Background of Ethics Policies

- Pre 2000: City Charter, Resolution 1, general state law
- 2000: Conflict of interest added to By-laws
- 2005: Employee Conflict of Interest Policy and required annual disclosure
- 2006: TN State Ethics Commission established
- 2007: Board adopted Ethics Policy
- 2012: By-laws ethics section updated
- 2013: Annual disclosure requirement adopted
Ethics Policy Components

- Aligns with governing statutes and guidelines
- Certifies compliance with ethical standards
  - Political activity
  - Nepotism
  - Gifts and gratuities
  - Personal and financial interests
  - Improper use of position or authority
  - Improper use of KUB time, facilities, and equipment
- Requires disclosure if a conflict exists
Annual Disclosure Form

- Form included in today’s agenda packet
- Annual disclosure occurs in January
- Return forms before end of January
Board Training Requirement

Topics:
- Board governance
- Financial oversight
- Policy making and other duties

12 hours within first year for new Commissioners
12 hours over the course of each subsequent three year period
By-Laws Revision

- **Housekeeping Changes**
  - Clarifies language regarding required reporting
  - Clarifies swearing in procedures

- **New Items**
  - Codifies the commitment appropriation approval process
  - Codifies that Commissioners cannot be employees or retirees of a telecommunications utility or any other utility service provider
Next Steps

- Official action in February
- Effective upon approval
Our Vision:
KUB exists to serve its customers, improving their quality of life by providing utility services that are safe, reliable and affordable.

Shared Values:
- We value the safety and well-being of our customers and employees.
- We value fairness, and try always to make decisions that provide the greatest good for the most people.
- We are in a position of trust and hold ourselves to high ethical standards.
- We improve the value of our services through efficiency, innovation and communication.
- We value the commitment and hard work of our employees.
- We are environmentally responsible in our operations and support the sustainability of our communities' natural resources.
- We participate in the communities we serve.

Our Mission:
Our mission is to act as good stewards of our communities’ resources: utility assets, customer dollars, and the environment. We work to safeguard those resources and enhance their value for the people of the communities we serve and generations to come.

We Measure Our Success by:
- Customer Satisfaction
- System Performance
- Financial Performance
- Safety Performance

Keys to Success:
- Managing Our Utility System Infrastructure
  - Electric
  - Natural Gas
  - Water
  - Wastewater
- Improving The Customer Experience
- Managing Our Finances Effectively
- Partnering For Economic Development
- Meeting Or Exceeding Regulatory Standards
- Being Environmentally Responsible
Commitment to Resources, Culture is Evident

Safety Department Established

Injuries

Lost-Time
Recordable

START with Safety
2018 Board Metric Focused on Serious Injuries, Proactive Efforts

- Goal: Four or fewer serious, preventable safety injuries
- Work Healthy program
- Safe Driver Training
Safety Requires Engagement from Everyone

- Management commitment
- Professional Safety staff
- Safety Stewardship Team
- Safety Engagement Team
Safety Engagement is Working

- Met FY 18 target of less than 4 serious, preventable injuries
- Driving Safety and Work Healthy programs exceeded expectations
  - Preventable motor vehicle accidents reduced by 70%
  - Strains and sprains reduced by 31%
- Over 25 ideas generated from employees to date
  - Half implemented or underway
  - Remaining planned over next two years
Continuing Safety Focus in FY 19

- Metric goal of three or fewer serious, preventable safety injuries
  - Currently 1 for FY 19
- High Hazard Engagement Teams
- Safety Advisory Council
- New employee training
- Ongoing employee engagement
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- Partnering For Economic Development
- Being Environmentally Responsible
Employees Gave More Than 3500 Hours of Service

- **Volunteer Time Policy**
  - Gives employees 8 hours/year for volunteer work
  - 528 employees participated

- **KUB Cares**
  - Committee of employees from across KUB
  - Clearinghouse for community service requests
  - Plans and promotes volunteer efforts and initiatives
  - Partners with other KUB organizations
More Than 25 Agencies Helped

- Howard Circle of Friends
- Public Power Week of Service
- Love Kitchen
- PARK(ing) Day Knoxville
- Young Williams Shelter
- Ijams Nature Center
- And much more….
KUB Employees Serve Our Community
Program Benefits KUB and its Customers

- Improves the community
- Builds good will and trust
- Boosts employee engagement
- Encourages teamwork throughout KUB
"As the region's Volunteer Center, we believe it is important to honor the good work being done by volunteers every day."

~Volunteer East Tennessee
Damage to Enbridge pipeline halted a significant portion of gas deliveries to eastern Tennessee.

KUB’s response:
- Used LNG storage and alternative supplies to maintain service
- Curtailed supply to interruptible customers
- Made public appeals for conservation

Damaged section placed back into service at reduced capacity on December 29.
KUB’s Gas Transportation Portfolio

- Tennessee Gas Pipeline
- East Tennessee Natural Gas
- Texas Eastern
- Southern Natural Gas
- Nora Lateral
- Jewell Ridge Lateral
- John Sevier Lateral
- Transco

54,000 dth/d*

78,916 dth/d

4,567 dth/d

4,380 dth/d

5,000 dth/d

10,000 dth/d

54,000 dth/d*

Salt

LNG

10,000 dth/d
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Flow Rates:

- 54,000 dth/d
- 78,916 dth/d
- 5,000 dth/d
- 63,133 dth/d
- 5,000 dth/d
- 10,000 dth/d
- 54,000 dth/d*
- 4,380 dth/d
- 4,567 dth/d

*Note: Flow rates marked with an asterisk are estimated.
LNG is Reserved for Peak Day Use
KUB Stores 412,000 dth

Liquefied Natural Gas (LNG) Storage Withdrawals

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YTD
Interruptible Gas Customers Help Manage Supply

Days Curtained

- FY 09: 1
- FY 10: 0
- FY 11: 0
- FY 12: 0
- FY 13: 0
- FY 14: 5
- FY 15: 1
- FY 16: 0
- FY 17: 0
- FY 18: 5
- FY 19 YTD: 13
News Release

December 20, 2018
For Immediate Release

Area Natural Gas Utilities Working Together
Update on Smith County Natural Gas Pipeline Incident

For more information, contact:
Your Represented Utility
Future Gas Supply Actions

- Continued need for gas supply flexibility
- Increased likelihood of additional interruptible curtailments
- Anticipate two-week pipeline outage after heating season
- Post-event debrief
- Future supply planning