

KUB

Purchased Power Adjustment (PPA) Amendment

October 22, 2020



Resolution 1423
Second Reading

Resolution 1423

Amends PPA for Pandemic Relief Credits

- TVA to provide ~ \$7.3 million in standard service Pandemic Relief Credits to KUB
- Credits provided on wholesale power invoice from October 2020 to September 2021
- Standard service credits to be used to help customers with past due utility bills
- Requires PPA amendment

Community Advisory Panel

October 22, 2020



Resolution 1425

Community Advisory Panel

- Resolution 1420 directed the President and CEO to establish a Community Advisory Panel
- Purpose
 - Gather customer input in variety of areas
 - Address issues of concern to the community
 - Build stronger community relationships

Panel Selection Process

- Received input from
 - Elected officials
 - KUB Commissioners
 - Community Stakeholders
- Diverse representation
 - Low-income communities
 - Environmental advocates
 - Residential and business customers
 - City of Knoxville representatives

Proposed Panel Members

- Christina Bouler
- Mark Campen
- Tiki Dixon
- Coral Getino
- Erin Gill
- Tim Hill
- Barbara Kelly
- Terry Ledford
- Gwen McKenzie
- Amy Midis
- Kent Minault
- K. David Myers
- Mike Odom
- Haseeb Qureshi
- Dr. Vivian Shipe
- Dr. Stephen Smith

Resolution 1425

- Appoints the initial Panel members
- Adopts a structure and ground rules for the Panel
- Authorizes the President and CEO, in consultation with the Board Chair, to appoint future vacancies of the Panel and make any necessary changes to the structure and ground rules

KUB

Winter Update

October 22, 2020



Natural Gas Industry News

- National trends
- Pipeline maintenance
- Pipeline rate cases at FERC

KUB In Compliance With Resolution 1387

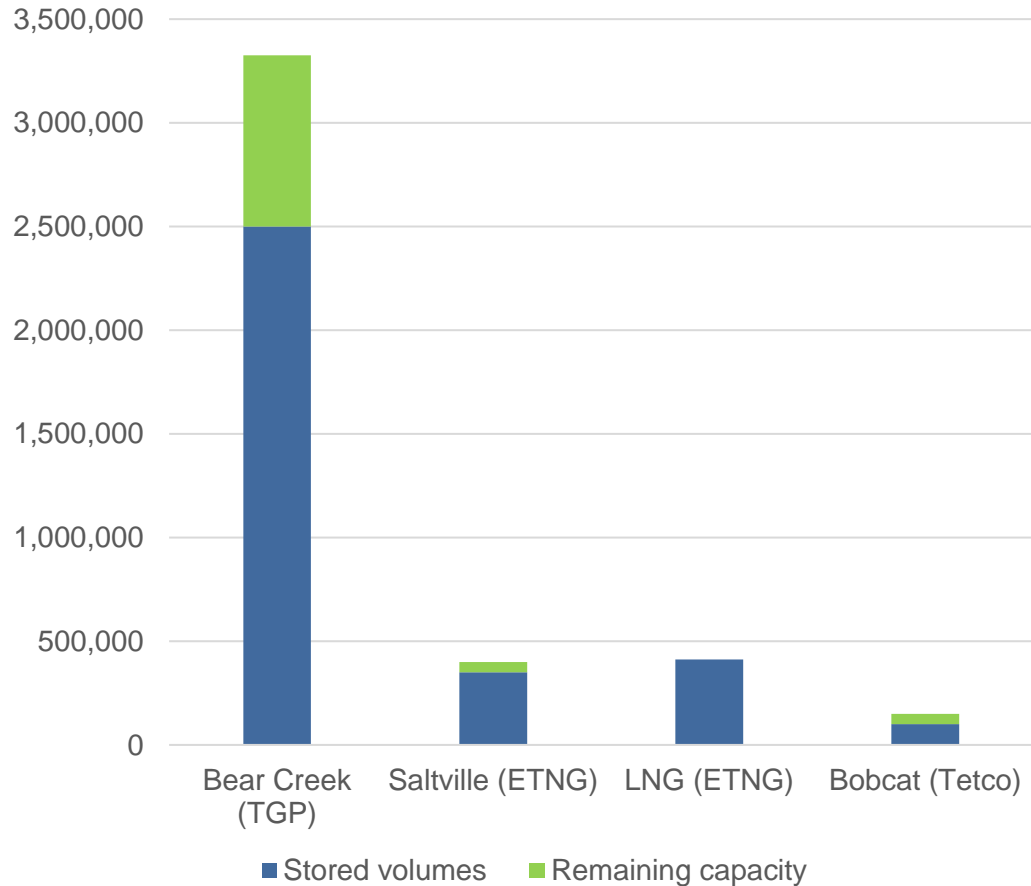
- Board authority required for
 - Contracts in excess of six years
 - Contracts in excess of volume limits
 - Purchase and transportation: 160,000 dth/d
 - Storage: 5 million dth maximum inventory
- Purchasing authority delegated to CEO/CFO for contracts
 - Two years or less
 - Two to six years for purchase and transport up to 15,000 dth/d
 - Six years [max] storage for firm withdrawal rights up to 10,000 dth/d
- Authorizes sale of excess capacity

Contracts Signed This Year

- Renewed storage contract with Bobcat (on TETCO)
- Signed one new base agreement
- Signed six supply contracts
- Renewed asset management agreements (AMAs)
 - Conoco Phillips on TGP for \$119,000
 - Symmetry on ETNG for \$172,000
- Including AMAs, last year's sales of excess capacity saved customers \$486,000

Gas Supply Portfolio

Storage



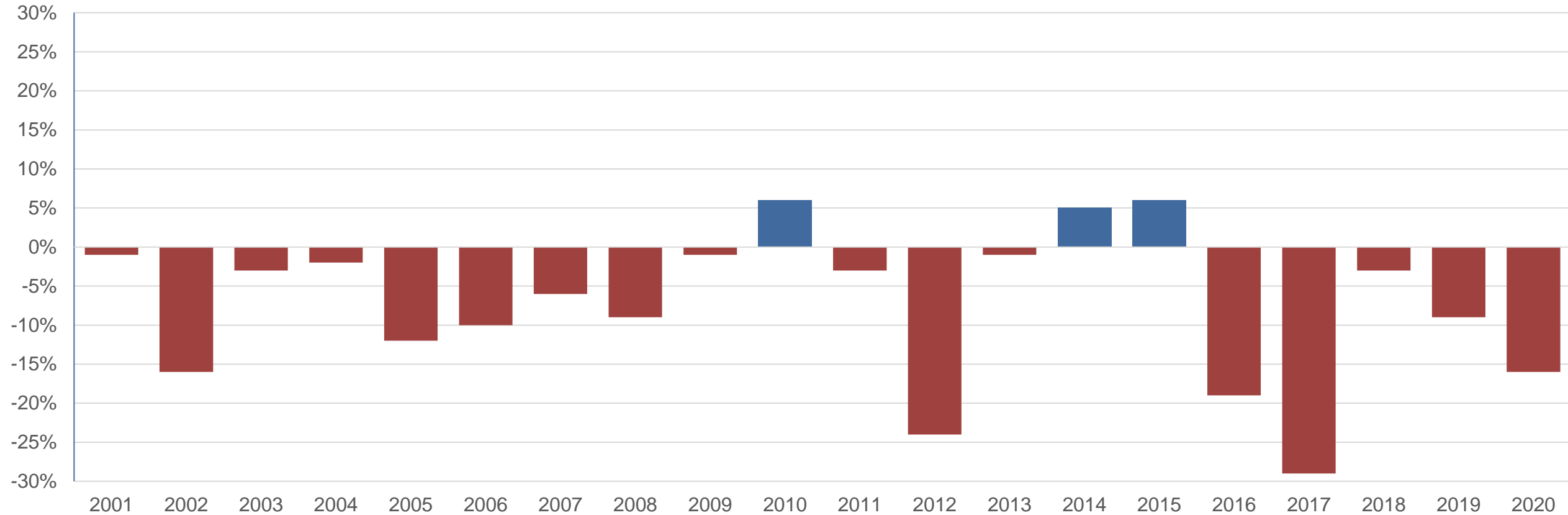
Suppliers	Supply Region	Volume	Expiration
ConocoPhillips	Gulf of Mexico	0 - 13,000	10/31/2023
Shell Energy	Gulf of Mexico	0 - 11,000	10/31/2023
BP Energy	Gulf of Mexico	0 - 8,000	10/31/2023
Nextera	Gulf of Mexico	0 - 5,000	10/31/2022
CNX Energy	Appalachia	3,000	3/31/2021
NJR	Appalachia	2,000	3/31/2021
Symmetry (AMA)	TGP, Tetco	0 - 4,567*	3/31/2021
Others as needed			

Pipeline	Volume	Expiration
ETNG	157,381	10/31/2025
TGP	68,289	10/31/2025
TETCO	7,500	10/31/2025

Volumes estimated for November 1, 2020

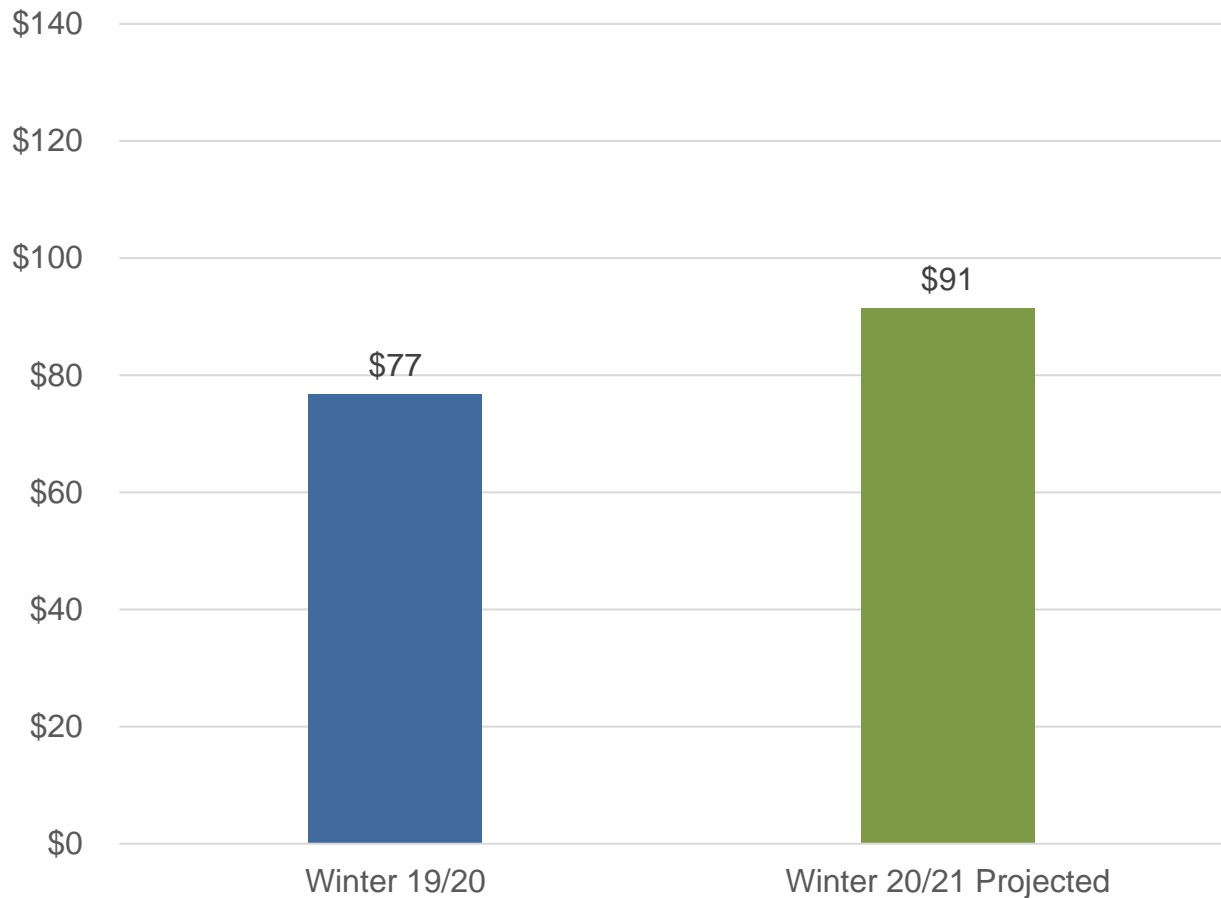
Will Normal Temperatures Return for 2021?

Weather Variation From Normal - Knoxville, Tennessee

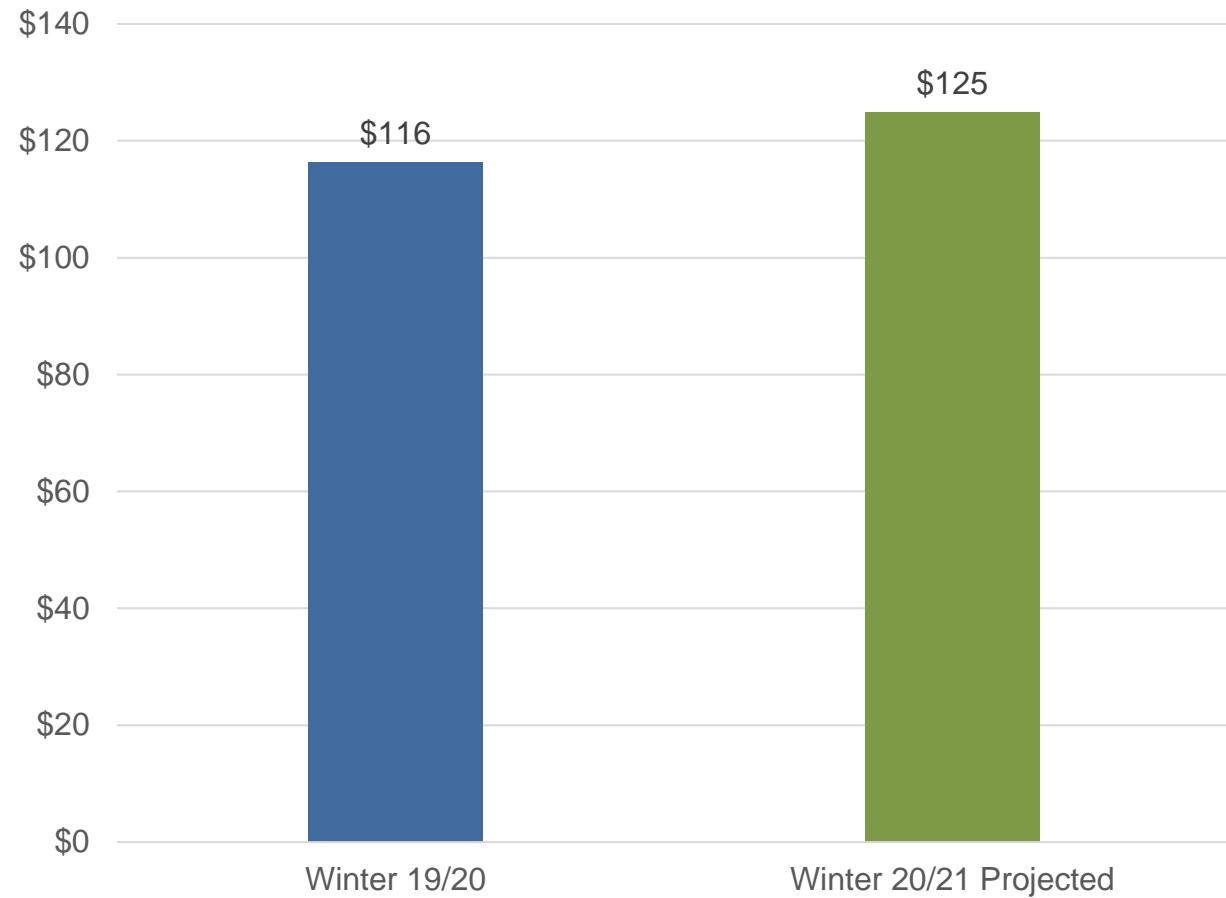


Projected Winter Bills Expected To Increase If Normal Temperatures Return

Residential Natural Gas

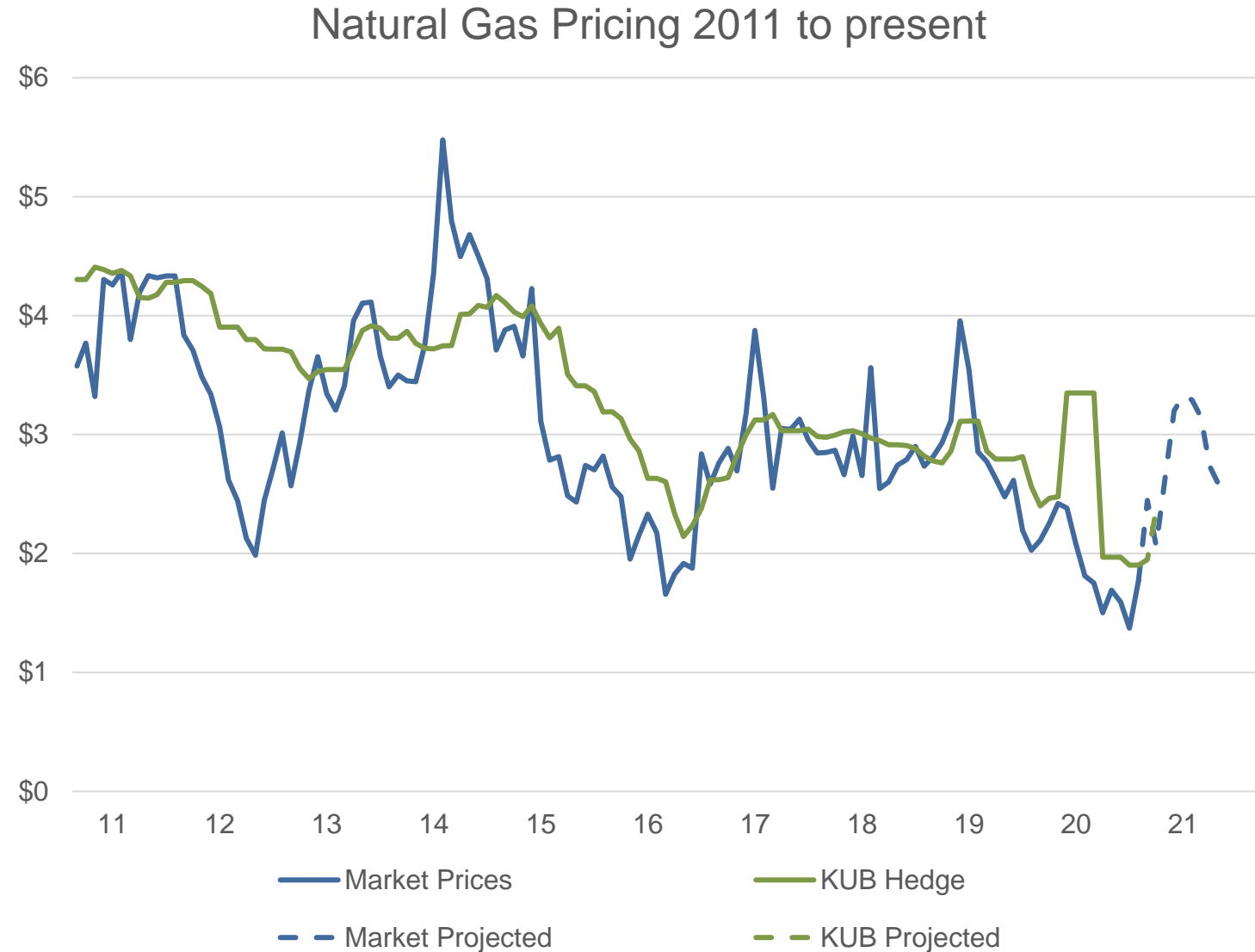


Residential Electric



Price Risk Management

- Prices stable in recent years
- Pipeline maintenance leads to daily purchasing
- Adjusted hedge goal



KUB Gas Supply and Price Risk Activities In Compliance with Board Directives

- **Resolution 1387 – Natural Gas Contracting Authority**
- **Resolution 1388 – Natural Gas Price Risk Management**

KUB

Recognition of Environmental Initiatives

October 22, 2020



TenneSEIA Solar Champion Award

- Awarded to individuals and organizations demonstrating outstanding leadership in solar energy
- Fourteen recipients awarded from 2010 to 2020
- Recognizes KUB's first-of-its-kind Green Invest purchase of 212 megawatts



American Public Power Association Smart Energy Provider

- Evaluates commitment to energy efficiency, distributed generation, renewable energy, and environmental initiatives
- Approximately 85 utilities recognized nationwide



**SMART
ENERGY
PROVIDER**

American Public Power Association

American Public Power Association Smart Energy Provider



KUB