



## **LOUDON UTILITIES**

P.O. BOX 69

LOUDON, TENNESSEE 37774

### **AGENDA**

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

**October 25, 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 – September 27, 2021
4. Financial Reports
5. Items for Board Action
  - A. Approving the Solar Power Supply Contract with Walking Horse Solar, LLC
  - B. Approving Intent Agreement with the Tennessee Valley Authority
  - C. Establishing Natural Gas Rates Effective November 2021
6. Other
  - A. Tennessee Valley Authority Fuel Cost Adjustment
7. Adjournment



## LOUDON UTILITIES

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To: Chairman Campbell and Board Members  
From: Ty Ross  
Subject: October Agenda Items  
Date: October 22, 2021

The following items appear on the agenda for the October 25, 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 (October) and will be recognized with service awards.

- Jim McKee – 25 years
- Greg Brown – 28 years
- Bill Watkins – 34 years
- Roy Hughes – 44 years

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

A. Approving the Solar Power Supply Contract with Walking Horse Solar, LLC. This agreement arranges for the design, permitting, financing and installation of a solar energy system at little to no cost to LUB. The developer, Sunrise aka Walking Horse Solar, LLC will sell the power generated to LUB at a fixed cost of 4.3 cents per kWh which is a rate lower than the wholesale rate we pay to TVA. This lower energy price will offset our normal wholesale expenditure while the developer will receive the income from these sales as well as any tax credits generated from the system. The term of the agreement is 25 years and under the agreement LUB can extend the term, buy the system, or sever ties with the system at the conclusion of the initial term.



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- B. Approving Intent Agreement with the Tennessee Valley Authority. This letter of intent is to allow Malibu to more reliably move forward with plans to construct improvements on property that is encumbered by TVA's Melton Hill/Ft. Loudoun/Lenoir City Transmission Line (L3943). Specifically, TVA has four (4) structures that cross this property. TVA agrees to abandon these structures and reroute transmission for estimated total cost of \$120,974.00. LUB agrees in this letter of intent to assume this cost and facilitate this project as the Local Power Company. NOTE: We will add said cost to our Aid to Construction billed to Malibu if and when the project comes to fruition and LUB is tasked with constructing distribution to the new facility. This project will more or less come together when a site plan is completed for LUB and TVA to review. This letter of intent is the first step in the process.
- C. Establishing Natural Gas Rates Effective November 2021. The cost of natural gas delivered to the City Gate increased for the month of October 2021. Utilizing the formula for natural gas rates, this converts into a rate of \$1.43 per 100 cubic feet for gas billed after November 1, 2021.

### Other.

- A. Tennessee Valley Authority Fuel Cost Adjustment. The TVA FCA for November 2021 increased from \$0.01997 per kWh to \$0.02193 per kWh. The rate will result in a \$1.96 increase for each 1,000 kWh of residential customers use.

**REGULAR MEETING  
LOUDON UTILITIES**

**September 27, 2021**

The Board of Directors of Loudon Utilities held its properly advertised regular meeting on September 27, 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, and Carlie McEachern. Director Bart Watson was absent. Others present were Manager Ty Ross, Nicole Curtis, John Davis, Bill Watkins, Attorney Kris Frye, and Secretary Meghan Hull. Also present were approximately twelve (12) people.

Chairman Campbell welcomed everyone and called the meeting to order.

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

Chairman Campbell honored employees David Fickey (26 years), Gregg Hensley (35 years), and John Davis (40 years) for their service.

Chairman Campbell asked for approval of the minutes of the regular meeting held on August 23, 2021. **A motion was made by Director Dixon, seconded by Director Farmer and unanimously passed that the minutes of the regular meeting held on August 23, 2021 be approved as written.**

Financial reports had been distributed for July. **A motion was made by Director Dixon, seconded by Director Farmer and unanimously passed that the reports be received and placed on file.**

The first item for Board action was a power supply flexibility agreement amendment with the Tennessee Valley Authority. This amendment with TVA better allows for a solar energy program in the near future. **A motion was made by Director McEachern and seconded by Director Farmer that the following resolution be approved:**

**RESOLUTION NO. 2021-42**

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

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

Next Board considered participation in the preliminary engineering of a fiber optic network project across the Tennessee Valley with Seven States Power Corporation coordinating the project. In the event that sufficient member funding does not occur by October 31, 2021 the project does not proceed. **A motion was made by Director Farmer and seconded by Director McEachern that the following resolution be approved:**

**RESOLUTION NO. 2021-43**

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

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

Next Board discussed the bid award to Adams and Sons, Inc. for the water tank project in the Watt Cemetery Road area. **A motion was made by Director Farmer and seconded by Director McEachern that the following resolution be approved:**

**RESOLUTION NO. 2021-44**

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

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

Board consideration was given to approve the removal of certain fixed assets that are obsolete and/or have previously been declared surplus. **A motion was made by Director Dixon and seconded by Director McEachern that the following resolution be approved:**

**RESOLUTION NO. 2021-45**

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

**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. 2021-46**

**ESTABLISHING NATURAL GAS RATES  
EFFECTIVE OCTOBER 2021**

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

Manager Ross stated that the Tennessee Valley Authority fuel cost adjustment had increased from \$0.01802 per kWh to \$0.01997 per kWh. This results in a \$1.95 increase for each 1,000 kWh of residential customer usage.

Manager Ross stated that two (2) directors would be out of town on October 11, 2021 and suggested that the workshop meeting be rescheduled for October 18, 2021. Chairman Campbell requested that it be advertised to reschedule the workshop.

There being nothing further, Chairman Campbell adjourned the meeting at 4:53 p.m.

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Secretary

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Chairman

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

**APPROVING THE SOLAR POWER SUPPLY CONTRACT  
WITH WALKING HORSE SOLAR, LLC**

**WHEREAS**, Tennessee Valley Authority (TVA) provides power requirements to Loudon Utilities for resale; and

**WHEREAS**, TVA and Loudon Utilities have entered into agreements that allow the purchase of renewable energy from outside sources; and

**WHEREAS**, Sunrise Energy Ventures, LLC dba Walking Horse Solar, LLC has submitted a contract to deliver safe and affordable carbon-free electricity by offering solar power and storage through a solar power agreement to Loudon Utilities.

**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 sign appropriate power supply agreement documents with Walking Horse Solar, LLC.

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Chairman

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

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

**APPROVING INTENT 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 negotiated a proposal for the relocation of a section of 69kV Transmission Line (L3943).

**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 Intent Agreement with the Tennessee Valley Authority.

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Chairman

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

**INTENT AGREEMENT**

Contract No. \_\_\_\_\_

This Agreement is between the CITY OF LOUDON, TENNESSEE ("**Distributor**"), a Tennessee municipal corporation; and the 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**").

TVA proposes to abandon the easement as described under Section 2 below ("**Easement**"). The value of the real property rights to be abandoned is \$35,393.00, and TVA's estimated transaction costs for this abandonment are \$85,581.00, for an estimated total cost of \$120,974.00.

TVA is prepared to recommend that the TVA Board of Directors, or its designee, authorize abandonment of the Easement ("**Abandonment**"), subject to the completion of appropriate environmental, programmatic, and legal reviews and approvals. This recommendation will be made upon Distributor's agreement to pay the total actual costs incurred by TVA ("**Purchase Price**"), which are estimated at \$120,974.00, in exchange for the Abandonment and in accordance with this Agreement.

Therefore, the parties agree as follows:

**SECTION 1 - TERM OF AGREEMENT**

This Agreement remains in effect until the parties fulfill all obligations under this Agreement.

**SECTION 2 - EASEMENT**

TVA proposes to abandon the following easement rights:

Location / Description	TVA Drawings <i>(as may be revised)</i>	Value of Land Rights to be Abandoned
The portions of easement rights identified as TVA Tract Nos. CLA-171A and CLA-172 that encompass Structures 279-282 on TVA's Melton Hill HP - Ft. Loudoun HP-Lenoir City 69kV Transmission Line (L3943). For reference, latitude/longitude for structures is listed below:		
Str. 279            35.758563525,- 84.318998095	CP-891  TEPCO drawing 20301, sheets 21 and 22	\$35,393.00
Str. 280            35.7596111,- 84.3181712		
Str. 281            35.760942912,- 84.317609359		
Str. 282            35.762469813,- 84.3169442		

**SECTION 3 - ENVIRONMENTAL REVIEW**

TVA will perform an environmental review to assess impacts such as indications of previous spill contamination, botanical or terrestrial/aquatic zoological issues, and/or cultural/archeological features. Once the environmental review is complete, TVA will notify Distributor and will provide the estimated cost of such reviews.



If a more in-depth review is required, TVA may elect to terminate all or a portion of the Abandonment, and Distributor may elect to terminate the Abandonment by notifying TVA in writing that it does not wish to proceed. Upon receipt of Distributor's election, TVA will perform no further work associated with the Abandonment. Distributor will pay to TVA only the cost of the initial environmental review and any other transaction costs incurred by TVA up to that point.

Restrictions may be required based on the nature of the environmental resources found during the environmental review.

#### **SECTION 4 - TVA APPROVAL**

Abandonment of the Easement is subject to approval by the TVA Board of Directors, or its designee.

#### **SECTION 5 - LEGAL PROVISIONS**

The Abandonment may require applicable restrictions based on legal, programmatic, and environmental reviews and such appropriate conditions, reservations, and restrictions necessary to protect TVA's statutory obligations and business requirements. Requirements for Commercial General Liability insurance, conditions required by the National Historic Preservation Act, the Endangered Species Act, or other provisions as required by TVA, federal, and state regulations may also be included.

#### **SECTION 6 - INCORPORATION OF ATTACHMENTS**

The parties agree that the attached "Billing and Payment Terms" are made a part of this Agreement. In the event of any conflict between the body of this Agreement and the Billing and Payment Terms, the former controls.

#### **SECTION 7 - PAYMENT FOR ABANDONMENT**

After TVA completes the Abandonment, TVA will submit an invoice to Distributor for the Purchase Price, and Distributor will pay TVA consistent with this Agreement and the attached Billing and Payment Terms.

#### **SECTION 8 - PRIMARY CONTACT**

Distributor will direct any questions or comments about the timing or process of the proposed Abandonment to the assigned TVA Customer Service Engineer or Customer Service Manager ("**Primary Contact**"). Upon its execution, Distributor will return the Agreement to the Primary Contact.

All written notices to TVA under this Agreement should be sent via email to [contractnotices@tva.gov](mailto:contractnotices@tva.gov).

#### **SECTION 9 - OTHER PROVISIONS**

##### **9.1 - Standard Clauses**

The following conditions and certifications published in Title 18, Code of Federal Regulations, Part 1316 (Federal Register, April 29, 1993, with any subsequent revisions) are hereby incorporated by reference to the extent applicable:

- i. Officials Not to Benefit.
- ii. Affirmative Action and Equal Opportunity.

**9.2 - Entire Agreement**

This Agreement (including any and all exhibits and attachments hereto) is the entire agreement of the parties and supersedes any prior representations, promises, agreements, or understanding with respect to the subject matter hereof. This Agreement may not be amended or supplemented except by a written instrument executed by all the parties.

**9.3 - Binding Agreement and Authority**

Each of the parties hereby represents it has full right and authority to enter into this Agreement, and each of the persons signing on behalf of the parties is authorized to do so.

**9.4 - Waiver**

No waiver or modification of any provision of this Agreement will be effective unless it is in writing and signed by the party hereto against whom it is asserted. Any such written waiver will only be applicable to the specific instance to which it relates and will not be deemed to be continuing or future waiver.

**9.5 - Good Faith**

The parties shall attempt, in good faith, to resolve informally any dispute, in a timely and cost-effective manner.

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

**BILLING AND PAYMENT TERMS**  
**(Payments to TVA)**  
(11/16/2009 version)

**SECTION 1 - DEFINITION OF TERMS**

“TVA” means the Tennessee Valley Authority.

“Reimbursable Contract” means the agreement or contract to which these Billing and Payment Terms are made a part as an attachment or exhibit.

“Billing Party” means the party owed any amount due under the Reimbursable Contract in accordance with these Billing and Payment Terms.

“Billed Party” means the party obligated to pay any amount due under the Reimbursable Contract in accordance with these Billing and Payment Terms. (The same party to the Reimbursable Contract may be the Billing Party or the Billed Party or both.)

“Payment Due Date” means the date by which payment is due the Billing Party as defined in Section 2 below.

“Deliverables” means the work or services performed, or property or equipment furnished, by the Billing Party under the Reimbursable Contract for the ownership benefit of the Billed Party.

**SECTION 2 - INVOICING AND PAYMENT DUE DATE**

The Billing Party shall submit an invoice to the Billed Party for the amount due. The invoice may be submitted in electronic form, if permitted under the Reimbursable Contract. For accounting reference purposes, the invoice shall be numbered and dated and shall include (a) the contract number assigned under Section 11 (**Assignment of Contract Number**) below and (b) reasonably sufficient detail or supporting documentation to permit the Billed Party to verify the appropriateness or accuracy of the amount owed. Unless a later due date is specified in the Reimbursable Contract, the Payment Due Date shall be 30 days from the date of the invoice.

**SECTION 3 - INTEREST ON UNDERPAYMENTS OR OVERPAYMENTS**

If the Billed Party fails to pay the amount due by the Payment Due Date, the Billed Party shall pay interest on the unpaid amount based on the maximum rate under the United States Prompt Payment Act, (31 U.S.C. §§ 3901-3907) as published in the Federal Register and adjusted periodically (currently semi-annually). Interest shall accrue from the Payment Due Date until the date the Billing Party receives payment. Failure to pay within 90 days after the Payment Due Date shall constitute a material breach of the Reimbursable Contract. If the Billed Party overpays (such as, due to erroneous or inaccurate invoicing by the Billing Party or due to refund of an excess deposit payment), the Billing Party shall promptly refund the amount overpaid.

#### **SECTION 4 - DELAY OR SUSPENSION OF WORK DUE TO PAYMENT FAILURE**

If the Billed Party fails to pay the amount due by the Payment Due Date, the Billing Party shall have the right to delay or suspend the work or services being performed until after such payment failure has been satisfactorily resolved. Nothing herein contained shall be construed as relieving the Billed Party of the obligation to pay the Billing Party for the work completed as of the date such work or services are delayed or suspended.

#### **SECTION 5 - PAYMENT DISPUTE**

The Billed Party may dispute the payment of all or a portion of the amount due in an invoice if the Billed Party has a reasonable basis to demonstrate that such amount is inappropriate or questionable. In that case, the Billed Party shall promptly advise the Billing Party in writing of the reasons for disputing all or a portion of the invoiced amount. Upon receipt of the Billed Party's written statement of reasons, the dispute resolution provisions of Section 12 below shall apply. If as a result of the dispute resolution, one party is required to pay the other for the amount overpaid or underpaid, such amount shall include interest calculated in accordance with Section 3 (**Interest on Underpayments or Overpayments**) above.

#### **SECTION 6 - OFFSET**

Each party reserves the right to offset any amount owed to the other party against any amount owed by the other party.

#### **SECTION 7 - WARRANTIES AND LIMITATION OF LIABILITY**

Unless otherwise provided in the Reimbursable Contract, the Billing Party warrants the Deliverables to be in conformance with generally accepted professional standards prevailing at the time of delivery. Any Deliverables not in accordance with such standards shall be corrected at no cost to the Billed Party as long as such nonconformance is reported in writing within one year from the date of delivery. The Billing Party expressly disclaims any other warranties, including implied warranties of merchantability or fitness for any particular use or purpose, as to any Deliverables provided hereunder.

#### **SECTION 8 - TIME OF COMPLETION AND FORCE MAJEURE**

Any delays in or failure of performance by the Billing Party or its contractors shall not constitute default hereunder if and to the extent such delays or failures of performance are caused by occurrences beyond the reasonable control of Billing Party or its contractors, and Billing Party shall not be liable for any loss or damage due to or arising out of any such delays or failure of performance. Such occurrences include, but are not limited to, acts of God or the public enemy, fires, epidemics, quarantines, strikes, freight embargoes or delays in transportation, priorities or other acts or orders of Governmental authority, or unforeseeable severe weather or floods, or any causes, whether or not of the same class or kind of those specifically above named, which are not within the control of Billing Party or its contractors.

## **SECTION 9 - ACCESS TO BILLING RECORDS AND CONFIDENTIALITY**

Upon written request by the Billed Party, the Billing Party shall provide access during normal working hours to its records as necessary to permit the Billed Party to verify the accuracy or appropriateness of the invoice. The Billed Party shall keep the information examined confidential. If a billing dispute is submitted to dispute resolution as set out in Section 12 below, the Billing Party agrees to provide the pertinent records or information to counsel and independent experts of the Billed Party and those attempting to resolve the dispute, provided such third parties agree to keep such records or information confidential. Nothing in this Section shall be construed as in any way impairing the ability pursuant to statutory authority of the Office of the Inspector General of TVA or of any other Federal agency having auditing jurisdiction over TVA to examine the records of the Billing Party to the extent relating to any amount billed TVA by the Billing Party.

## **SECTION 10 - ENTIRE CONTRACT**

The Reimbursable Contract and all exhibits or attachments thereto (including these Billing and Payment Terms) shall constitute the entire agreement between the parties. In the event of any conflict between the provisions of the Reimbursable Contract and these Billing and Payment Terms, the Reimbursable Contract shall prevail.

## **SECTION 11 - ASSIGNMENT OF CONTRACT NUMBER**

The Reimbursable Contract will have a contract number assigned by TVA for all parties to use as a reference as part of the invoicing and payment processes.

## **SECTION 12 - DISPUTE RESOLUTION**

If a billing amount dispute arises out of or relates to the Reimbursable Contract, including these Billing and Payment Terms, or the breach thereof, the parties agree to use their best efforts to resolve such a dispute informally at the lowest possible levels of decisionmaking. Such a dispute not resolved at the working level should be referred to higher levels of management of both parties for consideration, as necessary. If said dispute cannot be so settled, the parties further agree to develop and use consensual alternative dispute resolution processes, such as facilitation and mediation to try in good faith to settle said dispute, before resorting to arbitration, litigation, or some other dispute resolution procedure. The parties may, for example, try to resolve the dispute by mediation administered by the American Arbitration Association under its Commercial Mediation Rules.

## **SECTION 13 - RESTRICTION OF BENEFITS**

No member of or delegate to Congress or Resident Commissioner, or any officer, employee, special Government employee, or agent of TVA shall be admitted to any share or part of the Reimbursable Contract or to any benefit that may arise from it unless the agreement be made with a corporation for its general benefit. The other party to the Reimbursable Contract shall not offer or give, directly or indirectly, to any officer, employee, special Government employee, or agent of TVA any gift, gratuity, favor, entertainment, loan, or any other thing of monetary value, except as

provided in 5 C.F.R. part 2635 (as amended, supplemented, or replaced). Breach of this provision shall constitute a material breach of the Reimbursable Contract.

#### **SECTION 14 - CONFORMANCE WITH WORK SCOPE AND COST ESTIMATE**

It is recognized that depending on the nature or extent of the work involved, the Reimbursable Contract may include a detailed work scope and a cost estimate (or cost limitation) for work subject to reimbursement based on actual costs incurred. In that case, the Billing Party shall use its best efforts to perform the work within the specified work scope and cost estimate. If at any time the Billing Party becomes aware that the actual costs will likely exceed the cost estimate by 15 percent or more, the Billing Party shall use its best efforts to obtain concurrence or resolution with the Billed Party regarding such cost estimate overrun. This shall include notification of the Billed Party in writing of the cost estimate overrun together with a revised cost estimate and an explanation for the cost estimate overrun so as to provide the Billed Party an opportunity for input and/or consultation. For work or services in excess of the work scope, unless mutually agreed by the parties in advance (such as in the form of an amendment to the Reimbursable Contract), the Billing Party shall not be obligated to perform such work or services, and the Billed Party shall not be obligated to pay for such work or services. The Billing Party may elect to suspend the work in question until it has obtained concurrence or resolution with the Billed Party regarding work in excess of the work scope and/or cost estimate.

**RESOLUTION NO. 2021-\_\_**  
**ESTABLISHING NATURAL GAS RATES**  
**EFFECTIVE NOVEMBER 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 \$1.43 per 100 cubic feet for all meters read after November 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 November 1, 2021 shall be \$1.43 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	5.7700	
Pipeline Charges	0.2755	0.1115	0.1132	0.1295	0.1405	0.1496	0.1795	
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	5.9945	
BTU & System Loss (8%)	0.0000	0.2405	0.2455	0.2956	0.3292	0.3596	0.4796	
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		
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	9.8011	
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	\$14.2756	
Rate per 100 Cubic Feet	\$1.10	\$1.20	\$1.21	\$1.28	\$1.32	\$1.37	\$1.43	

*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	0.199	1.994	2.193	1.96	1.99
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