



September 17, 2026

Amendments to Electric Division Rate Schedules & Purchased Power Adjustment

Resolutions 1522 & 1523



TVA Rate Actions Impact KUB Rates

- TVA Board approved rate changes effective October 1
- Changes designed to protect customers from infrastructure costs associated with serving large energy intensive loads
- Changes include:
 - New rates for data centers, including up-front payments for TVA infrastructure costs
 - Amending rate schedules for general and manufacturing service customers
- New and amended KUB rate schedules needed
- KUB Purchased Power Adjustment amendment needed

New Data Center Rate Schedules

- Aligns KUB with new TVA wholesale rate schedules
- Power rates equivalent to manufacturing service rates for one year
- Rates will increase approximately 5% in October 2027 and October 2028
- Includes TVA Capacity Commitment Charge
 - Payment from data center to TVA to cover TVA infrastructure costs associated with serving data center
 - Applies to new data centers or existing data centers increasing power load more than 5MW

Amend Electric General & Manufacturing Rates

Contract Demand Alignment

- General and Manufacturing Rates to be amended
 - GSB, GSC, GSD, MSB, MSC, and MSD
 - TDGSA and TDMSA
- Aligns customer contract demand usage to appropriate rate class, improving TVA system planning
- Customer must have used 75% of contract demand at least once during previous three years
- Annual lookback beginning October 2027

Redefining Manufacturing Applicability

- Manufacturing Rates to be amended
 - MSB, MSC, and MSD
 - TDMSA
- Removal of NAICS codes for data centers

Purchased Power Adjustment (PPA)

- Adopted by the Board in 2002
- PPA acts as a power cost recovery mechanism
- KUB's electric rates include a power cost component
- PPA adjusts KUB electric rates (the power cost component) monthly for changes in power costs
 - TVA monthly fuel cost adjustments
 - TVA rate increases

Purchased Power Adjustment (PPA)

- KUB maintains an account which records power costs recovered based on monthly sales volumes
- Account is audited at the end of the fiscal year
- Any under-recovered or over-recovered balance flows back to electric customers the following fiscal year
- Flow back occurs through an adjustment to electric rates via the PPA

Power Cost Recovery History

FY	Total Power Cost	(Under) Over Recovered Cost	% of Total Power Cost
2026	\$511,253,000	\$(1,458,000)	(0.3)%
2025	\$497,351,000	\$(5,929,000)	(1.2)%
2024	\$447,013,000	\$(5,058,000)	(1.1)%
2023	\$475,900,000	\$3,549,000	0.7%
2022	\$439,115,000	\$(2,382,000)	(0.5)%
2021	\$394,542,000	\$427,000	0.1%
2020	\$398,230,000	\$1,849,000	0.5%

Resolution 1522

- Establishes Data Center Rate Schedules for the Electric Division
- Amends General and Manufacturing Electric Rate Schedules
- Requires two readings
- Second reading in October 2026

Resolution 1523

- Amends PPA Resolution to allow for Non-Standard Service to include data center rate classes
- Other housekeeping items
- Requires two readings
- Second reading in October 2026



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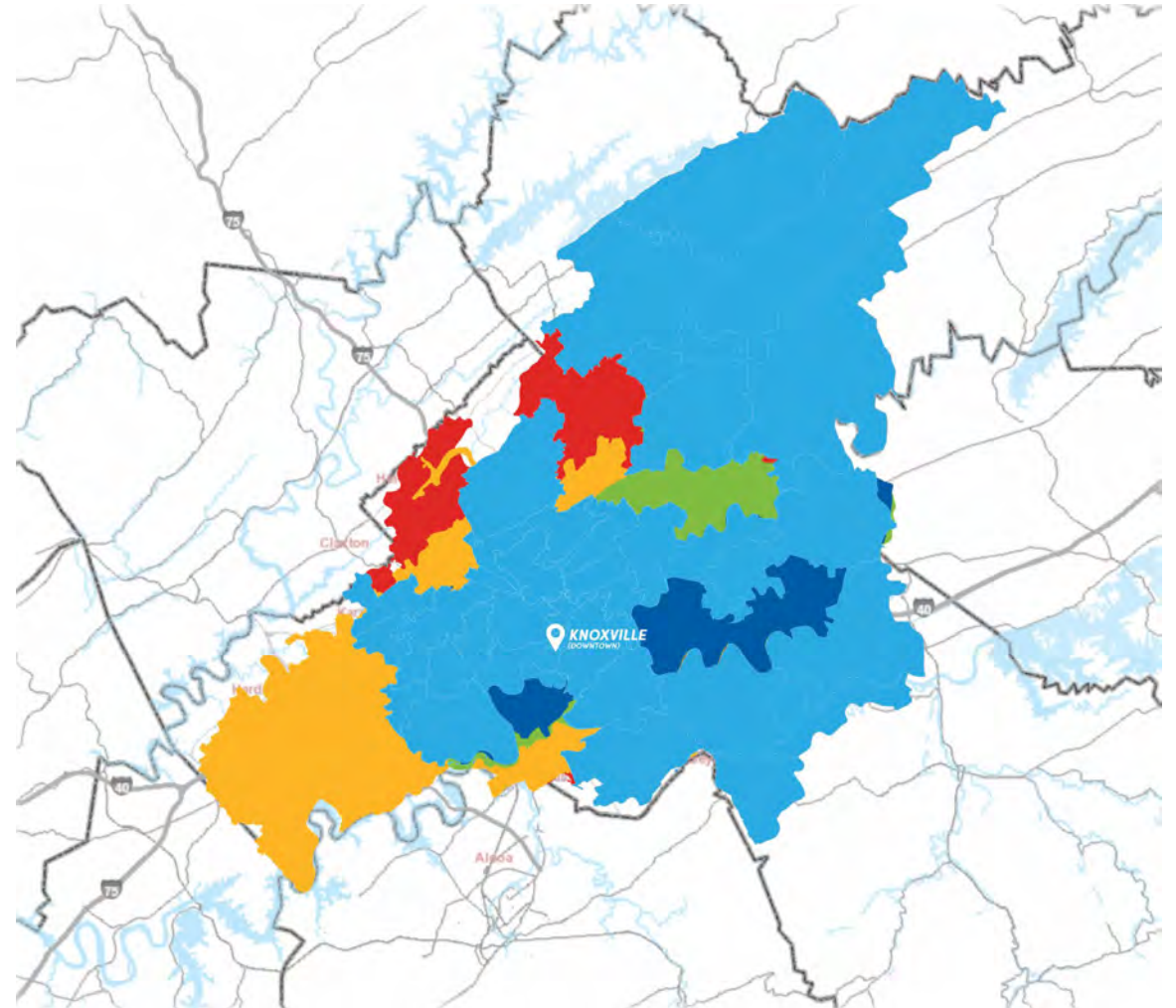
September 17, 2026

Vegetation Management Program Update



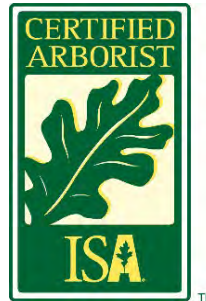
Vegetation Management Protects Infrastructure & Ensures Safety

- 680+ square miles
- \$16M annual budget
- Supports all utilities
 - Electric substations
 - Overhead electric system
 - Natural gas ROWs
 - Wastewater ROWs
 - Treatment plants
 - Facilities

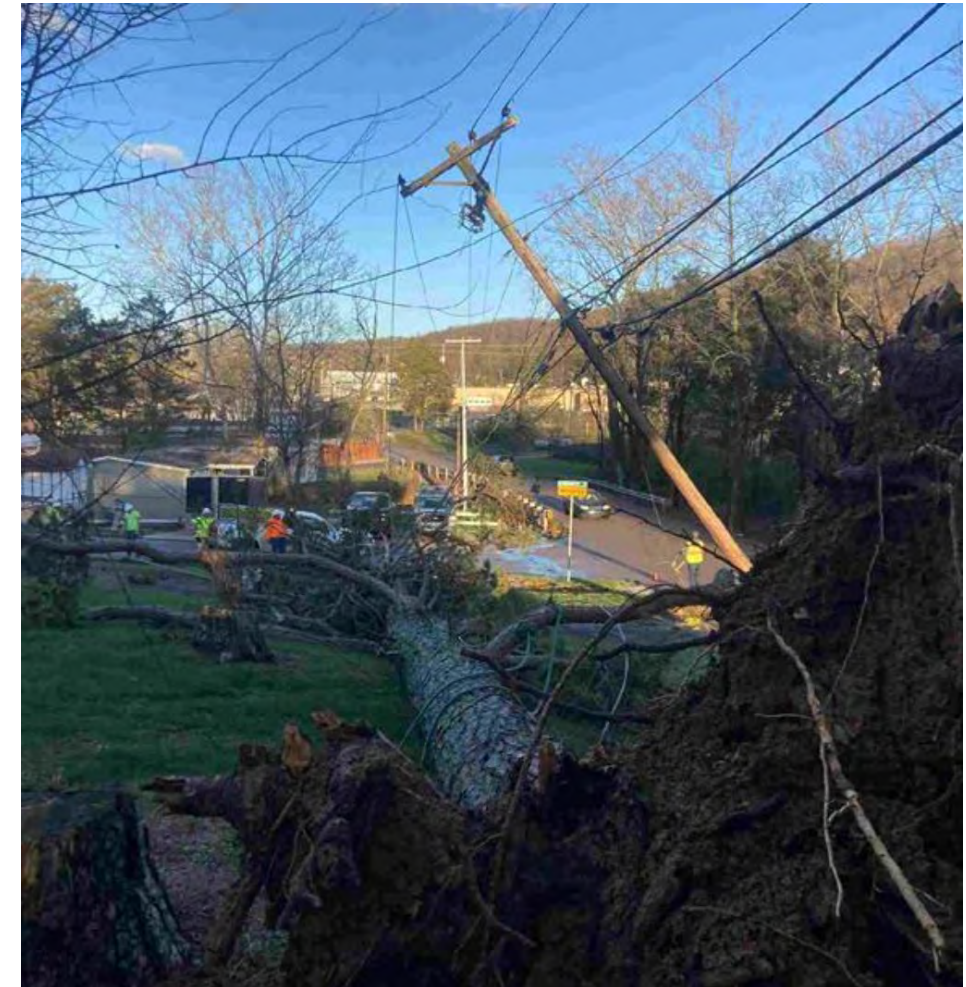
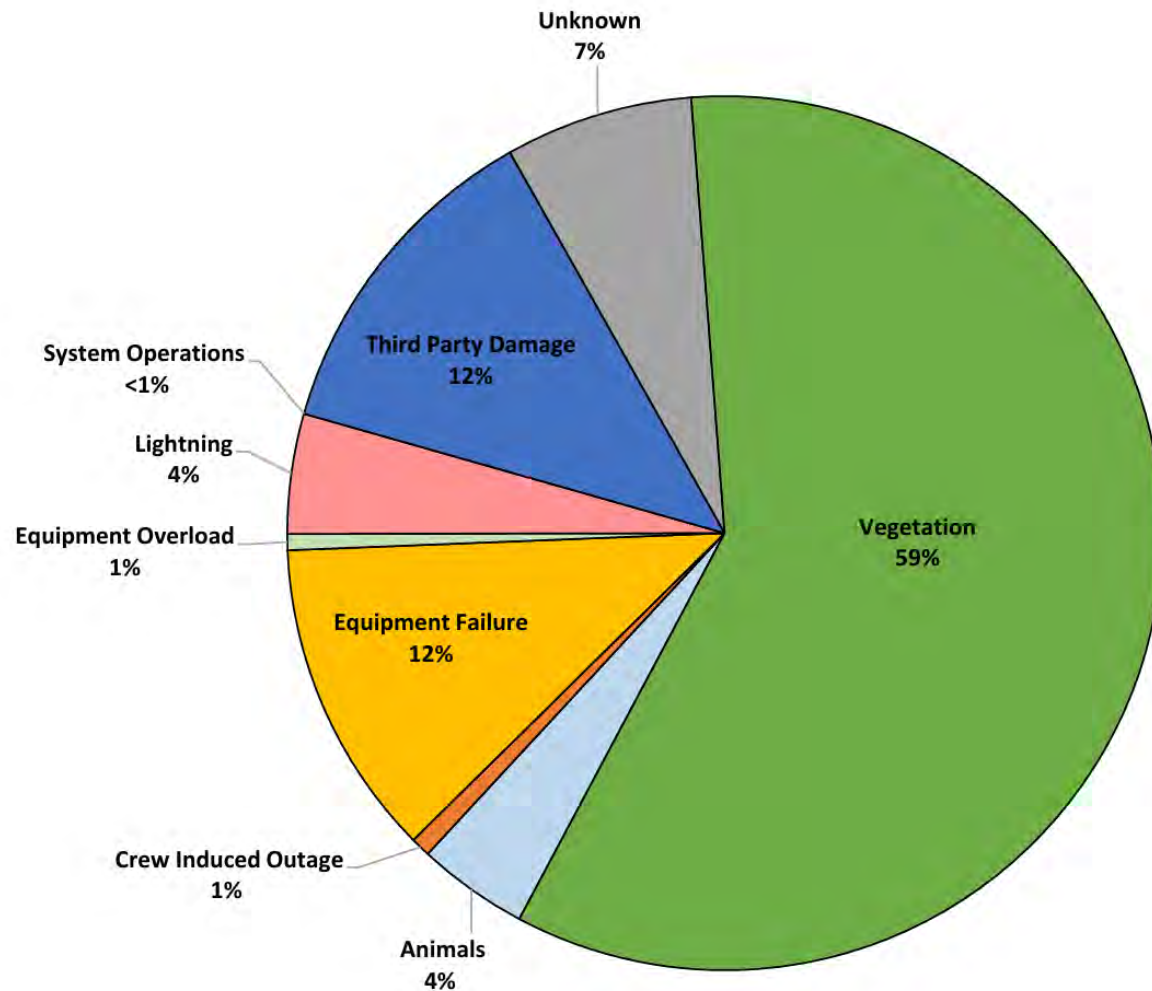


Foresters Drive Success

- 12 Utility Foresters
 - All Foresters have four-year college degrees
 - Multiple certifications
- Foresters wear many hats
 - Project pre-planning
 - Project management
 - Contractor management
 - Customer relations
 - Storm restoration

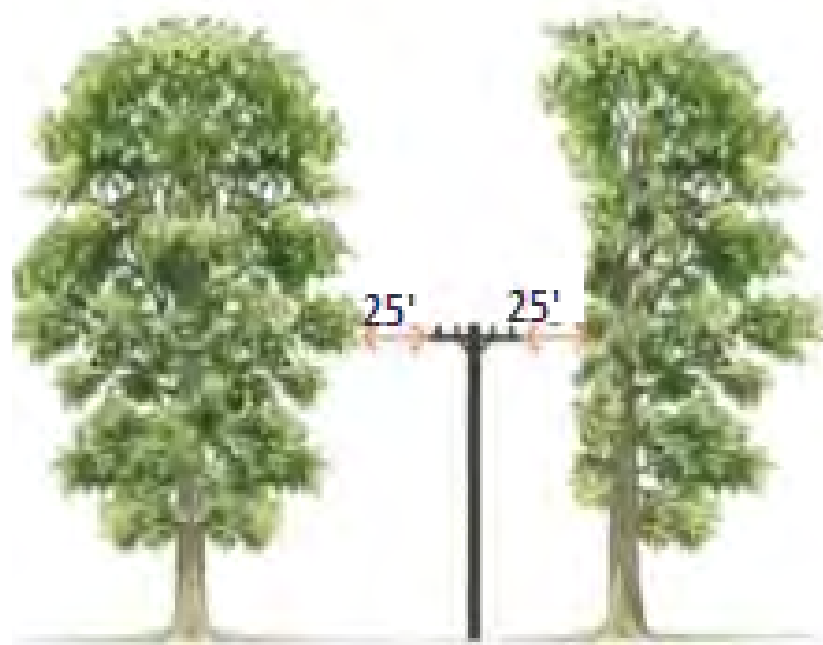


Vegetation is the Leading Cause of Electric Outages; Majority Outside Maintenance Zone



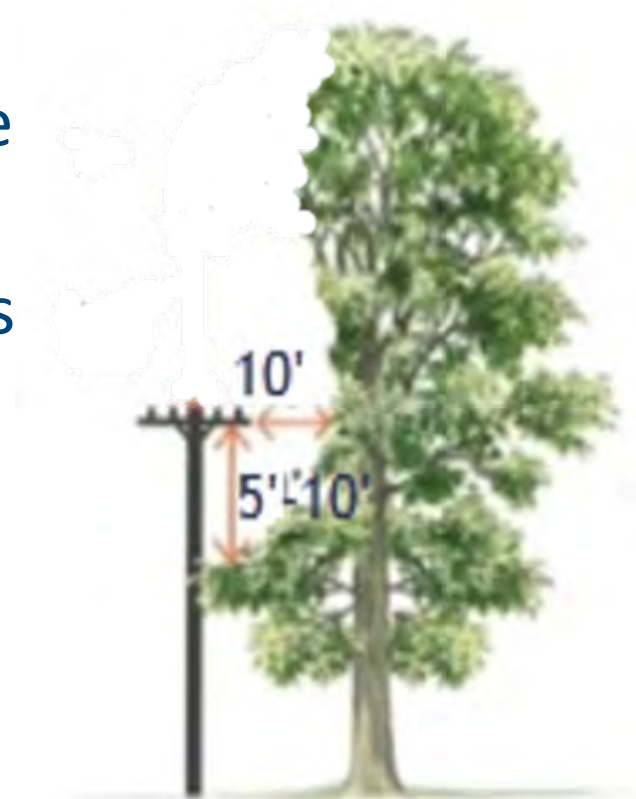
Sub-Transmission System Requires Enhanced Reliability

- 260+ miles
- Three-year trim cycle
- Ground to sky clearing
- Three-five crews on system



Distribution System Maintenance Balances Reliability & Community

- 4,000+ miles of overhead distribution lines
- Circuits trimmed every three-five years
- Utility Maintenance Zone defines area maintained
- 40-50 vegetation crews on the system year-round



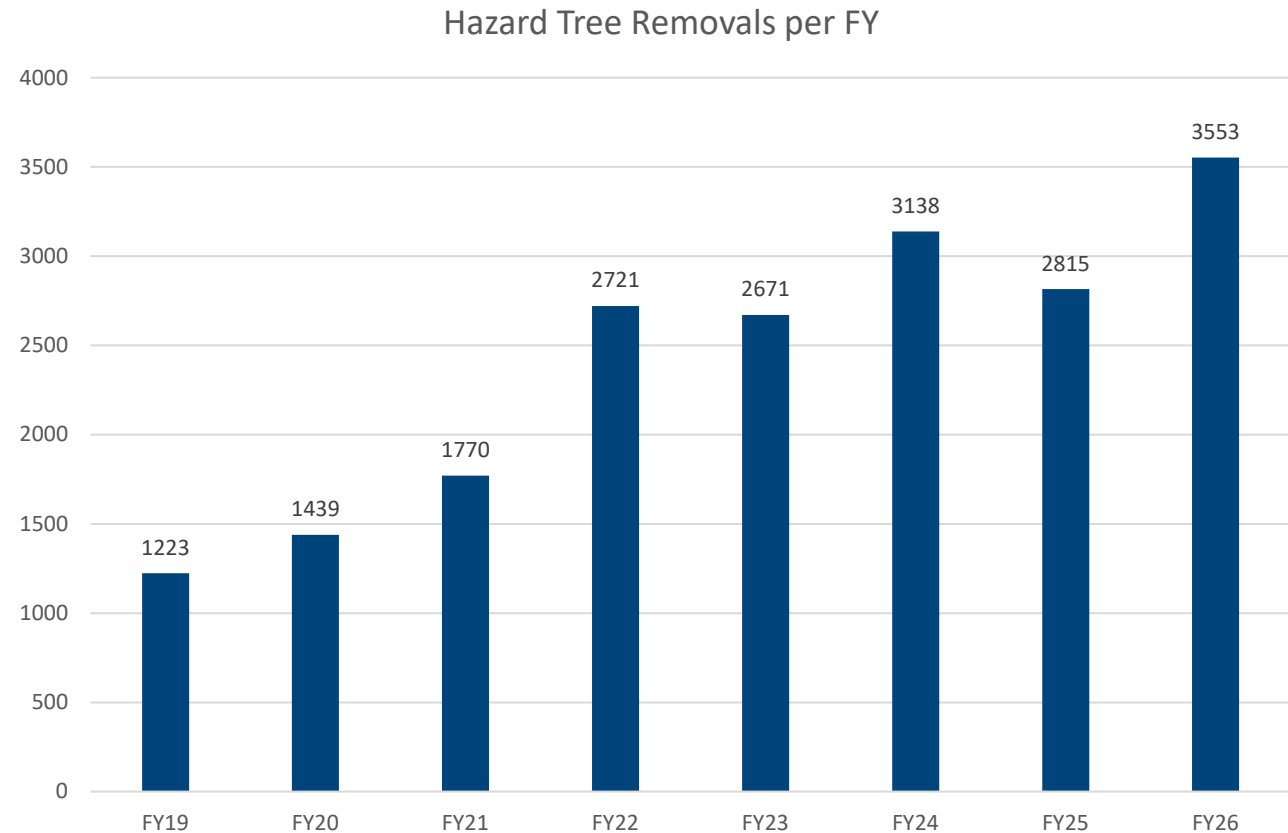
KUB Follows Best Practice of Lateral Pruning

- Reduces impact on tree health
- Recommended by the Arbor Day Foundation and the American National Standards Institute
- Exceeding industry standards while considering health and appearance



Removing Hazardous Trees Reduces Largest Cause of Tree-Related Outages

- Target 1,800 removals per year
 - FY26 removals - 3,553
- Post storm follow-up program is instrumental
 - Inspects impacted circuits
 - Removes high risk trees



Targeting Overhang Makes a Difference

- Limbs overhanging distribution lines cause outages
 - Over 300 outage events annually
- Meaningful, controllable impact on customer electric reliability
- Advanced pruning skills for overhead trimming



Vegetation Management Supports All Utilities

- ROW clearing
 - Substations
 - Facilities
 - Special valves
- Herbicide Program
 - Tool for access control
 - Supplements circuit trimming



Timely, Effective Customer Communication is Essential

- Postcards mailed three weeks prior to work
- Forester completes pre-planning activities
- Door hangers one week prior to work
- Website tracking of project planning and active projects
- Daily customer discussions

Contract tree crews will begin tree pruning and utility maintenance zone clearance along the electric system, including overhead lines, poles, transformers, and related equipment in your area in the next two to four weeks. It may be several weeks after work starts before crews reach your property.

- Complete information about KUB's Vegetation Management program and standards for the work that will be performed is available at kub.org/plantsmart.
- If you have questions or concerns about upcoming work or to request a presentation for your community or neighborhood group, please contact KUB's Vegetation Management staff at (865) 558-6658, Monday through Friday, 7 a.m. – 9 p.m., or by e-mail at trees@kub.org. Please contact them immediately so your questions or concerns can be addressed before work begins. You can also request a presentation by KUB Vegetation. For other KUB needs, call us at (865) 524-2911.

We appreciate your understanding and patience while we work to provide safe and reliable electric service for you, your neighbors, and local businesses.



Scan this code or visit kub.org/tree-pruning-map for more information and to view a map of areas where this work is in progress or upcoming.



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**TREE PRUNING
PLANNING**

As part of our effort to provide customers with safe, reliable electric service, KUB contract crews will be in your area soon to prune trees and perform other vegetation management work. In preparation, a KUB representative visited the utility maintenance zone on your property today.

On the back of this card, we have indicated where that needs to be completed to maintain safe and proper clearance around electric lines and poles.



SCAN ME

For your complete customer guide to KUB tree pruning, call (865) 558-6603 or visit www.kub.org.



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**TREE PRUNING
NOTICE**

As part of our effort to provide customers with safe, reliable electric service, KUB contract crews will be in your area within the next one to two weeks to prune trees and perform other vegetation management work. On the back of this card, you will find examples of work that may be required in the utility maintenance zone on your property to maintain safe and proper clearance around electric lines and poles.

Tree removal may be an alternative to tree pruning in some cases. If you would like to have a KUB forester visit your property to discuss tree removal or pruning plans, please call (865) 558-6600 as soon as possible to schedule an appointment.



SCAN ME

For your complete customer guide to KUB tree pruning, call (865) 558-6603 or visit www.kub.org.



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**TREE PRUNING
REWORK NOTICE**

Inspection of recent tree pruning and vegetation clearance work in your area has been performed to ensure quality.

Although tree work was recently performed on your property, our Inspector has found it necessary for our subcontractor to come back and make corrections. This includes:

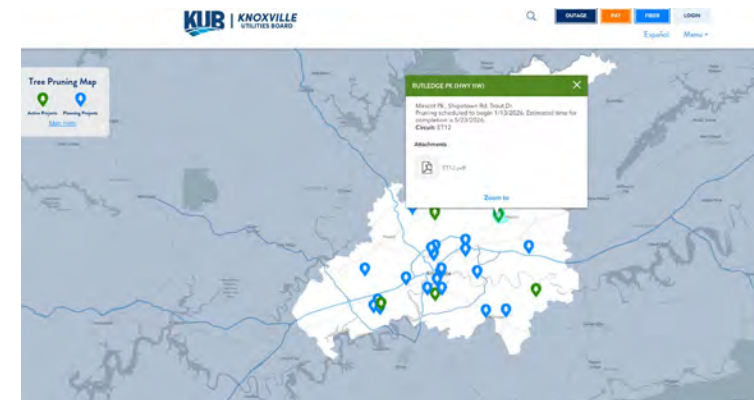
- ☐ Clean up
- ☐ Removing dead/weak limbs
- ☐ Pruning for minimum clearance
- ☐ Correct tree pruning cuts
- ☐ Tree removal
- ☐ Branch and/or limb cutting
- ☐ Applying herbicide to stumps to prevent regrowth

There will be a quick turnaround time for this work, so please contact KUB immediately if you have any questions.



SCAN ME

For more information about KUB Vegetation Management, call (865) 558-6600 or visit www.kub.org.



Electric System Reliability is Improving Over Time

- Electric reliability continues to improve
 - Reduced customer outages
 - From 2.75 hours/customer/year
 - To 1.56 hours/customer/year
- FY26 Reliability
 - Power is on 99.98% of the time
- Smart switches and self healing grid also improves customer experience



Investing in a Balanced Approach

- KUB tree planting program
- Right tree in the right place
- Investment outcomes
 - Increased reliability
 - Competitive pricing
- Foresters make a significant impact





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September 17, 2026

Supporting Growth in Our Community



Steady Growth Across Knoxville & the Region

- \$5.1 billion invested in new construction over past three years in Knox County
- Over 17,000 building permits issued
- New Service averaging over 1,000 orders per month
- More than 200 active New Service development projects
- Major mixed-use development continues



KUB Is a Key Partner in Business Recruitment & Development

- Supports Chamber recruitment efforts
- Dedicated staff with cross-function support
- Single point of contact
- Site and infrastructure evaluation
- Utility cost estimating
- Rate and billing analysis



Forks of the River Industrial Park

- 1,600+-acre park
- Only 14 undeveloped acres
- KUB provides electric, fiber, water, wastewater, & natural gas
- Two of KUB's largest customers are tenants
- Development still active through expansions and reconfigurations



Eastbridge Business Park

- 800-acre park
- KUB provides electric, fiber, wastewater & natural gas
- Several recent expansions and new buildings
- 120+ undeveloped acres
 - Chamber fielding inquiries
 - Runner up site for Smith & Wesson



Midway Business Park

- 350-acre park
- KUB provides electric, fiber, water, wastewater & natural gas
- Backbone infrastructure installed in 2017
- Dormant for many years
- 2023 Chamber recruitment: Project Emerald



Greenheck Makes Entire Midway Park Home

- Commercial air moving and controls company
- 16 buildings, totaling 2.4 million square feet
- First building opened in August 2026
- Full build out by 2032
- 2,000+ jobs
- Plans to expand beyond park footprint

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GREENHECK Preferred Master Plan
June 2024

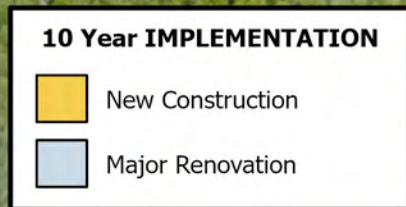
GreenheckGroup
Inspired People Doing Extraordinary Things

DIA
ARCHITECTS + ENGINEERS + PLANNERS

ARCADIS

CYNTERGY

UTK 10 YEAR MASTER PLAN



Source: University of Tennessee

Cherokee Farm UT Research Park

- Founded by University of Tennessee
- Developed by the Cherokee Farm Development Corporation in 2011
- 300+ acres of developable land
- Partial buildout with expansion plans coming soon
- Assisting with recruitment process



Neyland Entertainment District

- Condotel
 - 51 condos
 - 249 hotel rooms
 - Restaurants
- Entertainment
 - 60,000 square feet of plazas
 - 50,000 square feet of restaurants
 - 7,000-person capacity



Waterfront Development Projects

- Knoxville's Community Development Corporation
 - Overall waterfront development administration
 - Multi-family residential developments
- University of Tennessee
 - Neyland Entertainment District
 - Maplehurst Innovation District
- City of Knoxville
 - Pedestrian bridge
- Private developments



Waterfront Development Utility Impacts

- New infrastructure needs
- Upgrades to existing infrastructure
- Off-site extensions and relocations
- Potential impacts to existing infrastructure
 - Electric transmission lines
 - 78-inch wastewater trunk line
 - 30-inch water trunk line
- Multi-agency coordination



Positioned to Support the Region's Continued Growth

- Growth is continuing across our service territory
- Infrastructure needs are increasingly complex
- Early coordination helps anticipate infrastructure needs
- Cross-functional expertise positions KUB to respond
- Meeting today's growth needs while planning for the future





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