract may include other special provisions. The rate schedule in any power contract shall be subject to adjustment, modification, change, or replacement from time to time as approved by the Board.

**RESOLUTION 1463**

**EXHIBIT B**

**RATE SCHEDULES OF THE ELECTRIC DIVISION**

**EFFECTIVE APRIL 1, 2023**



### Determination of Seasonal Periods

Summer Period shall mean the June, July, August, and September billing months. Winter Period shall mean the December, January, February, and March billing months. Transition Period shall mean the April, May, October, and November billing months. The Seasonal Periods under this rate schedule are subject to change by KUB. In the event KUB determines that changed Seasonal Periods are appropriate, such decision shall be made at least 11 months prior to the effective date of such changed periods, and KUB shall promptly notify customer.

### Determination of Onpeak and Offpeak Hours

Except for Saturdays, Sundays, November 1, and the weekdays that are observed as Federal holidays for New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day, onpeak hours for each day shall for purposes of this rate schedule be from 2 p.m. to 8 p.m. during the months of April, May, June, July, August, September and October and from 5 a.m. to 11 a.m. during the months of January, February, March, November, and December. For all other hours of each day and all hours of such excepted days shall be offpeak hours. Such times shall be EST or EDT, whichever is then in effect. Said onpeak and offpeak hours are subject to change by KUB. In the event KUB determines that such changed onpeak and offpeak hours are appropriate, such decision shall be made at least 11 months prior to the effective date of such changed hours, and KUB shall promptly notify customer.

### Minimum Bill

The base customer charge constitutes the minimum monthly bill for all customers served under this rate schedule except those customers for which a higher minimum monthly bill is required under KUB's standard policy because of special circumstances affecting the cost of rendering service.

### Contract Requirement

At its sole discretion, KUB may require contracts for service provided under this rate schedule and such contracts shall be for an initial term of at least 90 days. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and KUB shall not be obligated to supply power in greater amount at any time than the customer's currently effective contract demand. The customer is prohibited from using any power other than that supplied by KUB under this rate schedule. All other power sources are prohibited. The contract may include other special provisions. The rate schedule in any power contract shall be subject to adjustment, modification, change, or replacement from time to time as approved by the Board.



**RESOLUTION 1463**

**EXHIBIT C**

**RATE SCHEDULES OF THE ELECTRIC DIVISION**

**EFFECTIVE APRIL 1, 2024**

### Determination of Seasonal Periods

Summer Period shall mean the June, July, August, and September billing months. Winter Period shall mean the December, January, February, and March billing months. Transition Period shall mean the April, May, October, and November billing months. The Seasonal Periods under this rate schedule are subject to change by KUB. In the event KUB determines that changed Seasonal Periods are appropriate, such decision shall be made at least 11 months prior to the effective date of such changed periods, and KUB shall promptly notify customer.

### Determination of Onpeak and Offpeak Hours

Except for Saturdays, Sundays, November 1, and the weekdays that are observed as Federal holidays for New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day, onpeak hours for each day shall for purposes of this rate schedule be from 2 p.m. to 8 p.m. during the months of April, May, June, July, August, September and October and from 5 a.m. to 11 a.m. during the months of January, February, March, November, and December. For all other hours of each day and all hours of such excepted days shall be offpeak hours. Such times shall be EST or EDT, whichever is then in effect. Said onpeak and offpeak hours are subject to change by KUB. In the event KUB determines that such changed onpeak and offpeak hours are appropriate, such decision shall be made at least 11 months prior to the effective date of such changed hours, and KUB shall promptly notify customer.

### Minimum Bill

The base customer charge constitutes the minimum monthly bill for all customers served under this rate schedule except those customers for which a higher minimum monthly bill is required under KUB's standard policy because of special circumstances affecting the cost of rendering service.

### Contract Requirement

At its sole discretion, KUB may require contracts for service provided under this rate schedule and such contracts shall be for an initial term of at least 90 days. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and KUB shall not be obligated to supply power in greater amount at any time than the customer's currently effective contract demand. The customer is prohibited from using any power other than that supplied by KUB under this rate schedule. All other power sources are prohibited. The contract may include other special provisions. The rate schedule in any power contract shall be subject to adjustment, modification, change, or replacement from time to time as approved by the Board.

**RESOLUTION 1463**

**EXHIBIT D**

**BASE RATES OF PURCHASED POWER  
STANDARD SERVICE**

	<b>Summer</b>	<b>Winter</b>	<b>Transition</b>
<b>Residential Credit Eligible kWh</b>			
demand kWh base	0.02437	0.02397	0.02397
energy kWh base	0.06070	0.06070	0.06070
hydro energy credit	-0.00297	-0.00297	-0.00297
 <b>Residential Customer Hydro Credit</b>	 As Stated in Current Effective Wholesale Contract		
 <b>Residential Credit Eligible - TOU</b>			
<b>Onpeak kWh</b>			
demand kWh base	0.11957	0.11957	0.11957
energy kWh base	0.07229	0.07229	0.07229
hydro energy credit	-0.00297	-0.00297	-0.00297
<b>Offpeak kWh</b>			
energy kWh base	0.06010	0.06010	0.06010
hydro energy credit	-0.00297	-0.00297	-0.00297
 <b>Residential Debit Eligible kWh</b>			
demand kWh base	0.02437	0.02397	0.02397
energy kWh base	0.05494	0.05494	0.05494
hydro energy debit	0.00323	0.00323	0.00323
 <b>Residential Debit Eligible - TOU</b>			
<b>Onpeak kWh</b>			
demand kWh base	0.11957	0.11957	0.11957
energy kWh base	0.07229	0.07229	0.07229
hydro energy debit	0.00323	0.00323	0.00323
<b>Offpeak kWh</b>			
energy kWh base	0.06010	0.06010	0.06010
hydro energy debit	0.00323	0.00323	0.00323
 <b>GSA1 kWh</b>			
demand kWh base	0.02845	0.02804	0.02804
energy kWh base	0.06141	0.06141	0.06141
hydro energy debit	0.00323	0.00323	0.00323
 <b>GSA1 - TOU</b>			
<b>Onpeak kWh</b>			
demand kWh base	0.11957	0.11957	0.11957
energy kWh base	0.07229	0.07229	0.07229
hydro energy debit	0.00323	0.00323	0.00323
<b>Offpeak kWh</b>			
energy kWh base	0.06010	0.06010	0.06010
hydro energy debit	0.00323	0.00323	0.00323
 <b>GSA2</b>			
<b>1st 15,000 kWh</b>			
demand kWh base	0.02452	0.02411	0.02411
energy kWh base	0.06534	0.06534	0.06534
hydro energy debit	0.00323	0.00323	0.00323

## RESOLUTION NO. 1464

### **A Resolution Authorizing the Execution of a Natural Gas Supply Contract with Tennergy Corporation, an Energy Acquisition Corporation, for a Term of up to Thirty-Two (32) Years**

**Whereas**, Knoxville Utilities Board (“KUB”) operates a natural gas distribution utility which serves residential, commercial, and industrial customers; and

**Whereas**, the Knoxville Utilities Board of Commissioners (“Board”) previously authorized Resolution 1387 authorizing the purchase, sale, transportation, and storage of natural gas; and

**Whereas**, the Board previously adopted Resolutions 1405, 1416, and 1429 authorizing KUB (“Purchaser”) to participate in a prepaid natural gas supply contract with Tennergy Corporation, an Energy Acquisition Corporation (“Tennergy”); and

**Whereas**, the aforementioned contract was executed with Tennergy in April 2021 and KUB currently purchases that gas (an average of 2,800 dekatherms per day) at a \$0.30 discount with all savings passed on to customers, and

**Whereas**, the acquisition of secure, reliable and economic supplies of natural gas are necessary for the prudent and businesslike operation of the utility, the economic growth and development of the community, and the promotion of the public health, safety and welfare; and

**Whereas**, certain long-term supply contracts offering significant price discounts may, due to the longer contract term, exceed the purchasing authority granted to KUB’s President and CEO, and therefore require the Board’s approval; and

**Whereas**, TCA section 7-39-316 provides that municipalities have the power, acting by resolution of its governing body, to purchase, by contract or other agreement, natural gas from an energy acquisition corporation; and

**Whereas**, TCA section 7-39-102 provides that Governing body means, with respect to a municipality, any board, commission, or other instrumentality of such municipality having jurisdiction, control and management of the gas distribution system of that municipality; and

**Whereas**, TCA section 7-39-318 provides that the authority and powers granted may be exercised in accordance with this chapter, notwithstanding any other requirements, restrictions, or procedural provisions contained in general law, private act or home rule charter, and