



## **LOUDON UTILITIES**

P.O. BOX 69  
LOUDON, TENNESSEE 37774

### **AGENDA**

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

**September 27, 2021**

**4:30 PM**

1. Call to Order
2. Recognition of Visitors
  - A. Recognition of Employee Work Anniversaries
3. Approval of Minutes
  - A. Regular Meeting – August 23, 2021
4. Financial Reports
5. Items for Board Action
  - A. Approving a Power Supply Flexibility Agreement with the Tennessee Valley Authority
  - B. Authorizing Participation in Seven States Middle Mile Fiber Optic Network Project
  - C. Awarding Bid for the Watt Cemetery Road Water Project
  - D. Authorizing Fixed Assets Ledger Items to be Declared Surplus
  - E. Establishing Natural Gas Rates Effective October 2021
6. Other
  - A. Tennessee Valley Authority Fuel Cost Adjustment
7. Adjournment



## LOUDON UTILITIES

P.O. BOX 69  
LOUDON, TENNESSEE 37774

To: Chairman Campbell and Board Members

From: Ty Ross

Subject: September Agenda Items

Date: September 24, 2021

The following items appear on the agenda for the September 27, 2021 meeting of the Board of Directors of Loudon Utilities:

### **Recognition of Visitors.**

- A. Recognition of Employee Work Anniversaries. Three (3) LUB employees have a service anniversary this month (September) and will be recognized with a service award.
- David Fickey – 26 years
  - Gregg Hensley – 35 years
  - John Davis – 40 years

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

- A. Approving a Power Supply Flexibility Agreement with the Tennessee Valley Authority. This agreement with TVA amends our 20-year supply contract entered into to allow for 5% of LUB energy to purchase from a qualified facility (like a solar array). This flexibility option was always promised by TVA with the new contract and this agreement documents our election to utilize the option.

- B. Authorizing Participation in Seven States Middle Mile Fiber Optic Network Project. This agreement with Seven States documents our election to participate in the Middle Mile Fiber Network project with other LPCs in the Valley. Phase One of the Middle Mile project will design fiber interconnectivity between all LPCs. The firm of Black & Veatch has been contracted to perform the design work at a cost of approximately \$652,024.00. LUB's share of this cost (based upon a meter count formula) is \$6,680.00 and this agreement commits us to this amount.
- C. Awarding Bid for the Watt Cemetery Road Water Project. Bids have been reviewed and it is recommended to award the bid to Adams and Sons, Inc. in the amount of \$1,847,491.00.
- D. Authorizing Fixed Assets Ledger Items to be Declared Surplus. Gas, Water, and Sewer Fixed Asset Ledgers include several items that are obsolete and/or have previously been declared surplus. This will remove those items from the accounting ledgers.
- E. Establishing Natural Gas Rates Effective October 2021. The cost of natural gas delivered to the City Gate increased for the month of September 2021. Utilizing the formula for natural gas rates, this converts into a rate of \$1.37 per 100 cubic feet for gas billed after October 1, 2021.

**Other.**

- A. Tennessee Valley Authority Fuel Cost Adjustment. The TVA FCA for October 2021 increased from \$0.01802 per kWh to \$0.01997 per kWh. The rate will result in a \$1.95 increase for each 1,000 kWh of residential customers use.

**REGULAR MEETING  
LOUDON UTILITIES**

**August 23, 2021**

The Board of Directors of Loudon Utilities held its properly advertised regular meeting on August 23, 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, Bill Watkins, Attorney Kris Frye, and Secretary Meghan Hull. Also present were approximately sixteen (16) people.

Chairman Campbell welcomed everyone and called the meeting to order.

Chairman Campbell honored employees Brad Parks (20 years), Lynn Davis (24 years), Clay Townson (24 years), and Chuck Hughes (26 years) for their service.

Chairman Campbell invited Director of Human Services Brown to give an update on the filling of available positions. Director Brown explained the interview process with the resulting employment of Taylor Watson and Conner Scott as Apprentice Linemen in September.

Director Dixon suggested considering an additional Apprentice Lineman. Chairman Campbell stated that the two new employees fill the current budget allowance.

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 July 26, 2021. **A motion was made by Director McEachern, seconded by Director Dixon and unanimously passed that the minutes of the regular meeting held on July 26, 2021 be approved as written.**

Financial reports were distributed for June and it was requested to defer acceptance until September.

The first item for Board action was to consider the bid results for the Vonore pump station. **A motion was made by Director Watson and seconded by Director Dixon that the following resolution be approved:**

**RESOLUTION NO. 2021-37**

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

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

The next item on the formal agenda was to approve a Solar Power Purchase Agreement. Manager Ross said that the agreement is not complete at this time. This item will be considered at a future meeting.

Next Board considered transferring control over disposition of the former Hutch property to the City Council for further negotiations with the developer. Attorney Frye stated that this resolution nullifies the previous property sale authorization. **A motion was made by Director McEachern and seconded by Director Farmer that the following resolution be approved:**

**RESOLUTION NO. 2021-38**

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

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

Next Board discussed approval of an updated agreement with Black Belt Energy Gas District for the bulk purchase of natural gas to enable large volume discounts. Manager Ross explained that the financial institution had been changed to Morgan Stanley. **A motion was made by Director McEachern and seconded by Director Dixon that the following resolution be approved:**

**RESOLUTION NO. 2021-39**

**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**

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

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

**RESOLUTION NO. 2021-40**

**ESTABLISHING NATURAL GAS RATES  
EFFECTIVE SEPTEMBER 2021**

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

Chairman Campbell introduced an added resolution from Attorney Frye to enable court action to acquire the property required for the water tank on Watt Cemetery Road. **A motion was made by Director Dixon and seconded by Director McEachern that the following resolution be approved:**

**RESOLUTION NO. 2021-41**

**AUTHORIZING ACQUISITION OF PROPERTY  
FOR INFRASTRUCTURE BY CONDEMNATION**

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

Manager Ross stated that the Tennessee Valley Authority fuel cost adjustment had decreased from \$0.01874 per kWh to \$0.01802 per kWh. This results in a \$0.72 decrease for each 1,000 kWh of residential customer usage.

Manager Ross thanked the Board for their support of the annual Riverfest. Facilities and Maintenance Director Harrell said it was the biggest celebration with 5000-7000 people involved throughout the day.

There being nothing further, Chairman Campbell adjourned the meeting at 5:10 p.m.

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Secretary

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Chairman

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

**APPROVING A POWER SUPPLY FLEXIBILITY AGREEMENT  
WITH THE TENNESSEE VALLEY AUTHORITY**

**WHEREAS**, Tennessee Valley Authority (TVA) provides power requirements to Loudon Utilities for resale under contract number TV-50428A; and

**WHEREAS**, TVA and Loudon Utilities have entered into a Long-Term Agreement covering arrangements to increase the length of and strengthen the contractual relationship to help ensure the long-term success of the public power model.

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

**Section 1.** The Chairman or Manager of the Loudon Utilities is hereby authorized to execute the attached Power Supply Flexibility Agreement with the Tennessee Valley Authority.

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Chairman

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

## POWER SUPPLY FLEXIBILITY AGREEMENT

TV-50428A, Supp. No. \_\_\_\_

This Agreement is between the CITY OF LOUDON, TENNESSEE (“**Distributor**”), a Tennessee municipal corporation, and TENNESSEE VALLEY AUTHORITY (“**TVA**”), a corporate agency and instrumentality of the United States of America, created and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended.

Distributor purchases all of its power requirements from TVA for resale under contract number TV-50428A, effective December 8, 1978, as amended (“**Power Contract**”).

Distributor and TVA have entered into the Long-Term Agreement, Supplement 94 to the Power Contract, effective August 29, 2019 (“**LTA**”), covering arrangements to increase the length of and strengthen the contractual relationship to help ensure the long-term success of the public power model.

Therefore, the parties agree as follows:

### **SECTION 1 - TERM AND TERMINATION**

#### **1.1 - Term**

Except as provided below, this Agreement remains effective until the earlier of:

- a) the termination of the Power Contract;
- b) the 20th anniversary of the date on which the LTA terminates;
- c) the 20th anniversary of the date of Distributor’s written notice to TVA to terminate the Power Contract; or
- d) the 20th anniversary of the date of TVA’s written notice to Distributor that Distributor failed to comply with the notice under section 10.3 below to cease all power production from non-compliant Energy Resource facilities.

#### **1.2 - Lock-Out Period**

Distributor will not expand any Energy Resources (as defined below), will not increase the capacity of any Energy Resources, and will not initiate any new Energy Resources for operation during the term of the Power Contract, upon the occurrence of any of the following:

- a) the date Distributor provides written notice to terminate the Power Contract,
- b) termination of the LTA,
- c) the date of TVA’s written notice to Distributor that Distributor failed to comply with the notice under section 10.3 below to cease all power production from non-compliant Energy Resource facilities, or
- d) Distributor deployment of Energy Resources in an amount equal to the maximum Enhanced Flexibility Volume allowed under section 3 of this Agreement.

Distributor may continue to operate and maintain any pre-existing Energy Resources for the remaining term of this Agreement, subject to the terms and conditions set forth herein.

#### **1.3 - Early Termination**

Any time prior to termination of this Agreement under subsection 1.1, but after the provisions of subsections 1.2(a), 1.2(b), and/or 1.2(c) become applicable, TVA shall have the right to terminate this Agreement to be effective upon 10 days’ prior written notice to Distributor at any time that Distributor has no in-service Energy Resources.

## **SECTION 2 - ELIGIBLE ENERGY RESOURCE TYPES**

### **2.1 - Allowed Resources**

“**Energy Resources**” means facilities that Distributor (or third parties, on Distributor’s behalf) builds, owns, controls, constructs, installs, sells equipment for, operates, directs the operation of, or uses, which produce electric energy or store electric energy produced by another Energy Resource while operating in parallel with the TVA electric system. At its expense, Distributor may deploy only the following types of Energy Resources, in an amount up to the Enhanced Flexibility Volume allowed under section 3 of this Agreement:

- a) solar-based power generating resources of any type, including those integrated with batteries;
- b) natural gas power generating resources of any type, including those integrated with batteries;
- c) wind turbine generation, including those integrated with batteries; and,
- d) other carbon-free or carbon-neutral facilities that TVA deems to be consistent with TVA’s Integrated Resource Plan or comparable successor integrated resource plan.

### **2.2 - Addition and Removal of Allowed Resources**

- a) TVA may expand the list of allowed Energy Resources in subsection 2.1, immediately upon providing written notice to Distributor. Such expanded list may include additional Energy Resources that TVA, in its sole discretion, deems to be consistent with TVA’s Integrated Resource Plan or comparable successor integrated resource plan.
- b) In its sole discretion, TVA may remove any Energy Resource from the list of allowed Energy Resources in subsection 2.1, upon not less than 90 days’ prior written notice to Distributor, if TVA determines that deployment of that Energy Resource would no longer be consistent with resources added in TVA’s Integrated Resource Plan or comparable successor integrated resource plan.

Any Energy Resource facility documented by an initiation form submitted to TVA in accordance with section 7(a) below prior to the effective date of a TVA removal will not be subject to that removal notice.

### **2.3 - PURPA Purchase**

To preserve this Agreement, TVA will assist any Distributor purchasing energy from a Qualifying Facility (“**QF**”) to facilitate compliance with TVA rules, regulations, and participation in renewable energy programs, including the Dispersed Power Production Program. Distributor must comply with any guidance TVA provides regarding any purchases from QFs. A contract between a QF and Distributor will be designated as an Energy Resource and applied against the Enhanced Flexibility Volume unless the QF is compensated at a rate no higher than TVA’s applicable avoided cost rate for power and the power is assigned or conveyed to TVA by Distributor and accepted by TVA.

## **SECTION 3 - ENHANCED FLEXIBILITY VOLUME**

Distributor may deploy Energy Resources in a total capacity amount (based on alternating current nameplate rating) not to exceed the greater of the following (“**Enhanced Flexibility Volume**”):

- a) 5% of Distributor’s energy, where Distributor’s energy is the average hourly capacity usage, initially over TVA fiscal years 2015 through 2019; or
- b) 1 MW.

Each allowed Energy Resource type will be assigned a factor between 0 and 1 (“**Technology Factor**”). The Technology Factor for solar-based power generating Energy Resources will be 0.4 and, except for Energy Resources approved by TVA pursuant to section 2.1(d) or added by TVA pursuant to section 2.2(a), Energy Resources that are not solar-based will have a Technology Factor of 1.0. TVA will approve



a Technology Factor for any Energy Resources that are approved by TVA in accordance with (i) section 2.1(d), at the time TVA deems the Energy Resource consistent with the IRP, and (ii) section 2.2(a), when the new Energy Resource is approved by TVA. For the purpose of calculating each Energy Resource's contribution to the Enhanced Flexibility Volume, the facility's alternating current nameplate rating will be multiplied by its Technology Factor.

Upon Distributor's written request, TVA will recalculate Distributor's average Enhanced Flexibility Volume over the five consecutive TVA-fiscal-year periods prior to the time of the request. The recalculated Distributor's energy amount will apply only if it is greater than the Enhanced Flexibility Volume as of the date of Distributor's request. If TVA issues a notice of violation of this section notifying a Distributor that it has exceeded the Enhanced Flexibility Volume, Distributor shall cease the operation or permanently reduce the alternating current nameplate rating of an Energy Resource under its control or contract in order to return Distributor to within the Enhanced Flexibility Volume.

#### **SECTION 4 - ENERGY RESOURCE SITING AND SIZING**

For any Energy Resources, Distributor must:

- a) connect them to Distributor's distribution system (which includes behind the Distributor-customer's meter);
- b) locate them within Distributor's service territory;
- c) provide or distribute output from them only to Distributor's end-use customers, either individually or collectively; and
- d) not cause any interval's takings at any individual wholesale delivery point to go below zero.

#### **SECTION 5 - ENERGY RESOURCE MANAGEMENT**

Distributor must comply with all applicable laws, and must comply with accepted industry standards in the development, construction, financing, operation, and maintenance of Energy Resources, including, but not limited to, the then-current versions of IEEE 1547 and UL 1741.

TVA will review the impact of Distributor's planned Energy Resource(s) on TVA's electric system. If TVA identifies any adverse impacts on TVA's electric system that will be caused by Distributor's planned Energy Resource(s), TVA will notify Distributor of the equipment necessary to remediate such adverse impact. Distributor will coordinate with TVA for the installation of any such necessary equipment and reimburse TVA for TVA's costs.

For any Energy Resource deployed that is above 25 MVA or that requires TVA to install protective devices (e.g., transfer trip), TVA and Distributor will enter into a parallel operating agreement for that specific Energy Resource.

#### **SECTION 6 - ENERGY RESOURCE METERING**

Distributor must meter all Energy Resources in a manner consistent with the requirements, standards, and guidance set forth in TVA's Metering Requirements for Generation, Physical Tie Lines, Pseudo-ties, and Dynamic Schedules procedure ("**Metering Requirements**"). TVA may update or change the Metering Requirements upon not less than 30 days' written notice to Distributor. When TVA makes such updates or changes, or at any time upon Distributor's request, TVA will provide the revised Metering Requirements to Distributor. For any situation that requires a TVA-owned meter in accordance with the Metering Requirements, Distributor must reimburse TVA for TVA's cost for procuring and installing such meter.

In the event that TVA provides to Distributor metering or communication devices for Energy Resources to ensure TVA operational reliability, then Distributor will provide to TVA: (1) unrestricted remote access to metering data at all times; and (2) physical access to the metering facilities, for the purpose of confirming remotely accessed data, during such time periods that TVA specifies, and in cooperation with Distributor's operating representatives.

## **SECTION 7 - ENERGY RESOURCE REPORTING AND RECORDKEEPING**

Distributor must report to TVA the following information regarding Distributor's implementation of Energy Resources, using the appropriate form and frequency, both of which TVA will specify.

Distributor's reporting requirements to TVA will be, at minimum, the following:

- a) an "**Initiation Notice Form**," to be submitted by Distributor during the early planning stages of Energy Resource facility development, but in no case less than 90 days prior to any new Energy Resource power production, which keeps TVA apprised of Energy Resource development within Distributor's service territory, expediting TVA's affected system interconnection studies, which TVA will conduct in a timely manner (TVA must review and provide advance, written approval of any plans to modify or operate an Energy Resource that materially differs from Distributor's original proposal to build such Energy Resource);
- b) an "**Operational Notice Form**," to be submitted by Distributor prior to any Energy Resource facility power production, which notifies TVA of an Energy Resource project that is capable of and ready to generate energy and provide power, consistent with this Agreement, and relevant information about such projects, including location, type, size, inverter data, transformer data, and other metering and interconnection information;
- c) a "**Monthly Reporting Form**," to be submitted by Distributor on a schedule specified by TVA, which captures Distributor's hourly meter data for Energy Resources every month, with projects over 1 MW individually delineated; and
- d) "**Annual Reporting**," to be submitted by Distributor on a schedule specified by TVA, which includes all information TVA requires for its planning and load forecasting, including Energy Resource generation forecasts, size and type of projects being considered in the coming year, and timing of projects.

## **SECTION 8 - ENHANCED POWER SUPPLY FLEXIBILITY AND PRICING STRUCTURE**

For up to the Enhanced Flexibility Volume set forth in section 3, Distributor's Energy Resource generation will displace the demand and energy usage that TVA would have otherwise charged to Distributor. The pricing structure against which demand and energy will be displaced is under the wholesale power rate schedule applicable under the Power Contract. In the event Distributor exceeds the Enhanced Flexibility Volume, TVA may adjust Distributor's wholesale bill to account for the Energy Resource generation that exceeds the Enhanced Flexibility Volume. Nothing in this Agreement shall preempt TVA's authority to set rates consistent with the TVA Act.

## **SECTION 9 - WHOLESALE POWER SUPPLY**

Except as specifically stated in the LTA and in this Agreement, Distributor remains obligated under the Power Contract to take from TVA the electric power Distributor requires to serve its customers, and any other sale or supply of power not supplied by TVA is prohibited. However, consistent with the LTA, power supplied by Distributor as part of and in compliance with the terms of this Agreement is not an event of default as specified in the subsection entitled "Distributor Events of Default" in section 3 the LTA.

In accordance with the Power Contract, TVA remains obligated to make every reasonable effort to be in a position to supply Distributor's total customer load, without regards to Distributor's deployment of Energy Resources under this Agreement.

## **SECTION 10 - CURTAILMENTS**

### **10.1 - Curtailment Rights**

If Distributor has implemented at least 5 MW of Energy Resource capacity, and if TVA determines, in its sole judgment, that a reliability emergency exists, then TVA will have the right to order Distributor to curtail its Energy Resource utilization by ceasing all Energy Resource power production from Energy Resource sites of 1 MW or greater.

**10.2 - Curtailement Period**

Distributor must cease all power production from all Energy Resource sites of 1 MW or greater within 15 minutes after TVA provides notification that an emergency condition exists. TVA will notify Distributor when the emergency condition has ended, at which time Distributor may resume power production from all Energy Resource sites.

**10.3 - Failure to Curtail**

If Distributor fails to curtail any Energy Resource site power production in accordance with subsections 10.1 and 10.2 above, TVA may require Distributor to cease all further power production from any non-compliant Energy Resource facilities. Such requirement to cease all further power production will become effective immediately upon written notice and will remain effective until such time that Distributor demonstrates to TVA's satisfaction that Distributor can satisfy the curtailment obligations. If Distributor fails to comply with the notice to cease all power production from non-compliant Energy Resource facilities, TVA shall provide a written notice that Distributor has failed to comply with the written notice to cease all power production and subsections 1.1(d) and 1.2(c) shall apply.

**10.4 - Notice of Curtailement**

TVA will provide notices either orally or electronically of Energy Resource curtailment. When providing notice by phone, TVA will use to the Primary Notice Phone Number below. If TVA does not reach anyone at the Primary Notice Phone Number, TVA also may provide notices, without obligation, to any Alternate Notice Phone Number(s) Distributor provides.

Primary Notice Phone Number	865-414-3520
Alternate Notice Phone Number(s)	865-606-1026

**SECTION 11 - RESPONSIBILITY TO CONSUMERS**

In making investments in Energy Resources under this Agreement, Distributor is responsible for maintaining low rates, protecting the financial viability of the electric system, and ensuring the non-discriminatory treatment of all electric consumers in a manner consistent with the Power Contract and with TVA's regulatory framework.

**SECTION 12 - NOTICE**

The parties will deem any written notice required under this Agreement to be given properly if a party delivers the required notice in writing by one of the following delivery methods: (1) posted on a website designated for delivery of Energy Resource information; (2) e-mailed to Distributor's General Manager, Superintendent, Chief Executive Officer, or equivalent management representative; or (3) sent to the address specified for notices in the LTA.

**SECTION 13 - CONFLICTS**

In the event of any conflict between this Agreement and another agreement between the parties, this Agreement controls.

**SECTION 14 - EXCEPTIONS**

Distributor may request exceptions or alternatives to the requirements set forth in this Agreement. TVA may accept or reject such request at its sole discretion. Approval of any requests will be implemented by an amendment to this Agreement, or by separate agreement.

**SECTION 15 - RATIFICATION**

The parties hereby ratify and confirm that: (a) the power supply flexibility solution provided for in this Agreement, as of this Agreement's effective date, satisfies TVA's obligations under section 2(e) of the LTA, and (b) the Power Contract, as amended by both this Agreement and the LTA, is their continuing obligation.

The effective date of this Agreement is the date of TVA's signature.

**CITY OF LOUDON, TENNESSEE**

By Board of Public Utilities

By \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**TENNESSEE VALLEY AUTHORITY**

By \_\_\_\_\_

Director  
Power Customer Contracts

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

**AUTHORIZING PARTICIPATION IN  
SEVEN STATES MIDDLE MILE FIBER OPTIC NETWORK PROJECT**

**WHEREAS,** The Manager has recommended participation in a middle mile fiber optic network across the Valley; and

**WHEREAS,** Seven States Power Corporation has begun to proceed with the engineering design work for a middle mile fiber optic network.

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

**Section 1.** The Manager is hereby authorized to sign documents for participation in the preliminary engineering work for a middle mile fiber optic network project in the amount of \$6,680.00.

**Section 2.** This participation agreement will terminate in the event Seven States is not able to obtain sufficient member funding for this project on or before October 31, 2021.

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Chairman

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

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

**AWARDING BID FOR  
THE WATT CEMETERY ROAD WATER PROJECT**

**WHEREAS**, Loudon Utilities received bids for the installation and upgrade of a 1MG tank and water main project on August 31, 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 Adams and Sons, Inc. in the amount of \$1,847,491.00.

**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 1MG tank and water main project is hereby awarded to the apparent low bid by Adams and Sons, Inc. in the amount of \$1,847,491.00.

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Chairman

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

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

**AUTHORIZING FIXED ASSETS LEDGER ITEMS  
TO BE DECLARED SURPLUS**

**WHEREAS,** The Finance Officer has recommended that certain fixed assets ledger items be declared surplus for journal entry documentation.

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

**Section 1.** The ledger items as shown on the attached summary are declared surplus and shall be removed from fixed assets ledger.

**Section 2.** A number of the listed items have previously been approved to be disposed of by means of trade-in, sales, or destroyed.

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Chairman

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



Fixed Assets Ledger Items to Surplus  
September 30, 2021  
Summary

Type	Gas	Water	Sewer
Metering	\$ 590,191.43	\$ 303,568.58	\$ -
Regulators	\$ 928.50	\$ -	\$ -
Office Equipment	\$ 1,013,815.81	\$ 76,763.38	\$ 56,241.96
Field Equipment	\$ 478,892.09	\$ 38,542.20	\$ 20,555.58
Communications	\$ 293,350.46	\$ 9,381.16	\$ 2,282.32
Plant Equipment	\$ 79,759.75	\$ 8,094.70	\$ 21,121.95
Vehicles	\$ 127,651.17	\$ 162,060.10	\$ 100,996.89
Engineering	\$ 35,500.00	\$ -	\$ -
Other	\$ 6,136.00	\$ -	\$ -
Plant	\$ -	\$ -	\$ 2,675.76
Pump Equipment	\$ -	\$ 18,039.63	\$ 128,152.55
Pump Stations	\$ -	\$ -	\$ 118.39
Lab	\$ -	\$ 7,629.04	\$ 895.50
Lines	\$ -	\$ 12,799.02	\$ -
<b>Total</b>	<b>\$ 2,626,225.21</b>	<b>\$ 636,877.81</b>	<b>\$ 333,040.90</b>



**RESOLUTION NO. 2021-\_\_**  
**ESTABLISHING NATURAL GAS RATES**  
**EFFECTIVE OCTOBER 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 \$1.37 per 100 cubic feet for all meters read after October 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 October 1, 2021 shall be \$1.37 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	4.3000		
Pipeline Charges	0.2755	0.1115	0.1132	0.1295	0.1405	0.1496		
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	4.4946		
BTU & System Loss (8%)	0.0000	0.2405	0.2455	0.2956	0.3292	0.3596		
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	9.1812		
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	\$13.6557		
Rate per 100 Cubic Feet	\$1.10	\$1.20	\$1.21	\$1.28	\$1.32	\$1.37		

*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	0.003	1.994	1.997	1.95	0.03
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