



LOUDON UTILITIES

**P.O. BOX 69
LOUDON, TENNESSEE 37774**

AGENDA

LOUDON UTILITY BOARD WORKSHOP

Monday, July 12, 2021

4:30 PM

1. Recognition of Visitors
2. Solar Power Purchase Agreement
3. Update on Active Projects
4. Safety Report
5. Natural Gas Rate
6. Other



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To: Chairman Campbell and Board Members

From: Ty Ross

Subject: July Workshop Items

Date: July 9, 2021

The following items appear on the agenda for the July 12, 2021 workshop meeting of the Board of Directors of Loudon Utilities:

1. Recognition of Visitors:
2. Solar Power Purchase Agreement. Included in your packet is a draft PPA which with govern the development of the solar farm and the seller/purchaser relationship between the parties. It is our intent to have the document complete by your regular meeting at the end of this month. Also, please know the awarded bidder is undergoing a financial analysis conducted by TVA for assurances of adequate financial backing.

3. Update on Active Projects:

We will provide general updates on the status of the following on-going Water/Waste Water system improvement projects:

- Water Main River Crossing – final plans submitted to TDEC for review as well as to Enbridge Natural Gas Pipeline Company for its review
- Water Treatment Plant – this past week final plans were completed and submitted to TDEC State Revolving Loan Fund for panel review
- TVPOA Tank – still in property acquisition phase
- Low Volume Pump Stations – still in property acquisition phase
- Bulk Hypo. Conversion – Entering Construction Phase

4. Safety Report: There were no reportable injuries in the month of June.

5. Natural Gas Rate: The cost of natural gas delivered to the City Gate increased for the month of July 2021. Utilizing the formula for natural gas rates, this converts into a rate of \$1.28 per 100 cubic feet for gas billed after August 1, 2021.

GAS RATE COMPUTATIONS

	<i>Base Month (Sept 2003)</i>	<i>Rate Effective 6/1/21</i>	<i>Rate Effective 7/1/21</i>	<i>Rate Effective 8/1/21</i>	<i>Rate Effective 9/1/21</i>	<i>Rate Effective 10/1/21</i>	<i>Rate Effective 11/1/21</i>	<i>Rate Effective 12/1/21</i>
Gas Supply Cost	4.9950	2.8500	2.9100	3.5200				
Pipeline Charges	0.2755	0.1115	0.1132	0.1295				
Supply Management	<u>0.0350</u>	<u>0.0450</u>	<u>0.0450</u>	<u>0.0450</u>	<u>0.0450</u>	<u>0.0450</u>	<u>0.0450</u>	<u>0.0450</u>
Subtotal	5.3055	3.0065	3.0682	3.6945				
BTU & System Loss (8%)	0.0000	0.2405	0.2455	0.2956				
Demand Unit Charge	1.2200	2.7370	2.7370	2.7370	2.7370	2.7370	2.7370	2.7370
ETNG Rate Action 8/2020		1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Storage Charges	<u>0.0000</u>	<u>0.5900</u>	<u>0.5900</u>	<u>0.5900</u>	<u>0.5900</u>	<u>0.5900</u>	<u>0.5900</u>	<u>0.5900</u>
Cost of Gas	6.5255	7.5740	7.6407	8.3171				
System Operations	<u>4.4745</u>	<u>4.4745</u>	<u>4.4745</u>	<u>4.4745</u>	<u>4.4745</u>	<u>4.4745</u>	<u>4.4745</u>	<u>4.4745</u>
Cost per MCF	\$11.000	\$12.0485	\$12.1152	\$12.7916				
Rate per 100 Cubic Feet	\$1.10	\$1.20	\$1.21	\$1.28				

*NOTE: BTU & System Losses added June 2004 – BTU Factor (7%) System Losses (1%)
Storage Charges added June 2004 and increased May 2008
ETNG Rate Action added August 2020*