



## **LOUDON UTILITIES**

P.O. BOX 69

LOUDON, TENNESSEE 37774

### **AGENDA**

#### **BOARD OF DIRECTORS OF LOUDON UTILITIES**

**August 23, 2021**

**4:30 PM**

1. Call to Order
2. Recognition of Visitors
  - A. Recognition of Employee Work Anniversaries
  - B. Announcement of New Hires
3. Approval of Minutes
  - A. Regular Meeting – July 26, 2021
4. Financial Reports
5. Items for Board Action
  - A. Awarding Bid for the Vonore Pump Station Project
  - B. Solar Power Purchase Agreement
  - C. Approving the Transfer of Control of Property to the Loudon City Council
  - D. A Resolution of the Utility Board of the City of Loudon, Loudon County, Tennessee Authorizing the Purchase of Natural Gas from the Black Belt Energy Gas District; Approving the Execution and Delivery of a Gas Supply Agreement and other Documents Relating to Said Purchase; Authorizing the Sale of Gas to the Kimberly-Clark Corporation; Approving the Execution and Delivery of a NAESB Base Contract for the Sale and Purchase of Natural Gas and other Documents Relating to Said Sale; Approving the Execution and Delivery of a Custodial Agreement; Consenting to the Assignment of Certain Obligations under the Gas Supply Agreement in Connection with the Issuance of Bonds by the Black Belt Energy Gas District; and Addressing Related Matters
  - E. Establishing Natural Gas Rates Effective September 2021
6. Other
  - A. Tennessee Valley Authority Fuel Cost Adjustment
7. Adjournment



## LOUDON UTILITIES

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LOUDON, TENNESSEE 37774

To: Chairman Campbell and Board Members  
From: Ty Ross  
Subject: August Agenda Items  
Date: August 20, 2021

The following items appear on the agenda for the August 23, 2021 meeting of the Board of Directors of Loudon Utilities:

### **Recognition of Visitors.**

- A. Recognition of Employee Work Anniversaries. Four (4) LUB employees have a service anniversary this month (August) and will be recognized with a service award.
- Brad Parks – 20 years
  - Lynn Davis – 24 years
  - Clay Townson – 24 years
  - Chuck Hughes – 26 years
- B. Announcement of New Hires. In accordance with your budget we have hired the following individuals as apprentice linemen in the Electric Department: Taylor Watson and Conner Scott. They will be on-board in September.

### **Items for Board Action.**

- A. Awarding Bid for the Vonore Pump Station Project: We have reviewed the bids and have included a bid tabulation in your packet. Based on our review we recommend award of the project to W&O Construction of Livingston, Tennessee in the total base bid amount of \$607,250.00. We have prepared a resolution included in this packet for your vote to approve.

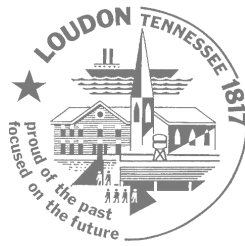


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- B. Solar Power Purchase Agreement: We met with Sunrise on Wednesday of this week for further talks on the particulars of the Power Purchase Agreement. The main sticking points are events that shall occur prior to Notice to Proceed (Bonding and Scheduling of Deliverables) as well as the division of Future Attributes awarded by state or federal government and finally an Option to Purchase the facility in the future. These issues may or may not be resolved by the time of your meeting. If not, we will move your consideration to September.
- C. Approving the Transfer of Control of Property to the Loudon City Council. This resolution will release the decision-making authority of the future development of the former Hutch property to the City. A separate resolution is on the City Council's meeting agenda which authorizes a grant to LUB in the amount of \$1.68 million for utility infrastructure.
- D. A Resolution of the Utility Board of the City of Loudon, Loudon County, Tennessee Authorizing the Purchase of Natural Gas from the Black Belt Energy Gas District; Approving the Execution and Delivery of a Gas Supply Agreement and other Documents Relating to Said Purchase; Authorizing the Sale of Gas to the Kimberly-Clark Corporation; Approving the Execution and Delivery of a NAESB Base Contract for the Sale and Purchase of Natural Gas and other Documents Relating to Said Sale; Approving the Execution and Delivery of a Custodial Agreement; Consenting to the Assignment of Certain Obligations under the Gas Supply Agreement in Connection with the Issuance of Bonds by the Black Belt Energy Gas District; and Addressing Related Matters. This resolution replaces the resolution you passed in early 2020. The transaction stalled out because of the pandemic but is now rebooting. The purpose of the change is to insert the name of the financial institution handling the deal which is now Morgan Stanley.



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- E. Establishing Natural Gas Rates Effective September 2021: The cost of natural gas delivered to the City Gate increased for the month of August 2021. Utilizing the formula for natural gas rates, this converts into a rate of \$1.32 per 100 cubic feet for gas billed after September 1, 2021.

### **Other.**

- A. Tennessee Valley Authority Fuel Cost Adjustment. The TVA FCA for September 2021 decreased from \$0.01874 per kWh to \$0.01802 per kWh. The rate will result in a \$0.72 decrease for each 1,000 kWh of residential customers use.



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### **NOTICE OF ELECTRONIC MEETING ACCESS & INFORMATION**

To ensure government operations continue to function openly and transparently during the COVID-19 emergency while taking measures to protect the health and safety of citizens and government officials, Governor Bill Lee issued Executive Order No. 16 on March 20, 2020 allowing governing bodies to conduct essential business by electronic means. A link to the Electronic Meeting Access & Information is available online at:

[WWW.LOUDONUTILITIES.ORG](http://WWW.LOUDONUTILITIES.ORG)

Join the Zoom Meeting using your computer, tablet, iPad, and/or smartphone:

<https://loudonutilities.zoom.us/j/6429958536?pwd=WVRYQzEyaXc1c0lrUUhjWkVTYWZjdz09>

Meeting ID: 642 995 8536

Password: LoudonTN

One tap mobile

+13017158592,,6429958536# US (Germantown)

+13126266799,,6429958536# US (Chicago)

Dial by your location

+1 301 715 8592 US (Germantown)

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Meeting ID: 642 995 8536

All participants will be muted upon entry to the Zoom Room.  
During the appropriate times, the moderator will unmute any participant who would like to speak.

If you have questions or requests for special accommodations, please contact us at 865-458-2091.

**REGULAR MEETING  
LOUDON UTILITIES**

**July 26, 2021**

The Board of Directors of Loudon Utilities held its properly advertised regular meeting on July 26, 2021, at 4:30 p.m., in the public meeting space of the Loudon Municipal Building. Those present were Chairman Don P. Campbell, Directors Gene Farmer, Tim Dixon, Carlie McEachern, and Bart Watson. Others present were Manager Ty Ross, Nicole Curtis, John Davis, Attorney Kris Frye, and Secretary Meghan Hull. Also present were twelve (12) people.

Chairman Campbell welcomed everyone and called the meeting to order.

Chairman Campbell honored employees Stephanie Lawhon (27 years), and Greg McNabb (27 years) for their service.

Chairman Campbell asked if anyone wished to speak to the Board about anything not on the agenda. There was no response.

Chairman Campbell asked for approval of the minutes of the regular meeting held on June 21, 2021. **A motion was made by Director McEachern, seconded by Director Watson and unanimously passed that the minutes of the regular meeting held on June 21, 2021 be approved as written.**

Finance Director Curtis had given a presentation on the financial reports at the workshop. **A motion was made by Director Farmer, seconded by Director Watson and unanimously passed that the reports be received and placed on file.**

The first item for Board action was to consider the purchase, installation, and implementation of a software package. Keith Jones, NISC sales manager, gave a presentation of the options included. **A motion was made by Director Farmer and seconded by Director Watson that the following resolution be approved:**

**RESOLUTION NO. 2021-34**

**APPROVING THE PURCHASE, INSTALLATION, AND IMPLEMENTATION  
OF NISC SOFTWARE AND SERVICES**

**Upon a vote, the resolution was passed unanimously.**

The next item for Board action was to consider the purchase of properties for infrastructure upgrades in the water and waste water distribution systems. Discussion was held as to the number of properties involved. Attorney Frye stated that the potential easements were not necessarily included. **A motion was made by Director Watson and seconded by Director Dixon that the following resolution be tabled until following an executive session:**

**AUTHORIZING ACQUISITION OF PROPERTY  
FOR INFRASTRUCTURE FOR THE  
WATER AND WASTE WATER DISTRIBUTION SYSTEMS**

**Upon a vote, the resolution was passed unanimously.**

Board consideration was given to set the natural gas rate. **A motion was made by Director Watson and seconded by Director Farmer that the following resolution be approved:**

**RESOLUTION NO. 2021-35  
ESTABLISHING NATURAL GAS RATES  
EFFECTIVE AUGUST 2021**

**Upon a vote, the resolution was passed unanimously.**

Manager Ross stated that the Tennessee Valley Authority fuel cost adjustment had decreased from \$0.01901 per kWh to \$0.01874 per kWh. This results in a \$0.27 decrease for each 1,000 kWh of residential customer usage.

Chairman Campbell recessed the meeting for an Executive Session at 4:51 p.m. with attendees as follows: Campbell, Farmer, Dixon, McEachern, Watson, Ross, and Attorney Frye.

**4:52 PM - EXECUTIVE SESSION – 5:02 PM**

Chairman Campbell reconvened the meeting at 5:03 p.m.

Chairman Campbell asked if there was any further discussion for consideration of the potential purchase of properties for the infrastructure in the water and waste water distribution systems. **A motion was made by Director Watson and seconded by Director Dixon that the following resolution be approved as written:**

**RESOLUTION NO. 2021-36  
AUTHORIZING ACQUISITION OF PROPERTY  
FOR INFRASTRUCTURE FOR THE  
WATER AND WASTE WATER DISTRIBUTION SYSTEMS**

**Upon a vote, the resolution was passed unanimously.**

There being nothing further, Chairman Campbell adjourned the meeting at 5:05 p.m.

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Secretary

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Chairman

**RESOLUTION NO. 2021-\_\_**

**AWARDING BID FOR  
THE VONORE PUMP STATION PROJECT**

**WHEREAS,** Loudon Utilities received bids for the installation and upgrade of a packaged water booster pump station project on July 22, 2021; and

**WHEREAS,** The bid documents have been reviewed by CTI Engineers, Inc. engineering department; and

**WHEREAS,** The apparent low bid for the project is from W&O Construction Company, Inc. in the amount of \$607,250.00.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of Loudon Utilities as follows:

**Section 1.** The bid for the installation and upgrade of a packaged water booster pump station project is hereby awarded to the apparent low bid by W&O Construction Company, Inc. in the amount of \$607,250.00.

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Chairman

Passed: \_\_\_\_\_



**RESOLUTION NO. 2021-\_\_**

**APPROVING THE TRANSFER OF CONTROL OF PROPERTY  
TO THE LOUDON CITY COUNCIL**

**WHEREAS**, Loudon Utilities desires to transfer control of a property commonly known as the former Hutch property, a survey of which is attached hereto and incorporated herein, hereinafter referred to as “the Property” to the City of Loudon and this is predicated on the strong possibility of new investment and development in the near term; and

**WHEREAS**, Such investment and development are the leading motivators for this desire to transfer control; and

**WHEREAS**, It is the intent to supersede Resolution No. 2021-09 approved on March 22, 2021.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the Loudon Utilities as follows:

**Section 1.** The Loudon Utility Board delegates full control of the Property to the Loudon City Council.

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Chairman

Passed: \_\_\_\_\_

## EXHIBIT A

### LEGAL DESCRIPTION

Real property located in Loudon County, Tennessee as depicted on the Tax Map attached hereto as **Exhibit A-1**, and generally described in the records of the Loudon County Property Tax Assessor by the following Parcel ID Numbers:

033O A 005.00 - Hackberry Street	033O A 006.00 - Hackberry Street
033O A 007.00 - Hackberry Street	033O A 008.00 - Hackberry Street
033O A 009.00 - Hackberry Street	033O B 001.00 - Hackberry Street
033O B 002.00 - Hackberry Street	033O B 004.00 - Hackberry Street
033O B 005.00 - Hackberry Street	033O B 006.00 - Hackberry Street
041B A 016.00 - Poplar Street	041B A 017.00 - 200 Hackberry Street
041B A 018.00 - Poplar Street	033O A 010.00 - Poplar Street
033O A 011.00 - Poplar Street	033O A 012.00 - Poplar Street
033O A 013.00 - Poplar Street	033O A 014.00 - Poplar Street

## EXHIBIT A-1

### Tax Map of Real Property



**RESOLUTION NO. 2021-\_\_**

**A RESOLUTION OF THE UTILITY BOARD OF THE CITY OF LOUDON, LOUDON COUNTY, TENNESSEE AUTHORIZING THE PURCHASE OF NATURAL GAS FROM THE BLACK BELT ENERGY GAS DISTRICT; APPROVING THE EXECUTION AND DELIVERY OF A GAS SUPPLY AGREEMENT AND OTHER DOCUMENTS RELATING TO SAID PURCHASE; AUTHORIZING THE SALE OF GAS TO THE KIMBERLY-CLARK CORPORATION; APPROVING THE EXECUTION AND DELIVERY OF A NAESB BASE CONTRACT FOR THE SALE AND PURCHASE OF NATURAL GAS AND OTHER DOCUMENTS RELATING TO SAID SALE; APPROVING THE EXECUTION AND DELIVERY OF A CUSTODIAL AGREEMENT; CONSENTING TO THE ASSIGNMENT OF CERTAIN OBLIGATIONS UNDER THE GAS SUPPLY AGREEMENT IN CONNECTION WITH THE ISSUANCE OF BONDS BY THE BLACK BELT ENERGY GAS DISTRICT; AND ADDRESSING RELATED MATTERS**

**WHEREAS**, The Black Belt Energy Gas District (“Black Belt”) is an Alabama gas district, a public corporation organized by actions of its member municipalities pursuant to the provisions of the Alabama Gas Districts Act, § 11-50-390 et seq., Alabama Code (1975); and

**WHEREAS**, Black Belt was formed, among other reasons, to acquire secure, reliable and adequate long-term supplies of gas for resale to governmentally owned wholesale customers for ultimate delivery to the residential, commercial, institutional, and industrial consumers in their areas of service, both inside and outside the State of Alabama, and to achieve cost savings, economies of scale and reliability of supply; and

**WHEREAS**, Black Belt is planning to acquire long-term gas supplies from Morgan Stanley Energy Structuring, L.L.C., a Delaware limited liability company (“Morgan Stanley”), pursuant to a Prepaid Natural Gas Purchase and Sale Agreement to meet a portion of the requirements of the Utility Board of the City of Loudon, Loudon County, Tennessee (the “Gas Purchaser”), and other public gas distribution systems and joint action agencies that elect to participate (each, a “Project Participant”) through a prepayment (the “Prepaid Project”); and

**WHEREAS**, Black Belt will issue Gas Project Revenue Bonds in one or more sub-series (the "Bonds") to finance the acquisition of the gas supplies under a Prepaid Project; and

**WHEREAS**, Gas Purchaser is a utility board and an instrumentality of the State of Tennessee duly created and validly existing under the laws of the State of Tennessee; and

**WHEREAS**, Gas Purchaser has determined that it is in the best interest of its customers to be a Project Participant and thereby purchase a portion of Gas Purchaser's natural gas requirements from Black Belt pursuant to a natural gas sales contract to be entered into by Black Belt and Gas Purchaser (the "Gas Supply Agreement"); and

**WHEREAS**, Under the Gas Supply Agreement, Gas Purchaser will agree to purchase from Black Belt the amounts of gas specified in the Gas Supply Agreement, at the prices specified in the Gas Supply Agreement, for a term specified in the Gas Supply Agreement; and

**WHEREAS**, The Bonds will be issued pursuant to a Trust Indenture between Black Belt and a corporate trustee (the "Indenture") and purchased by the underwriters or original purchasers of the Bonds (the "Underwriters") pursuant to one or more bond purchase agreements or similar agreements; and

**WHEREAS**, Black Belt will pledge to the payment of the Bonds certain assets of Black Belt, including the Gas Supply Agreement between Black Belt and Gas Purchaser; and

**WHEREAS**, Gas Purchaser shall have no financial liability with respect to the Bonds, and Gas Purchaser's only obligations relating to the Prepaid Project shall be set forth in the Gas Supply Agreement; and

**WHEREAS**, In order to authorize the purchase of natural gas from Black Belt and the execution of the Gas Supply Agreement, to authorize the sale of the natural gas purchased under the Gas Supply Agreement to the Kimberly-Clark Corporation ("Kimberly-Clark") for consumption at its Loudon Plant and the execution of a NAESB Base Contract for Sale and Purchase of Natural Gas to Kimberly-Clark (the "Downstream Supply Contract"), to authorize the execution of a Custodial Agreement by and among Morgan Stanley, Black Belt and Gas Purchaser governing payments by Kimberly-Clark, to consent to the assignment of the Gas Supply Agreement to secure the Bonds, and to authorize and take such other necessary and appropriate action in furtherance of the Prepaid Project, the Utility Board of the City of Loudon, Loudon County, Tennessee adopts this Resolution.

**NOW, THEREFORE, BE IT HEREBY RESOLVED** by the Board of Directors of the Utility Board of the City of Loudon, Loudon County, Tennessee, as follows:

**SECTION 1:** The Utility Board of the City of Loudon, Loudon County, Tennessee ("Gas Purchaser") is authorized to enter into a Gas Supply Agreement with Black Belt, pursuant to which Gas Purchaser will purchase natural gas from Black Belt as provided in the Gas Supply Agreement. The Gas Supply Agreement shall (a) have a Delivery Period (as defined in the Gas Supply Agreement) of not greater than 366 months, (b) provide for the purchase by Gas Purchaser of not more than an annual average over the term of the Gas Supply Agreement of 3,500 MMBtu per day, and (c) provide for a projected minimum savings (prior to payment of the project administration fee as set forth in the Gas Supply Agreement) through monthly and annual discounts of not less than \$0.35 per MMBtu to Gas Purchaser for the Initial Discount Period, and not less than \$0.23 per MMBtu to Gas Purchaser in each successive Reset Period, unless Gas Purchaser elects to purchase gas at a lesser discount during any Reset Period, as set forth in the Gas Supply Agreement.

**SECTION 2:** The Gas Supply Agreement shall be in substantially the form submitted and attached hereto as Attachment A, which such form is hereby approved, to include such completions, deletions, insertions, revisions, and other changes as may be approved by the officers executing same with the advice of counsel, their execution to constitute conclusive evidence of their approval of any such changes.

**SECTION 3:** The gas purchased by Gas Purchaser from Black Belt shall be sold by Gas Purchaser to Kimberly-Clark under the Downstream Supply Contract pursuant to a published tariff or rate schedule.

**SECTION 4:** The Downstream Supply Contract shall be in substantially the form submitted and attached hereto as Attachment B.

**SECTION 5:** The Custodial Agreement shall be in substantially the form submitted and attached hereto as Attachment C.

**SECTION 6:** The City Manager (the "Authorized Officer") is hereby authorized to execute and deliver the Gas Supply Agreement, the Downstream Supply Contract and the Custodial Agreement and the Secretary/Clerk or other officer of Gas Purchaser (the "Attesting Officer") is hereby authorized to attest the Gas Supply Agreement, the Downstream Supply Contract and the Custodial Agreement.

**SECTION 7:** The officers, employees, and agents of Gas Purchaser are hereby authorized and directed to take such actions and do all things necessary to cause the purchase of said gas to take place, including the payment of all amounts required to be paid in order to purchase the gas in accordance with the Gas Supply Agreement and sell the gas in accordance with the Downstream Supply Contract.

**SECTION 8:** The Gas Purchaser consents to the assignment and pledge of all of Black Belt's right, title and interest under the Gas Supply Agreement, including the right to receive performance by Gas Purchaser of its obligations thereunder, to secure the payment of principal of and interest on the Bonds.

**SECTION 9:** The officers and employees of Gas Purchaser, as well as any other agent or representative of Gas Purchaser, are hereby authorized and directed to cooperate with and provide Black Belt, the underwriters of the Bonds, and their agents and representatives with such information relating to Gas Purchaser as may be necessary for use in the preparation and distribution of a preliminary official statement or other disclosure document used in connection with the sale of the Bonds. After the Bonds have been sold, any officer or employee of Gas Purchaser, or any agent or representative designated by Gas Purchaser, shall make such completions, deletions, insertions, revisions, and other changes in the preliminary official statement relating to Gas Purchaser not inconsistent with this Resolution as are necessary or desirable to complete it as a final official statement for purposes of Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"). The Board of Directors hereby covenants and agrees that Gas Purchaser will cooperate with Black Belt in the discharge of Black Belt's obligations to provide annual financial and operating information and notification as to material events with respect to Gas Purchaser as may be required by the Rule. Any officer or employee of Gas Purchaser, or such other agent or representative of Gas Purchaser as shall be appropriate, is hereby authorized and directed to provide such information as shall be required for such compliance, and such officer or employee may execute a continuing disclosure agreement with respect to the provision of such information if requested to do so by the underwriters of the Bonds.

**SECTION 10:** The Bonds are not obligations of Gas Purchaser but are limited obligations of Black Belt payable solely from the revenues and receipts pledged by Black Belt under the Indenture, including the revenues and receipts arising from the sale of gas to Project Participants, including Gas Purchaser. By consenting to the assignment of the Gas Supply Agreement and agreeing to provide information for inclusion in the official statement, Gas Purchaser is not incurring any financial liability with respect to the Bonds.

**SECTION 11:** All acts and doings of the officers and employees of Gas Purchaser or any other agent or representative of Gas Purchaser which are in conformity with the purposes and intent of this Resolution and in furtherance of the execution and delivery of and performance under the Gas Supply Agreement, and in furtherance of the issuance and sale of the Bonds, shall be and the same hereby are in all respects approved and confirmed, including without limitation the execution and delivery by the officers of Gas Purchaser of all certificates and documents as they shall deem necessary in connection with the Gas Supply Agreement and the Bonds.

**SECTION 12:** If any section, paragraph or provision of this Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this Resolution.

**SECTION 13:** All other resolutions or orders, or parts thereof, in conflict with the provisions of this Resolution are, to the extent of such conflict, hereby repealed and this Resolution shall be in immediate effect from and after its adoption.

**SECTION 14:** This Resolution shall take effect immediately upon its adoption.

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Chairman

Passed: \_\_\_\_\_

Adopted and approved this \_\_\_\_\_ day of \_\_\_\_\_, 2021.

\_\_\_\_\_  
**NAME**  
**TITLE**

I, \_\_\_\_\_, do hereby certify that I am the duly qualified and acting \_\_\_\_\_ of \_\_\_\_\_, and as such official I further certify that the foregoing is a true and correct copy of a resolution adopted by the Board of Directors of the Utility Board of the City of Loudon, Loudon County, Tennessee at a meeting, a quorum being present and acting throughout, held on \_\_\_\_\_ 2021.

\_\_\_\_\_  
**[Secretary/Clerk]**

ATTACHMENT A  
FORM OF GAS SUPPLY AGREEMENT

[Attached]



ATTACHMENT B  
FORM OF DOWNSTREAM SUPPLY AGREEMENT

[Attached]

ATTACHMENT C  
FORM OF CUSTODIAL AGREEMENT

[Attached]

**RESOLUTION NO. 2021-\_\_**  
**ESTABLISHING NATURAL GAS RATES**  
**EFFECTIVE SEPTEMBER 2021**

**WHEREAS,** Loudon Utilities purchases natural gas at the first of the month index price; and

**WHEREAS,** It is therefore necessary to change the natural gas rate each month based on the price of gas that is being purchased for resale; and

**WHEREAS,** The Utility Manager has recommended the price for the sale of gas for customers other than interruptible and process load customers be set at \$1.32 per 100 cubic feet for all meters read after September 1, 2021.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of Loudon Utilities as follows:

**Section 1.** The natural gas rate for meters for customers other than interruptible and process load customers read on or after September 1, 2021 shall be \$1.32 per 100 cubic feet.

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Chairman

Passed: \_\_\_\_\_

## 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	3.9300			
Pipeline Charges	0.2755	0.1115	0.1132	0.1295	0.1405			
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	4.1155			
BTU & System Loss (8%)	0.0000	0.2405	0.2455	0.2956	0.3292			
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	8.7717			
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	\$13.2462			
Rate per 100 Cubic Feet	\$1.10	\$1.20	\$1.21	\$1.28	\$1.32			

*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*

# Tennessee Valley Authority

## Fuel Cost Adjustment

Effective: from October 1, 2006

FCA	TERM	FCA	Base Fuel Amount	New FCA Amount	Residential Increase per 1,000 kWh	Cumulative Increase
Jan	2018	(0.182)	1.994	1.812	-0.51	-1.82
Feb	2018	(0.150)	1.994	1.844	0.32	-1.50
Mar	2018	0.024	1.994	2.018	1.74	0.24
Apr	2018	(0.006)	1.994	1.988	-0.30	-0.06
May	2018	(0.073)	1.994	1.921	-0.67	-0.73
Jun	2018	(0.113)	1.994	1.881	-0.40	-1.13
Jul	2018	(0.102)	1.994	1.892	0.11	-1.02
Aug	2018	(0.101)	1.994	1.893	0.01	-1.01
Sep	2018	(0.326)	1.994	1.668	-2.25	-3.26
Oct	2018	(0.158)	1.994	1.836	1.68	-1.58
Nov	2018	(0.074)	1.994	1.920	0.84	-0.74
Dec	2018	(0.050)	1.994	1.944	0.24	-0.50
Jan	2019	0.034	1.994	2.028	0.84	0.34
Feb	2019	(0.085)	1.994	1.909	-1.19	-0.85
Mar	2019	(0.203)	1.994	1.791	-1.18	-2.03
Apr	2019	(0.314)	1.994	1.680	-1.11	-3.14
May	2019	(0.336)	1.994	1.658	-0.22	-3.36
Jun	2019	(0.247)	1.994	1.747	0.89	-2.47
Jul	2019	(0.140)	1.994	1.854	1.07	-1.40
Aug	2019	(0.321)	1.994	1.673	-1.81	-3.21
Sep	2019	(0.491)	1.994	1.503	-1.70	-4.91
Oct	2019	(0.466)	1.994	1.528	0.25	-4.66
Nov	2019	(0.236)	1.994	1.758	2.30	-2.36
Dec	2019	(0.247)	1.994	1.747	-0.11	-2.47
Jan	2020	(0.162)	1.994	1.832	0.85	-1.62
Feb	2020	(0.357)	1.994	1.637	-1.95	-3.57
Mar	2020	(0.367)	1.994	1.627	-0.10	-3.67
Apr	2020	(0.564)	1.994	1.430	-1.97	-5.64
May	2020	(0.579)	1.994	1.415	-0.15	-5.79
Jun	2020	(0.567)	1.994	1.427	0.12	-5.67
Jul	2020	(0.497)	1.994	1.497	0.70	-4.97
Aug	2020	(0.580)	1.994	1.414	-0.83	-5.80
Sep	2020	(0.723)	1.994	1.271	-1.43	-7.23
Oct	2020	(0.566)	1.994	1.428	1.57	-5.66
Nov	2020	(0.450)	1.994	1.544	1.16	-4.50
Dec	2020	(0.511)	1.994	1.483	-0.61	-5.11
Jan	2021	(0.417)	1.994	1.577	0.94	-4.17
Feb	2021	(0.500)	1.994	1.494	-0.83	-5.00
Mar	2021	(0.458)	1.994	1.536	0.42	-4.58
Apr	2021	0.042	1.994	2.036	5.00	0.42
May	2021	(0.268)	1.994	1.726	-3.10	-2.68
Jun	2021	(0.261)	1.994	1.733	0.07	-2.61
Jul	2021	(0.093)	1.994	1.901	1.68	-0.93
Aug	2021	(0.120)	1.994	1.874	-0.27	-1.20
Sep	2021	(0.192)	1.994	1.802	-0.72	-1.92
Oct	2021					
Nov	2021					
Dec	2021					

\* Beginning April 1st 2011 TVA removed all fuel costs from the base rates and will include all fuel costs in the Fuel Cost Adjustment in the future