



LOUDON UTILITIES

P.O. BOX 69
LOUDON, TENNESSEE 37774

AGENDA

LOUDON UTILITY BOARD WORKSHOP

Monday, October 18, 2021

4:30 PM

1. Recognition of Visitors
2. Sewer Cost of Service Study
3. Update on Active Projects
 - Solar Power Purchase Agreement
 - Broadband (generally)
 - WWTP Sodium Hypochlorite
 - Water Main River Crossing
 - TVPOA Projects
 - Operations Center Projects
4. Safety Report
5. Natural Gas Rate
6. Executive Session
7. Other



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To: Chairman Campbell and Board Members

From: Ty Ross

Subject: October Workshop Items

Date: October 15, 2021

The following items appear on the agenda for the October 18, 2021 workshop meeting of the Board of Directors of Loudon Utilities:

1. Recognition of Visitors:
2. Sewer Cost of Service: As we get into the next phases of our sewer rehab under our TDEC consent order it is important that our rate structure support these and other futures projects as well as our new growth. Therefore, we would like to engage Jackson Thornton to conduct a cost of service study similar to the one performed for the water department. The cost and terms pretty much mirror the work performed for the water department.

3. Update on Active Projects:

We will provide general updates on the status of the following on-going active projects:

- A. Solar Power Purchase Agreement – Our PPA Exhibits detailing the specifics of the project are coming together and should be in a presentable format for review at this meeting.
 - B. Broadband (generally) – Earlier this month Charter agreed to send us all their routes within our district that have possibility for expansion. Once this information is received we can build a proposal for pole analysis for potential incentivized expansion on our electric routes not currently served by internet.
 - C. WWTP Sodium Hypochlorite – Construction Phase continues.
 - D. Water Main River Crossing – Permitting with Army Corps of Engineers continues.
 - E. TVPOA Projects – Complications require a return to executive session listed below.
 - F. Operations Center Projects – Site Plan for new laydown yards and storage facilities are being prepared for your review and for Loudon Planning Commission review.
4. Safety Report: There was an incident requiring investigation. This investigative matter will be taken up in executive session below.
5. Natural Gas Rate: 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.
6. Executive Session. This session is called to discuss a matters related to litigation and an internal investigation.

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*

Gas Supply Cost Historical Data

