



# THE BIGGEST SOLAR INVESTMENT IN THE VALLEY

## 502 MEGAWATTS

enough to power 83,000 homes each year



2021 Environmental Report  
[www.kub.org/environment](http://www.kub.org/environment)





September 16, 2021

# Proposed Electric Rate Increases

## Resolution 1441 – Second Reading





# Proposed Electric Rate Increases

- Three consecutive 3% rate increases
- Effective April 2022, April 2023, and April 2024
- Fund Century II improvements and fiber network
- Total impact is \$10.80 on monthly bill for average residential electric customer
  - \$7.20 for Century II
  - \$3.60 for fiber network
- Commercial/industrial customer impacts will vary
- No electric rate increases projected for the following 7 years

# Residential Bill Impacts

- Rate increases applied solely to usage rate
- Bill impacts will vary based on electric usage
- Total impact for average residential customer is around \$10.80
- More than half of residential customers use less than the system average

Monthly kWh	Current Bill	FY 24 Bill	Total Increase	% of Customers
300	\$46.89	\$49.86	\$2.96	10%
500	\$64.48	\$69.42	\$4.94	10%
800	\$90.87	\$98.77	\$7.90	20%
1,000	\$108.46	\$118.34	\$9.88	12%
1,100	\$117.26	\$128.11	\$10.85	6%
1,500	\$152.44	\$167.26	\$14.82	17%
2,000	\$196.42	\$216.18	\$19.76	12%

# Resolution 1441 (Second Reading)

- Adopts electric rates reflecting 3% rate increases effective April 2022, April 2023, and April 2024





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# Purchased Power Adjustment Amendment

## Resolution 1446 – First Reading





# TVA Pandemic Recovery Credit

- TVA Board approved extension of pandemic relief financial assistance for an additional year
- \$220 million in Pandemic Recovery Credits for local power companies (LPCs) and TVA direct-served customers
- LPC credits have two components
  - 2.5% credit for standard service power costs
  - 2.5% credit for non-standard service power costs (large commercial and industrial customers)
- Credits provided on monthly TVA invoice for 12 months beginning October 2021

# Proposed Use of Credits

- Credits for non-standard service must be applied directly to customers' monthly bills
- KUB standard service credits estimated at \$7.3M
- \$1.3M available for customers with payment arrangements for past due bills
  - Requires amendment to Purchase Power Adjustment (PPA)
- \$6M flowed through to all standard service customers via the PPA
  - Lowers average residential customer monthly bill ~ \$1.40 for twelve months



# Resolution 1446

- Amends PPA to address use of standard service power cost credits
- Requires two readings
- Second reading in October 2021



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# Broadband Update

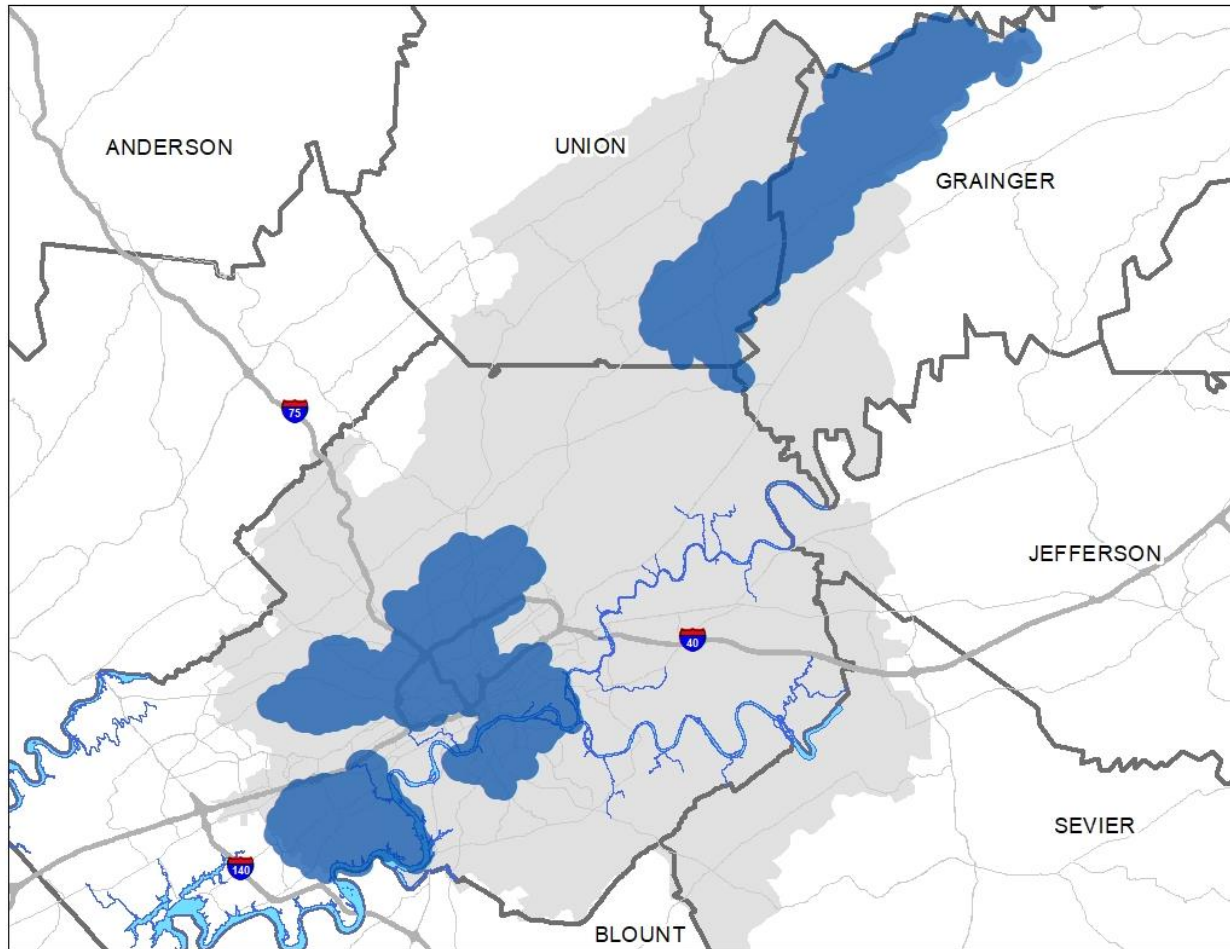




# Guideposts for Deployment

- Leveraging existing fiber infrastructure
- Opportunities for improved utility performance
- Positively impacting many customers early
- Meeting the needs of unserved and underserved populations
- The availability of grants

# Phase One Deployment Areas



- Areas are general in nature
- Reaches approximately 25% of KUB electric customer base
- 1000 miles of fiber
- Projected timeline of 18-24 months
- Timeline & area could change depending on grant availability



# Phase One Deployment Fast Facts

## Schools

- 25 of 75 Knox County schools
- 9 of 16 Community Schools
- UTK's 3 flagship high schools



## Reliability

- 11 of the lowest performing circuits
- 3.8 hours of interruption annually per household



## Addressing the Need

- Average 55 customers per mile
- 17 of 20 distressed census districts in KUB service territory



## Grants

- \$5M projected eligible for state grant program



# Grant Outlook

- Federal government proposing \$65 billion for broadband
  - \$42.5B for deployment
  - \$14.2B for Emergency Broadband Benefit (\$30/month)
  - Details yet to be determined and timing uncertain
- State government designated \$500 million for broadband
  - \$400M for deployment
  - \$100M for adoption including community anchor institutions
  - Awaiting US Treasury final rules
- KUB has hired resource to lead grant activities



# Looking Forward

- Continue working to define phase two and three using existing guideposts
- Set proper timing expectations for all customers
- Develop interactive platforms for customers to easily access information related to deployment





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# TeenWork Program





# Program History and Overview

- Began in 1995 as a partnership with Austin-East High School
- Educates high school juniors on KUB careers and workplace-success skills
- Offers enrichment and community service activities
- Includes classroom sessions and summer work experience
- Nearly 450 students have successfully completed the program



1995 - 2017 Logo



2017 – 2021 Logo



# 2021 TeenWork Class Persevered through Challenges

- First completely virtual classroom environment
- Consisted of juniors and seniors (2020 and 2021 classes combined)
- Small-yet-mighty group of students
- Created “My Life Matters” public service announcement to speak out against gun violence



# Program Enhanced Over Time

- Investing in qualified students and mentors
- Capturing and evaluating feedback on effectiveness
- Recruiting for long-term employment
- Partnering for expansion



# What's Next for TeenWork

- Offering TeenWork programming to additional high schools
- Revising program structure to accommodate more students
- Exposing students to KUB and program prior to junior year



Austin-East Magnet High School



Fulton High School



Central High School



# How We Plan to Expand

- All students meeting in centralized KUB location for classroom sessions
- Compressed schedule (16 sessions reduced to 7 sessions)
  - Four Saturday sessions
  - Two student holiday sessions
  - In-school field trip
- Revised program curriculum to combine related topics
- Early program introductions
  - Freshman year – KUB career spotlights
  - Sophomore year – Job shadow day at KUB

## More Enhancements

- Engaging more employment partners
- Finding opportunities to remain in contact
- Focus on recruiting and retaining college-students and full-time employees

### Partnering Employers

- First Utility District
- Fresenius Medical Care
- Knoxville Chamber
- Tennessee Valley Authority
- West Knox Utility District

# Success Beyond TeenWork: 2021 Internship Recipient

“They (TeenWork staff) recruited me to come back as a college student intern and have shown that they have **my best interest at heart.**”

Jarett Kyle,  
Engineering Student





# Success Beyond TeenWork: Utility Apprentice

“Rick Rice (TeenWork mentor) took me under his wings and **helped me to develop my potential**. I could see opportunities to grow with a **stable organization** and with the support of **people I trust**.”

Kalen Jones,  
Utility Apprentice



# Promoting the Program







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# APGA 2021 SOAR Award Recipient





# APGA System Operational Achievement Recognition (SOAR) - 2018



- Areas of evaluation
  - System Integrity
  - System Improvement
  - Employee Safety
  - Workforce Development
- 2018 SOAR Award
  - Gold 97-100%
  - **Silver 90-96%**
  - Bronze 80-89%

# Significantly Expanded Application for 2021 Submittal

- New/expanded categories
  - Diversity, Equity, and Inclusion
  - Community involvement
  - Succession planning
  - Support of economic development
  - Environmental programs
  - Financial stability
  - Pipeline Safety Management System
- First group to submit under expanded application



# 2021 KUB Recognized as Gold





KUB