



## **LOUDON UTILITIES**

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

### **AGENDA**

#### **LOUDON UTILITY BOARD WORKSHOP**

**January 10, 2022**

**4:30 PM**

1. Recognition of Visitors
2. Safety Report
3. Annual Financial Report Presentation
4. November Financial Report
5. TriStar Energy Services Agreement
6. Interconnection Policy
7. Update on Board Projects
  - Broadband
  - WWTP Sodium Hypochlorite
  - Water Main River Crossing
  - TVPOA Projects
  - Construction Crew
8. Natural Gas Rate
9. Other



## LOUDON UTILITIES

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LOUDON, TENNESSEE 37774

To: Chairman Campbell and Board Members

From: Ty Ross

Subject: January Workshop Items

Date: January 7, 2022

The following items appear on the agenda for the January 10, 2022 workshop meeting of the Board of Directors of Loudon Utilities:

1. Recognition of Visitors:
2. Safety Report – We are in the process of addressing all the recommendations from the JT&S assessment. On January 12<sup>th</sup> we will hold a design meeting with department heads to discuss the membership of a standing internal committee to lead us down the path of continuous safety improvements.
3. Annual Financial Report Presentation – Keith O'Connor and Ted Hotz with PUGH CPAs will discuss the FYE2021 Audited Financial Report. Every decade or so it is a good idea to switch auditing firms so fresh eyes examine our books. This year we have a brand-new auditor, PUGH, that will explain to the Council what they looked for and what they found.
4. November Financial Report – Finance Director Curtis will present a summation of our November revenues and expenditures.

5. TriStar Energy Services Agreement – TriStar Energy Services principal Rob Ellis will present a summary of consulting services he can perform for our Gas Department. This would be similar to advice that Chris Mitchell provides to LUB Electric.
6. Interconnection Policy – Electric Director Watkins recommends an amendment to our customer service policy to provide guidelines how customers who want solar can install solar and interconnect with our distribution system. He has drafted one similar to KUB and will provide a summary to the Board.
7. Update on Active Projects:
  - We will provide general updates on the status of the following on-going active projects:
    - A. Broadband
    - B. WWTP Sodium Hypochlorite
    - C. Water Main River Crossing
    - D. TVPOA Projects
    - E. Construction Crew
8. Natural Gas Rate: The cost of natural gas delivered to the City Gate decreased for the month of January 2022. Utilizing the formula for natural gas rates, this converts into a rate of \$1.28 per 100 cubic feet for gas billed after February 1, 2022.

## GAS RATE COMPUTATIONS

	<i>Base Month (Sept 2003)</i>	<i>Rate Effective 12/1/21</i>	<i>Rate Effective 1/1/22</i>	<i>Rate Effective 2/1/22</i>	<i>Rate Effective 3/1/22</i>	<i>Rate Effective 4/1/22</i>	<i>Rate Effective 5/1/22</i>	<i>Rate Effective 6/1/22</i>
Gas Supply Cost	4.9950	6.1600	5.3700	3.9700				
Pipeline Charges	0.2755	-0.1717	0.1693	0.1319				
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	6.0333	5.5843	4.1469				
BTU & System Loss (8%)	0.0000	0.4827	0.4467	0.4147				
Demand Unit Charge	1.2200	2.7370	2.7370	3.0370	3.0370	3.0370	3.0370	3.0370
ETNG Rate Action 8/2020								
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	9.8430	9.3580	8.1886				
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	\$14.3175	\$13.8325	\$12.7973				
Rate per 100 Cubic Feet	\$1.10	\$1.43	\$1.38	\$1.28				

*NOTES: 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 and removed November 2021  
 Demand Unit Charge increased January 2022*