

**Knoxville Utilities Board
Board Meeting
Minutes
Thursday, November 19, 2020 Noon**

Call to Order

The Knoxville Utilities Board met in regular session in the Mintha Roach Corporate Services Building at 4505 Middlebrook Pike, on Thursday, November 19, 2020, pursuant to the public notice published in the January 4, 2020, edition of the *News Sentinel*. Chair Kathy Hamilton called the meeting to order at 12:00 p.m.

Roll Call

Commissioners Present: Jerry Askew, Kathy Hamilton, Celeste Herbert, Tyvi Small, and John Worden.

Commissioners Absent: Sara Pinnell and Adrienne Simpson-Brown

Approval of Minutes

The Minutes of the October 22, 2020 Board Meeting were approved as distributed upon a motion by Commissioner Askew and seconded by Commissioner Herbert.

Old Business

None

New Business

Resolution 1426, A Resolution Authorizing the Execution of an Amendment to the Knoxville Utilities Board's ("KUB") Green Invest Agreement with the Tennessee Valley Authority ("TVA") and the Execution of Tranche Amendments for the Purchase of 290 MW of New Solar Energy under the Green Invest Program

President Gabriel Bolas recognized Mark Walker, Senior Vice President and Chief Financial Officer, to provide details of Resolution 1426 related to KUB's Green Invest Agreement with TVA. Mr. Walker presented staff's recommendation to the Board to execute amendments to KUB's Green Invest Agreement with TVA providing for the purchase of an additional 290 MW of solar to be spread across three new solar installations. Mr. Walker advised the Board that these purchases would bring KUB's total investment in solar through Green Invest to 502 MW, with all installations to be complete by late 2023. The cost of the solar investments in total is \$1.63 million and will be paid with a portion of KUB's annual partnership credit from TVA.

November 19, 2020

President Bolas recommended adoption of Resolution 1426 on first and final reading. His written recommendation is included in Attachment 1.

Upon a motion by Commissioner Herbert and a second by Commissioner Small, Resolution 1426 was adopted by a roll call vote on first and final reading. The following Commissioners voted "aye": Askew, Hamilton, Herbert, Small, and Worden. No Commissioner voted "nay".

President's Report

Bond Sale Results

President Bolas recognized Chris Hood, Controller, to provide an update on KUB's recent sale of water and wastewater bonds.

Broadband Update

President Bolas reminded Commissioners that KUB has been researching broadband as a potential new business line. He recognized Jamie Davis, Director of Grid Modernization, to share reasons other utilities have invested in fiber, not only for providing broadband, but the benefits to the operations of the utility as well.

Recognition of Environmental Initiatives

President Bolas advised Commissioners that KUB has earned two awards for environmental stewardship efforts. He recognized Chasity Hobby, an Analyst in Environmental Stewardship, who shared details of the various awards.

Other Business

None

Public Comment

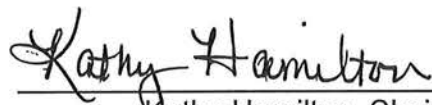
None

Adjournment

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



Mark Walker, Board Secretary



Kathy Hamilton, Chair

Attachments

Attachment 1	Recommendation Letter and Resolution 1426 – A resolution Authorizing the Execution of an Amendment to the Knoxville Utilities Board's ("KUB") Green Invest Agreement with the Tennessee Valley Authority ("TVA") and the Execution of Tranche Amendments for the Purchase of 290 MW of New Solar Energy under the Green Invest Program	<u>Page(s)</u> 10316 - 10328
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Knoxville Utilities Board

November 13, 2020

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

Commissioners:

The November 19 Board meeting agenda includes a single official action item, a resolution authorizing the execution of amendments to KUB's Green Invest Agreement with TVA. As you may recall, the Board previously approved KUB's participation in TVA's Green Invest Program, which is designed to help companies in the Valley achieve their sustainability goals by bringing new, renewable sources of electric power generation to the Valley.

The proposed amendments include three (3) Tranche Amendments, providing for the purchase of a total of 290 MW of new solar generation spread over three new solar installations to be developed in the Tennessee Valley region. The amendments also include a change in the pricing structure for renewable sources of generation, which is a change to our base Green Invest Agreement.

Upon execution of the Green Invest Agreement with TVA in March 2020, KUB entered into agreements with TVA to purchase 212 MW of solar generation at two new solar installations, including sites to be developed in Columbus, Mississippi, and Lake County, Tennessee. These solar agreements have 20-year terms at an annual cost of \$825,000, which will be covered by a portion of KUB's annual partnership credit from TVA. The 212 MW investment represents 8% of KUB's electric system load or enough to serve 35,000 homes.

The proposed new solar purchases total 290 MW, including 35 MW of the solar installation to be developed in Columbus, Mississippi, 55 MW from a site to be developed in Tullahoma, Tennessee, and 200 MW from a future solar site in West Point, Mississippi. These agreements also have 20-year terms at a total combined annual cost of \$806,000, which will also be covered by a portion of our annual partnership credit from TVA. This new 290 MW investment represents 12% of KUB's electric system load and is enough to serve 48,000 homes.

Once executed, KUB's total combined solar investment through Green Invest will be 502 MW, representing 20% or 1.1 billion kilowatt-hours (kWh) of KUB's electric system load, which is enough to serve 83,000 households in KUB's service territory.

The proposed amendment to the pricing structure of the Green Invest Agreement provides more favorable terms and small annual fees to cover TVA's administrative costs.

Resolution 1426 authorizes the execution of the new Tranche Amendments and the pricing structure change to the base Green Invest Agreement. I recommend the approval of Resolution 1426 on first and final reading.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Gabriel Bolas". The signature is written in a cursive, flowing style.

Gabriel J. Bolas II
President and CEO

RESOLUTION NO. 1426

A Resolution Authorizing the Execution of an Amendment to the Knoxville Utilities Board's ("KUB") Green Invest Agreement with the Tennessee Valley Authority ("TVA") and the Execution of Tranche Amendments for the Purchase of 290 MW of New Solar Energy under the Green Invest Program

Whereas, TVA and KUB have a long-standing relationship as seller and buyer of electric power, under which KUB purchases its electric power requirements from TVA; and

Whereas, the KUB Board of Commissioners ("Board") previously adopted Resolution No. 1410, which among other things, authorized KUB's participation in TVA's Green Invest Program; and

Whereas, KUB entered into a first-of-its-kind TVA's Green Invest Agreement in March 2020 to purchase 212 MW of new solar in the Tennessee Valley; and

Whereas, KUB seeks to purchase 290 MW of additional new solar through TVA's Green Invest Program to be spread across three new solar installations in the TVA region; and

Whereas, a portion of KUB's annual partnership credit from TVA will fund this investment in 290 MW of new solar; and

Whereas, KUB's total combined Green Invest purchases of 502 MW will represent 20% or 1.1 billion kilowatt-hours (kWh) of KUB's electric system load or enough to serve approximately 83,000 homes; and

Whereas, KUB's purchase of additional solar will require the execution of Tranche Amendments to the Green Invest Agreement setting the terms and conditions of the purchase of solar from the three new solar installations; and

Whereas, TVA has revised its pricing structure for the Green Invest Program, which also requires an amendment to KUB's Green Invest Agreement with TVA; and

Whereas, KUB staff have thoroughly reviewed the amendment for the pricing structure changes and the Tranche Amendments and have determined that their execution is in the best interests of KUB and its customers.

Now, Therefore, Be it Hereby Resolved by the Board of Commissioners of the Knoxville Utilities Board:

Section 1. The President and Chief Executive Officer is hereby authorized to execute the Green Invest Agreement Amendment, setting forth the pricing structure changes, and execute the Tranche Amendments to the Green Invest Agreement providing for the purchase of the 290 MW of new solar, all in substantially the form attached hereto this Resolution as Exhibit A.

Section 2. The President and Chief Executive Officer is further authorized and empowered generally to take such action and to authorize such other persons to take such actions as may be necessary, proper or convenient to carry into effect this Resolution and to carry out the terms of the executed amendments.

Section 3. This Resolution shall take effect from and after its passage.

Kathy Hamilton/s
Kathy Hamilton, Chair

Mark Walker/s
Mark Walker, Board Secretary

APPROVED ON 1st
& FINAL READING: 11-20-20
EFFECTIVE DATE: 11-20-20
MINUTE BOOK 43 PAGE 10318-10328

GREEN INVEST AGREEMENT AMENDMENT

TV-75110A, Supp. No. ____

This Amendment is between KNOXVILLE UTILITIES BOARD (Acting for and on behalf of City of Knoxville, Tennessee) ("**Distributor**"), a Tennessee municipal corporation, and TENNESSEE VALLEY AUTHORITY ("**TVA**"), a corporate agency and instrumentality of the United States of America created and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended.

Distributor purchases all of its power requirements from TVA for resale under a rolling term contract number TV-75110A, effective July 11, 1988, as amended ("**Power Contract**").

Distributor and TVA previously entered into a Green Invest Agreement, contract number TV-75110A, Supp. No. 115, effective March 12, 2020, including all Tranche Amendment(s) entered into thereunder and incorporated by reference (referred to collectively as the "**Green Invest Agreement**") to provide new renewable energy to Company under the Power Contract.

Distributor and TVA have since determined that they would each benefit from amending certain provisions of the Green Invest Agreement.

Therefore, the parties agree as follows:

SECTION 1 - TERM

This Amendment will continue in effect until the expiration or termination of the Green Invest Agreement.

SECTION 2 - DEFINITIONS

Unless otherwise defined herein, capitalized and underlined terms are defined in the Green Invest Agreement.

SECTION 3 - AMENDMENTS TO THE GREEN INVEST AGREEMENT

3.1 - Definitions Additions

The parties hereby amend section 1 of the Green Invest Agreement by removing the definition of "REC Fee," and any reference thereto throughout the Green Invest Agreement, and by adding the following definitions to the alphabetized list:

"**Product Price Minimum**" means the minimum price of the Product, meant to represent the value of the benefit received by Company. The Product Price Minimum as of January 1, 2020, is one dollar and twenty-five cents per megawatt-hour (\$1.25/MWh) for each unit of Product. The Product Price Minimum may be changed by TVA upon 30 days written notice to Company. Any change to the Product Price Minimum will not apply to or otherwise affect any effective Tranche Amendment(s).

"**TVA Administrative Fee**" is a \$1,000.00 per month charge to compensate TVA for the cost it incurs to administer this Agreement and the associated Tranche Amendment(s). The TVA Administrative Fee will increase 3% on January 1 of each year, beginning January 1, 2021. As of the effective date of this Amendment, the TVA Administrative Fee will be applied to Distributor's monthly invoice whenever a Tranche Amendment becomes effective and an applicable Renewable Energy Facility has begun to deliver renewable power. The TVA Administrative Fee will not be applied to any previously effective Tranche Amendment executed prior to the effective date of this Amendment.

3.2 - Pricing Changes

For any Tranche Amendment(s) signed after the effective date of this Amendment, the parties hereby agree to replace, in its entirety, section 3.4 of the Green Invest Agreement with the following, to reflect the new pricing structure:

Section 3.4 Pricing. The Product price TVA will provide to Company will be determined by subtracting TVA's avoided cost from the cost of the renewable energy obtained pursuant to the PPA, with such difference not less than the Product Price Minimum in effect at the time TVA receives the Notification. TVA's avoided cost will be based on TVA's then-current economic modeling approach utilized for planning TVA's existing and incremental generation resources, and will take into account the specific combination of features of the power to be generated by TVA or to be sold under the specific proposal for the PPA, which considerations will include, without limitation, capacity, real-time energy delivery amounts ("shaping"), dispatchability, intermittency, generation source diversity, maintenance scheduling, administrative and billing requirements, variations in line losses, curtailment rights, reliability, and other risk factors. The parties will agree to the Product price through execution of a Tranche Amendment. The Product price is not subject to change following execution of such Tranche Amendment, unless otherwise agreed to in the applicable Tranche Amendment.

3.3 - Invoicing Changes

The parties hereby agree to replace, in its entirety, section 5.1 of the Green Invest Agreement with the following, to include the TVA Administrative Fee:

Section 5.1 Invoicing. TVA will invoice Distributor monthly for Product generated under each Tranche Amendment, the TVA Administrative Fee, and third-party costs for certifying, registering, and transferring RECs ("Third-Party Costs"), if any. Distributor shall pay for such Product, TVA Administrative Fee, and Third-Party Costs on Distributor's monthly bill for firm power in accordance with the terms and conditions in the Power Contract and each applicable Tranche Amendment. Any such monthly amount shall be netted against any credit due to Distributor in accordance with Section 5.2 or added to all other amounts payable on Distributor's monthly bill for firm power.

SECTION 4 - RATIFICATION OF THE GREEN INVEST AGREEMENT

The parties hereby ratify and confirm that the Green Invest Agreement, as amended by this Amendment, is their continuing obligation.

The remainder of this page is intentionally blank.

This Amendment is effective on the date of TVA's signature.

KNOXVILLE UTILITIES BOARD
(Acting for and on behalf
of the City of Knoxville)

By _____

Title: _____

Date: _____

TENNESSEE VALLEY AUTHORITY

By _____
Chief Financial Officer

Date: _____

TRANCHE AMENDMENT # 3

TV-75110A, Supp. No. ____

This Green Invest Tranche Amendment ("**Amendment**") is between Knoxville Utilities Board (Acting for and on behalf of City of Knoxville, Tennessee) ("**Distributor**"), and Tennessee Valley Authority ("**TVA**"), and is subject to the provisions of the Green Invest Agreement ("**Agreement**") Contract No. TV-75110A, Supp. No. 115. This Amendment is effective as set out in Conditions Precedent below.

Applicable Renewable Energy Facility	<p>Distributor will purchase from TVA the Product derived from new renewable generation on an as-generated basis contingent on the availability of the new renewable generation resource at SR Tullahoma LLC, accounting for 27.5% of that facility's total renewable generation, being obtained by TVA under a power purchase agreement ("PPA") Contract Number 6555561.</p> <p>Contract Output (MWac): 200 MW (of which 27.5% equals 55 MW) Coordinate Location: 35°20'49.10"N, 86°16'15.88"W Expected Delivery Point: delivery point on the TVA Franklin-Wartrace 161-kV transmission line #2 adjacent to the site Expected Initial Delivery Date: September 29, 2023 Delivery Period (years): 20</p>
Term	<p>The term of this Amendment runs through the expiration of the term of the PPA or the earlier termination thereof.</p>
Product Price	<p>The Product price for generation from the applicable Renewable Energy Facility is \$1.25 per REC.</p>
Renewable Energy Facility Underperformance	<p>TVA will pay Distributor 4.71% of its proportionate share of the total damages owed and received by TVA from the PPA, specifically in Section 3.3, "Failure to Meet the Expected Initial Delivery Date," and Article 8, "Supply Guarantee; Disconnection or Curtailment;" provided that, pursuant to Section 5.4 of the Agreement, Distributor shall have the right to receive replacement RECs in the event they are received by TVA under the PPA.</p> <p>In the event of early termination pursuant to Article 9, "Early Termination; Remedies" under the PPA, the percentage and allocation of damages paid to Distributor will be as set out in Section 5.4 of the Agreement.</p>
Early Termination	<p>Section 7.3 of the Agreement will establish the early termination amount.</p>
Conditions Precedent	<p>This Amendment will become effective on the earlier of the PPA's Notice to Proceed Deadline or the granting of the Notice to Proceed of the underlying Renewable Energy Facility of the PPA; in the event that the PPA is not executed within 30 days of the execution of this Amendment, this Amendment will not become effective.</p>
Transparency of Distributor Renewable Commitments	<p>By signing this Tranche Amendment, Distributor represents and warrants that the cost and benefits associated with this Amendment were discussed at a public meeting open to Distributor's electric system ratepayers and that ratepayers were provided with a Distributor contact to address any inquiries regarding the effects of this arrangement.</p>

General Terms and Conditions:	<p><u>Ratification of the Agreement.</u> The Agreement as amended by this Amendment, is ratified and confirmed as the continuing obligation of the parties.</p> <p><u>Defined Terms.</u> Capitalized and underlined terms not otherwise defined in this Amendment have the same meaning as in the Agreement.</p> <p><u>Conflicts.</u> In the event of any conflict between this Amendment and the Agreement, this Amendment controls.</p> <p><u>Assignment.</u> This Amendment will be binding upon and inure to the benefit of the parties and their respective successors and permitted assigns. Neither party may transfer or assign this Amendment, in whole or in part, without the other party's prior written consent.</p> <p><u>Amendment.</u> This Amendment may be amended only by a written agreement signed by both parties.</p> <p><u>Counterparts.</u> This Amendment may be executed in multiple counterparts, each of which will be considered an original and all of which together will be considered to be but one and the same instrument. Facsimile or PDF transmission of any signed original document, and retransmission of any facsimile or PDF transmission, will be the same as delivery of any original document.</p>
Performance Assurance	<p>Section 6 of the Agreement shall govern Distributor's Performance Assurance obligations with TVA throughout the term of this Amendment.</p>

By signing below, the parties agree to be bound by the terms and conditions contained in this Amendment and the Agreement.

Knoxville Utilities Board (Acting for and on behalf of the City of Knoxville)		Tennessee Valley Authority	
<i>Signature:</i>	<i>Title:</i>	<i>Signature:</i>	<i>Title:</i> Chief Financial Officer
<i>Printed Name:</i>	<i>Date:</i>	<i>Printed Name:</i> John M. Thomas, III	<i>Date:</i>

TRANCHE AMENDMENT # 4

TV-75110A, Supp. No. ____

This Green Invest Tranche Amendment ("**Amendment**") is between Knoxville Utilities Board (Acting for and on behalf of City of Knoxville, Tennessee) ("**Distributor**"), and Tennessee Valley Authority ("**TVA**"), and is subject to the provisions of the Green Invest Agreement ("**Agreement**") Contract No. TV-75110A, Supp. No. 115. This Amendment is effective as set out in Conditions Precedent below.

Applicable Renewable Energy Facility	<p>Distributor will purchase from TVA the Product derived from new renewable generation on an as-generated basis contingent on the availability of the new renewable generation resource at MS Solar 7, LLC, accounting for 100% of that facility's total renewable generation, being obtained by TVA under a power purchase agreement ("PPA") Contract Number 6556687.</p> <p>Contract Output (MWac): 200 MW Coordinate Location: 33.636, -88.653 Expected Delivery Point: TVA's 161-kV Clay/West Point Substation Expected Initial Delivery Date: September 29, 2023 Delivery Period (years): 20</p>
Term	<p>The term of this Amendment runs through the expiration of the term of the PPA or the earlier termination thereof.</p>
Product Price	<p>The Product price for generation from the applicable Renewable Energy Facility is \$1.25 per REC.</p>
Renewable Energy Facility Underperformance	<p>TVA will pay Distributor 4.74% of its proportionate share of the total damages owed and received by TVA from the PPA, specifically in Section 3.3, "Failure to Meet the Expected Initial Delivery Date," and Article 8, "Supply Guarantee; Disconnection or Curtailment;" provided that, pursuant to Section 5.4 of the Agreement, Distributor shall have the right to receive replacement RECs in the event they are received by TVA under the PPA.</p> <p>In the event of early termination pursuant to Article 9, "Early Termination; Remedies" under the PPA, the percentage and allocation of damages paid to Distributor will be as set out in Section 5.4 of the Agreement.</p>
Early Termination	<p>Section 7.3 of the Agreement will establish the early termination amount.</p>
Conditions Precedent	<p>This Amendment will become effective on the earlier of the PPA's Notice to Proceed Deadline or the granting of the Notice to Proceed of the underlying Renewable Energy Facility of the PPA; in the event that the PPA is not executed within 30 days of the execution of this Amendment, this Amendment will not become effective.</p>
Transparency of Distributor Renewable Commitments	<p>By signing this Tranche Amendment, Distributor represents and warrants that the cost and benefits associated with this Amendment were discussed at a public meeting open to Distributor's electric system ratepayers and that ratepayers were provided with a Distributor contact to address any inquiries regarding the effects of this arrangement.</p>

General Terms and Conditions:	<p><u>Ratification of the Agreement.</u> The Agreement as amended by this Amendment, is ratified and confirmed as the continuing obligation of the parties.</p> <p><u>Defined Terms.</u> Capitalized and underlined terms not otherwise defined in this Amendment have the same meaning as in the Agreement.</p> <p><u>Conflicts.</u> In the event of any conflict between this Amendment and the Agreement, this Amendment controls.</p> <p><u>Assignment.</u> This Amendment will be binding upon and inure to the benefit of the parties and their respective successors and permitted assigns. Neither party may transfer or assign this Amendment, in whole or in part, without the other party's prior written consent.</p> <p><u>Amendment.</u> This Amendment may be amended only by a written agreement signed by both parties.</p> <p><u>Counterparts.</u> This Amendment may be executed in multiple counterparts, each of which will be considered an original and all of which together will be considered to be but one and the same instrument. Facsimile or PDF transmission of any signed original document, and retransmission of any facsimile or PDF transmission, will be the same as delivery of any original document.</p>
Performance Assurance	Section 6 of the Agreement shall govern Distributor's Performance Assurance obligations with TVA throughout the term of this Amendment.

By signing below, the parties agree to be bound by the terms and conditions contained in this Amendment and the Agreement.

Knoxville Utilities Board (Acting for and on behalf of the City of Knoxville)		Tennessee Valley Authority	
<i>Signature:</i>	<i>Title:</i>	<i>Signature:</i>	<i>Title:</i> Chief Financial Officer
<i>Printed Name:</i>	<i>Date:</i>	<i>Printed Name:</i> John M. Thomas, III	<i>Date:</i>

TRANCHE AMENDMENT # 5

TV-75110A, Supp. No. ____

This Green Invest Tranche Amendment ("**Amendment**") is between Knoxville Utilities Board (Acting for and on behalf of City of Knoxville, Tennessee) ("**Distributor**"), and Tennessee Valley Authority ("**TVA**"), and is subject to the provisions of the Green Invest Agreement ("**Agreement**") Contract No. TV-75110A, Supp. No. 115. This Amendment is effective as set out in Conditions Precedent below.

Applicable Renewable Energy Facility	<p>Distributor will purchase from TVA the Product derived from new renewable generation on an as-generated basis contingent on the availability of the new renewable generation resource at MS Solar 5 Solar Project, accounting for 17.5% of that facility's total renewable generation, being obtained by TVA under a power purchase agreement ("PPA") Contract Number 5921777.</p> <p>Contract Output (MWac): 200 MW (of which 17.5% equals 35 MW) Coordinate Location: 33.458704, -88.628949 Expected Delivery Point: TVA's 161-kV Artesia Substation or alternative point as determined through the interconnection process Expected Initial Delivery Date: October 1, 2022 Delivery Period (years): 20</p>
Term	<p>The term of this Amendment runs through the expiration of the term of the PPA or the earlier termination thereof.</p>
Product Price	<p>The Product price for generation from the applicable Renewable Energy Facility is \$1.25 per REC.</p>
Renewable Energy Facility Underperformance	<p>TVA will pay Distributor 4.86% of its proportionate share of the total damages owed and received by TVA from the PPA, specifically in Section 3.3, "Failure to Meet the Expected Initial Delivery Date," and Article 8, "Supply Guarantee; Disconnection or Curtailment;" provided that, pursuant to Section 5.4 of the Agreement, Distributor shall have the right to receive replacement RECs in the event they are received by TVA under the PPA.</p> <p>In the event of early termination pursuant to Article 9, "Early Termination; Remedies" under the PPA, the percentage and allocation of damages paid to Distributor will be as set out in Section 5.4 of the Agreement.</p>
Early Termination	<p>Section 7.3 of the Agreement will establish the early termination amount.</p>
Conditions Precedent	<p>This Amendment will become effective on the earlier of the PPA's Notice to Proceed Deadline or the granting of the Notice to Proceed of the underlying Renewable Energy Facility of the PPA; in the event that the PPA is not executed within 30 days of the execution of this Amendment, this Amendment will not become effective.</p>
Transparency of Distributor Renewable Commitments	<p>By signing this Tranche Amendment, Distributor represents and warrants that the cost and benefits associated with this Amendment were discussed at a public meeting open to Distributor's electric system ratepayers and that ratepayers were provided with a Distributor contact to address any inquiries regarding the effects of this arrangement.</p>

General Terms and Conditions:	<p><u>Ratification of the Agreement.</u> The Agreement as amended by this Amendment, is ratified and confirmed as the continuing obligation of the parties.</p> <p><u>Defined Terms.</u> Capitalized and underlined terms not otherwise defined in this Amendment have the same meaning as in the Agreement.</p> <p><u>Conflicts.</u> In the event of any conflict between this Amendment and the Agreement, this Amendment controls.</p> <p><u>Assignment.</u> This Amendment will be binding upon and inure to the benefit of the parties and their respective successors and permitted assigns. Neither party may transfer or assign this Amendment, in whole or in part, without the other party's prior written consent.</p> <p><u>Amendment.</u> This Amendment may be amended only by a written agreement signed by both parties.</p> <p><u>Counterparts.</u> This Amendment may be executed in multiple counterparts, each of which will be considered an original and all of which together will be considered to be but one and the same instrument. Facsimile or PDF transmission of any signed original document, and retransmission of any facsimile or PDF transmission, will be the same as delivery of any original document.</p>
Performance Assurance	<p>Section 6 of the Agreement shall govern Distributor's Performance Assurance obligations with TVA throughout the term of this Amendment.</p>

By signing below, the parties agree to be bound by the terms and conditions contained in this Amendment and the Agreement.

Knoxville Utilities Board (Acting for and on behalf of the City of Knoxville)	Tennessee Valley Authority
<i>Signature:</i> _____ <i>Title:</i> _____	<i>Signature:</i> _____ <i>Title:</i> Chief Financial Officer
<i>Printed Name:</i> _____ <i>Date:</i> _____	<i>Printed Name:</i> John M. Thomas, III <i>Date:</i> _____