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**Board Meeting Agenda  
Thursday, February 18, 2016  
Noon**

**Call to Order**

**Roll Call**

**Approval of Minutes**

**Official Action**

Resolution 1339 – Authorizing Participation in the Tennessee Valley Authority’s Start-up and Testing Power (STP) Program and Amending the Existing Rate Schedules of the Electric Division to Provide for an STP Rate Schedule – second and final reading

Resolution 1340 – Requesting the City Council of the City of Knoxville to Pass a Resolution Setting the Tax Equivalent Payments for the Electric and Gas Systems for the Fiscal Year Beginning July 1, 2015 and Providing for the Allocation and Distribution of Such Payments to the Affected Taxing Jurisdictions

**President’s Report**

**Other Business**

**Public Comments**

**Adjournment**



Knoxville Utilities Board

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February 12, 2016

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

Commissioners:

As you will recall, at last month's meeting the Board adopted on first reading Resolution 1339, authorizing KUB's participation in an optional TVA pricing program called Start-up and Testing Power (STP). STP provides qualifying commercial and industrial electric power customers with pricing flexibility to start up and test a new operation, expand an existing operation to test new equipment or processes, or re-start an existing facility that has been shut down for at least one year.

Under the STP program, which is available to commercial and industrial customers with a monthly power load of 1,000 kW or greater, the customer, KUB and TVA work together to establish a firm or base-line power load for the customer. STP demand and energy rates are applied to any usage above the customer's base-line requirements. STP power is subject to interruption by TVA on 5 minutes notice. The customer's firm demand and energy charges are based on the applicable electric rate schedule.

As the STP program is a new rate offering for KUB, two readings are required. I recommend adoption of Resolution 1339 on second and final reading.

Respectfully submitted,

*A*

Mintha E. Roach  
President and CEO

## RESOLUTION NO. 1339

### **A Resolution Authorizing Participation in the Tennessee Valley Authority's Start-up and Testing Power (STP) Program and Amending the Existing Rate Schedules of the Electric Division to Provide for an STP Rate Schedule**

**Whereas**, the Knoxville Utilities Board ("KUB") purchases its full electric power requirements from the Tennessee Valley Authority ("TVA"); and

**Whereas**, TVA offers STP, an optional, interruptible pricing product available to large commercial and industrial electric customers that are establishing new operations, restarting plants that have been shut down for a year or more, or expanding operations, to accommodate equipment testing and other conditions which temporarily cause erratic power usage; and

**Whereas**, the KUB Board of Commissioners (the "Board") previously adopted Resolution 1060, as heretofore amended, providing rate schedules for the Electric Division of KUB; and

**Whereas**, Staff has recommended the Board authorize KUB's participation in the STP program; and

**Whereas**, it is in the best interest of KUB and its customers for KUB to participate in the STP program; and

**Whereas**, in accordance with Section 1107(L) of the Charter, KUB has provided the required public notice of not less than five (5) days prior to a meeting of the Board when a rate change is to be considered.

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

**Section 1:** That the Board hereby authorizes participation by KUB in the STP program.

**Section 2:** That the President and Chief Executive Officer is hereby authorized on behalf of KUB to enter any agreements or take any actions reasonably necessary for KUB and its customers to participate in the STP program.

**Section 3:** That the rate schedules of the Electric Division as set forth in Section 1 of Resolution No. 1060, as heretofore amended, be amended to include a rate schedule for STP, as set forth in Exhibit A to this Resolution, to be effective March 1, 2016.

**Section 4:** That the rate schedule for STP set forth in Exhibit A to this Resolution, shall be deleted in its entirety, and replaced with the rate schedule for STP, as set forth in Exhibit B to this Resolution, to be effective July 1, 2016.

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Nikitia Thompson, Chair

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Mark Walker, Board Secretary

APPROVED ON 1<sup>st</sup>  
READING: \_\_\_\_\_ 1-21-16 \_\_\_\_\_  
APPROVED ON 2<sup>nd</sup>  
READING: \_\_\_\_\_  
EFFECTIVE DATE: \_\_\_\_\_  
MINUTE BOOK\_\_ PAGE \_\_\_\_\_

**RESOLUTION 1339  
EXHIBIT A  
RATE SCHEDULE OF THE ELECTRIC DIVISION  
EFFECTIVE MARCH 1, 2016**

## **Start-up and Testing Power (STP)**

### Availability

KUB provides Start-up and Testing Power (STP) to qualified power users through its wholesale power supplier, the Tennessee Valley Authority (TVA), in accordance with the power supply contract between KUB and TVA.

STP shall be made available to qualified power users pursuant to specific contractual arrangements between KUB and the customer (such contractual arrangements may be contained in one or more written instruments and are hereinafter sometimes referred to as the "Contract").

### Charges for STP

All STP-related charges shall be established in accordance with the Contract.

### Interruptibility

STP furnished to a customer under the Contract shall be subject to interruption and to suspension of availability as provided for in the Contract.

### Rules and Regulations

Service is subject to Rules and Regulations of KUB.

**RESOLUTION 1339  
EXHIBIT B  
RATE SCHEDULE OF THE ELECTRIC DIVISION  
EFFECTIVE JULY 1, 2016**

## **Start-up and Testing Power (STP)**

### Availability

KUB provides Start-up and Testing Power (STP) to qualified power users through its wholesale power supplier, the Tennessee Valley Authority (TVA), in accordance with the power supply contract between KUB and TVA.

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### Interruptibility

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Knoxville Utilities Board

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February 12, 2016

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

Commissioners:

State law requires City Council, as the municipality's governing body, to pass a resolution setting the in lieu of tax payments (tax equivalents) for KUB's electric and gas systems each fiscal year and providing for their distribution to the appropriate taxing jurisdictions.

Tax equivalents for the electric system for Fiscal Year 2016 are \$13,900,176. Tax equivalents for the gas system for Fiscal Year 2016 are \$6,737,649. Both electric and gas tax equivalent payments are the maximum amounts provided for under state law. Electric and gas tax equivalent payments will be made to the respective taxing jurisdictions on the last business day of June. An overview of all tax equivalent payments for Fiscal Year 2016 is attached for your information.

I recommend adoption of Resolution 1340, requesting the City Council of Knoxville to set the in lieu of tax payments for KUB's electric and gas systems and to establish the allocation of payments to the various taxing jurisdictions for the fiscal year ending June 30, 2016.

Respectfully submitted,

A

Mintha E. Roach  
President and CEO

## Summary of FY 2016 Tax Equivalent Payments

KUB is required under state law and the City Charter to make in lieu of tax payments (tax equivalents) to the taxing jurisdictions in which its utility systems are located. State law sets forth the basis for electric and gas system tax equivalents, while the City Charter addresses tax equivalents for the water and wastewater systems.

Under state law, the City Council of Knoxville is required to pass a resolution setting the annual tax equivalent amounts for the electric and gas systems, and the allocation of such payments to the respective taxing jurisdictions (i.e. City of Knoxville, Knox County, etc.). The basis for the allocation of payments is also set forth in state law. Since state law is silent on water and wastewater tax equivalents, the KUB Board sets these amounts in a manner prescribed by the City Charter. Water and wastewater payments are made to the City of Knoxville.

Total tax equivalents for FY 2016 are \$27,404,220, representing an increase of \$1,493,803 or 5.8 percent over last fiscal year, as set forth below.

	<b>FY 16</b>	<b>FY 15</b>	<b>Increase</b>	<b>% Increase</b>
<b>Electric Division</b>	\$ 13,900,176	\$ 13,309,981	\$ 590,195	4.43%
<b>Gas Division</b>	\$ 6,737,649	\$ 6,081,256	\$ 656,393	10.79%
<b>Water Division</b>	\$ 2,976,406	\$ 2,943,719	\$ 32,687	1.11%
<b>Wastewater Division</b>	\$ 3,789,989	\$ 3,575,461	\$ 214,528	6.00%
	<b>\$ 27,404,220</b>	<b>\$ 25,910,417</b>	<b>\$ 1,493,803</b>	<b>5.77%</b>

The increase in tax equivalent payments compared to last fiscal year is primarily the product of utility plant additions for KUB's utility systems.

Total payments to the City of Knoxville for FY 2016 will be \$17,428,232. Total payments to Knox County will be \$9,096,789. Total payments to other taxing jurisdictions will be \$879,199.

Water and wastewater payments will be paid to the City on February 29, 2016. Electric and gas payments will be paid to the respective taxing jurisdictions on June 30, 2016.

**RESOLUTION NO. 1340****A Resolution Requesting the City Council of the City of Knoxville to Pass a Resolution Setting the Tax Equivalent Payments for the Electric and Gas Systems for the Fiscal Year Beginning July 1, 2015 and Providing for the Allocation and Distribution of Such Payments to the Affected Taxing Jurisdictions**

**Whereas**, in accordance with Section 1101 of the Charter of the City of Knoxville, the purchase, sale, and distribution of electric and gas services by the City of Knoxville are under the jurisdiction, control, and management of the Knoxville Utilities Board (“KUB”); and

**Whereas**, the state of Tennessee adopted electric and gas tax equivalent statutes in 1987 (TCA Sections 7-52-301 et seq. and Sections 7-39-401 et seq.) in order to gain uniformity with respect to payments in lieu of taxes on the property and operations of all electric and gas systems owned and operated by incorporated cities or towns, by counties, and by metropolitan governments in the state of Tennessee; and

**Whereas**, the statutes provide that every municipality may cause an amount to be paid from its electric and/or gas system revenues for tax equivalents which, in the judgment of the municipality’s governing body (i.e. City Council of Knoxville), after consultation with the supervisory body (i.e. KUB), represents the fair share cost of government to be borne by the electric system and/or gas system; and

**Whereas**, the statutes include formulas which establish the maximum annual tax equivalent payment for electric and gas systems; and

**Whereas**, the statutes provide the basis for the allocation and distribution of tax equivalent payments to the various taxing jurisdictions, except to the extent any such payments were allocated and distributed under established arrangements in existence immediately prior to the adoption of the statutes; and

**Whereas**, KUB had an established arrangement for the allocation and distribution of electric and gas system tax equivalent payments, as defined by the statutes, in existence immediately prior to the adoption of said statutes; and

**Whereas**, KUB has prepared a proposed resolution for passage by the City Council of Knoxville, a copy of which resolution is attached hereto and made a part hereof (hereinafter referred to as the “Proposed Resolution”).

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

**Section 1.** That the KUB Board of Commissioners (the “Board”), after due consideration, finds that it is in the best interest of KUB and the City of Knoxville to make the maximum electric and gas tax equivalent payments permitted by law for the fiscal year beginning July 1, 2015, totaling \$13,900,176 for the electric system and \$6,737,649 for the gas system (hereinafter referred to as “Tax Equivalents”).

**Section 2.** That this Board, after due consideration, finds that the following allocation and distribution of the aforesaid Tax Equivalents to the following taxing jurisdictions is required under the applicable statutes:

	<u>Electric Tax Equivalents</u>	<u>Gas Tax Equivalents</u>	<u>Total Tax Equivalents</u>
City of Knoxville	\$ 6,979,195	\$3,682,642	\$10,661,837
Knox County	6,045,492	3,051,297	9,096,789
Union County	354,787		354,787
Sevier County	328,595		328,595
Grainger County	133,665		133,665
Jefferson County	37,526		37,526
Blount County	12,773		12,773
Anderson County	8,143	2,529	10,672
Loudon County	<u>                    </u>	<u>1,181</u>	<u>1,181</u>
Total	\$13,900,176	\$6,737,649	\$20,637,825

**Section 3.** That this Board hereby formally requests City Council to pass the Proposed Resolution, and this Board does hereby adopt, ratify, approve, consent and agree to each and every recital and provision contained in the Proposed Resolution.

**Section 4.** That this Board finds that the statutory obligation for consultation with the supervisory body (KUB) will be fulfilled by the delivery of this resolution to City Council.

**Section 5.** That upon City Council’s passage of the Proposed Resolution, the President and Chief Executive Officer, or the Chief Financial Officer, is hereby authorized and directed to distribute the Tax Equivalents to the respective taxing jurisdictions in accordance with the Proposed Resolution; provided, however, that the amount of such Tax Equivalents to be paid to any taxing jurisdiction specified in the Proposed Resolution shall be appropriately reduced by the aggregate amount of any qualified state, county, city and other local taxes or charges imposed for such fiscal year by or for the benefit of such taxing jurisdiction, said reduction being required by the statutes.

**Section 6.** That the President and Chief Executive Officer is authorized to deliver copies of this Resolution to the Mayor and City Council as formal evidence of this Board’s action in connection therewith.

**Section 7.** BE IT FURTHER RESOLVED that this Resolution shall take effect from and after its passage.

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Nikitia Thompson, Chair

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Mark Walker, Board Secretary

APPROVED ON 1<sup>st</sup>  
& FINAL READING: \_\_\_\_\_  
EFFECTIVE DATE: \_\_\_\_\_  
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## RESOLUTION

### **A Resolution of the Council of the City of Knoxville Setting the In Lieu of Tax Payments for the Electric and Gas Systems of the Knoxville Utilities Board for the Fiscal Year Beginning July 1, 2015 and Providing for the Allocation and Distribution of Such Payments to the Affected Taxing Jurisdictions**

**Whereas**, under the state of Tennessee electric and gas tax equivalent statutes (TCA Section 7-52-301 et seq. and Section 7-39-401 et seq.), the Council of the City of Knoxville, after consultation with the Knoxville Utilities Board (hereinafter referred to as "KUB"), may cause to be paid from KUB's Electric and Gas Divisions an amount for payments in lieu of taxes (hereinafter referred to as "Tax Equivalents") on KUB's electric and gas systems and operations which, in the judgment of City Council, shall represent the fair cost of government properly to be borne thereby; and

**Whereas**, the amount of Tax Equivalents that may be set by City Council is to be in lieu of all state, county, city and other local taxes or charges imposed on KUB's Electric and Gas Divisions for the fiscal year by the various taxing jurisdictions in which the properties of the electric and gas systems are situated, said amount being subject to a maximum limitation that may be paid for a fiscal year; and

**Whereas**, the Tax Equivalents are to be distributed to the respective taxing jurisdictions in accordance with a mandatory distribution formula or under established arrangements with taxing jurisdictions in effect immediately prior to the adoption of the statutes, both as provided for in the statutes; and

**Whereas**, KUB had established arrangements in place with taxing jurisdictions for the allocation and distribution of in lieu of tax payments on KUB's electric and gas systems immediately prior to the adoption of the statutes; and

**Whereas**, KUB, by its passage of Resolution No. 1340 on February 18, 2016, and the delivery of same to City Council, has requested City Council pass a resolution setting the Tax Equivalents for the fiscal year beginning July 1, 2015, and providing for the allocation and distribution of the Tax Equivalents to the affected taxing jurisdictions (hereinafter referred to as "Proposed Resolution"); and

**Whereas**, City Council, having consulted with KUB regarding the setting of the Tax Equivalents and the allocation and distribution thereof to the affected taxing jurisdictions, hereby finds that KUB's Proposed Resolution is in the best interests of the City of Knoxville and KUB.

**NOW THEREFORE BE IT HEREBY RESOLVED BY THE CITY COUNCIL OF THE CITY OF KNOXVILLE:**

**Section 1.** That pursuant to T.C.A. Sections 7-52-301 et seq. and Sections 7-39-401 et seq., the Council of the City of Knoxville hereby sets the Tax Equivalents for KUB's electric and gas systems for the fiscal year beginning July 1, 2015, at a total of \$20,637,825, representing \$13,900,176 in electric Tax Equivalents and \$6,737,649 in gas Tax Equivalents, said amounts being the maximum amount of Tax Equivalents that may be paid from KUB's Electric and Gas Divisions under law.

**Section 2.** That the aforesaid Tax Equivalents be distributed in accordance with law to the following taxing jurisdictions in the amounts specified below:

	<u>Electric Tax Equivalents</u>	<u>Gas Tax Equivalents</u>	<u>Total Tax Equivalents</u>
City of Knoxville	\$ 6,979,195	\$3,682,642	\$10,661,837
Knox County	6,045,492	3,051,297	9,096,789
Union County	354,787		354,787
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Anderson County	8,143	2,529	10,672
Loudon County	<u>                    </u>	<u>1,181</u>	<u>1,181</u>
Total	\$13,900,176	\$6,737,649	\$20,637,825

**Section 3.** That the statutory obligation for City Council to consult with the supervisory body (KUB) was satisfied by the delivery of KUB Resolution No. 1340 to City Council.

**Section 4.** That KUB be and hereby is authorized and directed to aforesaid amounts of Tax Equivalents to the respective taxing jurisdictions specified above; provided, however, that the amount of such Tax Equivalents to be paid to any taxing jurisdiction shall be appropriately reduced by the aggregate amount of any qualified state, county, city and other local taxes or charges imposed for such fiscal year by or for the benefit of such taxing jurisdiction, said reduction being required by law.

**Section 5.** That this resolution shall take effect immediately upon its passage, the public welfare requiring it, and a certified copy hereof shall be delivered to the President and Chief Executive Officer of KUB as formal evidence of this Council's action in connection therewith.

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
City Recorder

**Knoxville Utilities Board  
Board Meeting  
Minutes  
Thursday, January 21, 2016, Noon**

**Call to Order**

The Knoxville Utilities Board met in regular session in the Larry A. Fleming Board Room at 445 S. Gay Street, on Thursday, January 21, 2016, pursuant to the public notice published in the January 2, 2016, edition of the *News Sentinel*. Chair Thompson called the meeting to order at 12:00 p.m.

Chair Thompson recognized Robyn Askew, Commissioner-elect Jerry Askew's spouse, in the audience at today's meeting and thanked her for attending.

Chair Thompson also welcomed the six KUB Leadership Development Program employees and the program facilitator attending the Board Meeting today and asked them to introduce themselves.

**Roll Call**

Commissioners Present: Kathy Hamilton, Celeste Herbert, Sara Pinnell, Nikitia Thompson, Eston Williams, and John Worden

Commissioners Absent: None

**Approval of Minutes**

The Minutes of the December 17, 2015, Board Meeting were approved as distributed upon a motion by Commissioner Herbert and seconded by Commissioner Williams.

**Old Business**

None

**New Business**

**Oath of Commissioner for Jerry Askew**

Chair Thompson welcomed Jerry Askew and asked Bill Coley, Board's General Counsel, to administer the Oath of Commissioner to Dr. Askew.



January 21, 2016

### **Election of 2016 Officers**

Mr. Coley stated that the Nominating Committee met on December 17, 2015, and recommended the following slate of officers for 2016: Nikitia Thompson, Chair; Sara Pinnell, Vice Chair; and Senior Vice President and CFO Mark Walker as Board Secretary. He asked for other nominations and received none.

Commissioner Williams moved to elect the proposed slate of officers by acclamation, seconded by Commissioner Hamilton. The motion was unanimously adopted on a voice vote.

### **Resolution 1339, A Resolution Authorizing Participation in the Tennessee Valley Authority's Start-up and Testing Power (STP) Program and Amending the Existing Rate Schedules of the Electric Division to Provide for an STP Rate Schedule**

President Roach advised Commissioners that TVA offers a pricing option to qualifying large commercial and industrial electric customers for power usage related to the start-up and testing of a new operation, the expansion of an existing operation, and the restart of an existing facility. She recognized John Williams, Manager and Assistant to the CFO, to provide details of the resolution.

President Roach recommended adoption of Resolution 1339 on first reading. Her written recommendation is included in Attachment 1.

Upon a motion by Commissioner Hamilton and a second by Commissioner Williams, Resolution 1339 (*Attachment 1*) was adopted by a roll call vote on first reading. The following Commissioners voted "aye": Askew, Hamilton, Herbert, Pinnell, Thompson, Williams, and Worden. No Commissioner voted "nay".

## **President's Report**

### **Conflict of Interest/Ethics**

President Roach recognized Elba Marshall, Executive Department Manager and Assistant to the CAO, to review the annual disclosure process for the Board.

### **Electric System Update**

President Roach recognized Paul Randolph, Vice President of Gas and Electric Systems Engineering, to provide an update on the Electric System.

January 21, 2016

**Water Crisis in Flint, Michigan**

President Roach recognized Derwin Hagood, Vice President of System and Plant Operations, to provide information regarding the Flint, Michigan water crisis and procedures KUB employs to prevent such an event occurring with the KUB water system.

**Other Business**

None

**Public Comment**

None

**Adjournment**

Chair Thompson stated that following adjournment, the Board would continue with an open lunch session where KUB matters may be discussed. There being nothing further to come before the Board, Chair Thompson declared the meeting adjourned at 12:52 p.m.

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Nikitia Thompson, Chair

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Mark Walker, Board Secretary

**Attachments**

Attachment 1	Recommendation Letter and Resolution 1339, A Resolution Authorizing Participation in the Tennessee Valley Authority's Start-up and Testing Power (STP) Program and Amending the Existing Rate Schedules of the Electric Division to Provide for an STP Rate Schedule	<b><u>Page(s)</u></b> 7253 - 7259
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January 15, 2016

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

Commissioners:

TVA offers an optional, interruptible pricing product called Start-up and Testing Power (STP), which provides qualifying commercial and industrial electric power customers with pricing flexibility to start up and test a new operation, expand an existing operation to test new equipment or processes, or re-start an existing facility that has been shut down for at least one year.

Under the STP program, which is available to commercial and industrial customers with a monthly power load of 1,000 kW or greater, the customer, KUB and TVA work together to establish a firm or base-line power load for the customer. STP demand and energy rates are applied to any usage above the customer's base-line requirements. STP power is subject to interruption by TVA on 5 minutes notice. The customer's firm demand and energy charges are based on the applicable electric rate schedule.

The initial contract term for STP is six months, although it may be extended upon request to 12 months for commercial customers and 24 months for industrial customers.

Resolution 1339 authorizes KUB's participation in the STP program and amends the rate schedules of the Electric Division to include an STP Rate Schedule. I recommend adoption of Resolution 1339 on first reading. If approved on first reading, the second reading will be at the February Board meeting.

Respectfully submitted,

A

Mintha E. Roach  
President and CEO

## RESOLUTION NO. 1339

### **A Resolution Authorizing Participation in the Tennessee Valley Authority's Start-up and Testing Power (STP) Program and Amending the Existing Rate Schedules of the Electric Division to Provide for an STP Rate Schedule**

**Whereas**, the Knoxville Utilities Board ("KUB") purchases its full electric power requirements from the Tennessee Valley Authority ("TVA"); and

**Whereas**, TVA offers STP, an optional, interruptible pricing product available to large commercial and industrial electric customers that are establishing new operations, restarting plants that have been shut down for a year or more, or expanding operations, to accommodate equipment testing and other conditions which temporarily cause erratic power usage; and

**Whereas**, the KUB Board of Commissioners (the "Board") previously adopted Resolution 1060, as heretofore amended, providing rate schedules for the Electric Division of KUB; and

**Whereas**, Staff has recommended the Board authorize KUB's participation in the STP program; and

**Whereas**, it is in the best interest of KUB and its customers for KUB to participate in the STP program; and

**Whereas**, in accordance with Section 1107(L) of the Charter, KUB has provided the required public notice of not less than five (5) days prior to a meeting of the Board when a rate change is to be considered.

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

**Section 1:** That the Board hereby authorizes participation by KUB in the STP program.

**Section 2:** That the President and Chief Executive Officer is hereby authorized on behalf of KUB to enter any agreements or take any actions reasonably necessary for KUB and its customers to participate in the STP program.

**Section 3:** That the rate schedules of the Electric Division as set forth in Section 1 of Resolution No. 1060, as heretofore amended, be amended to include a rate schedule for STP, as set forth in Exhibit A to this Resolution, to be effective March 1, 2016.

**Section 4:** That the rate schedule for STP set forth in Exhibit A to this Resolution, shall be deleted in its entirety, and replaced with the rate schedule for STP, as set forth in Exhibit B to this Resolution, to be effective July 1, 2016.

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Nikitia Thompson, Chair

---

Mark Walker, Board Secretary

APPROVED ON 1<sup>st</sup>  
READING: 1-21-16  
APPROVED ON 2<sup>nd</sup>  
READING: \_\_\_\_\_  
EFFECTIVE DATE: \_\_\_\_\_  
MINUTE BOOK 36 PAGE 7254-7259

**RESOLUTION 1339  
EXHIBIT A  
RATE SCHEDULE OF THE ELECTRIC DIVISION  
EFFECTIVE MARCH 1, 2016**

## **Start-up and Testing Power (STP)**

### Availability

KUB provides Start-up and Testing Power (STP) to qualified power users through its wholesale power supplier, the Tennessee Valley Authority (TVA), in accordance with the power supply contract between KUB and TVA.

STP shall be made available to qualified power users pursuant to specific contractual arrangements between KUB and the customer (such contractual arrangements may be contained in one or more written instruments and are hereinafter sometimes referred to as the "Contract").

### Charges for STP

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### Interruptibility

STP furnished to a customer under the Contract shall be subject to interruption and to suspension of availability as provided for in the Contract.

### Rules and Regulations

Service is subject to Rules and Regulations of KUB.



**RESOLUTION 1339  
EXHIBIT B  
RATE SCHEDULE OF THE ELECTRIC DIVISION  
EFFECTIVE JULY 1, 2016**

## **Start-up and Testing Power (STP)**

### Availability

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