

**Knoxville Utilities Board
Board Meeting Minutes
Thursday, May 16, 2024 Noon**

Call to Order

The Knoxville Utilities Board met in regular session in the Larry A. Fleming Board Room at 445 S. Gay Street, on Thursday, May 16, 2024, pursuant to the public notice published in the January 6, 2024, edition of the *News Sentinel*. Chair Simpson-Brown called the meeting to order at 12:00 p.m.

Roll Call

Commissioners Present: Claudia Caballero, Ron Feinbaum, Cynthia Gibson, Kathy Hamilton, Dr. Craig Pickett, Jr., and Adrienne Simpson-Brown.

Commissioner Absent: Celeste Herbert

Approval of Minutes

Upon a motion by Commissioner Feinbaum and a second by Commissioner Hamilton, the April 18, 2024 Board meeting minutes were approved by a roll call vote. The following Commissioners voted "aye": Caballero, Feinbaum, Gibson, Hamilton, Pickett, Jr., and Simpson-Brown. No Commissioner voted "nay".

Old Business

None

New Business

Resolution 1487 – A Resolution Amending the Existing Purchased Power Adjustment of the Electric Division, as Previously Established by Resolution No. 1065, as Heretofore Amended, to Address Changes to Wholesale Power Supply Costs Arising from Participation in the Tennessee Valley Authority’s Power Supply Expanded Flexibility Program

Resolution 1488 – A Resolution Amending the Existing Rate Schedules of the Electric Division, as Previously Established by Resolution 1060, as Heretofore Amended, Providing for an Electric Vehicle Charging Pump (EVCP) Rate

May 16, 2024

Resolution 1489 – A Resolution Authorizing Participation in the Tennessee Valley Authority’s PowerFlex Program and Amending the Existing Rate Schedules of the Electric Division, as Previously Established by Resolution 1060, as Heretofore Amended, Providing for a PowerFlex Rate Schedule

President Gabriel Bolas recognized Anna Hagerty, an Analyst in Rates and Analytical Services, to present three resolutions related to changes to supply costs from participation in TVA’s Power Supply Flexibility Program, establishing a rate for KUB’s new public EV chargers, and participation in TVA’s PowerFlex Program .

President Bolas recommended adoption of Resolutions 1487, 1488, and 1489 on first reading. His written recommendation is included in Attachment 1.

Upon a motion by Commissioner Gibson and a second by Commissioner Caballero, Resolution 1487 (*Attachment 1*) was adopted by a roll call vote on first reading. The following Commissioners voted “aye”: Caballero, Feinbaum, Gibson, Hamilton, Pickett, Jr., and Simpson-Brown. No Commissioner voted “nay”.

Upon a motion by Commissioner Feinbaum and a second by Commissioner Gibson, Resolution 1488 (*Attachment 2*) was adopted by a roll call vote on first reading. The following Commissioners voted “aye”: Caballero, Feinbaum, Gibson, Hamilton, Pickett, Jr., and Simpson-Brown. No Commissioner voted “nay”.

Upon a motion by Commissioner Hamilton and a second by Commissioner Feinbaum, Resolution 1489 (*Attachment 3*) was adopted by a roll call vote on first reading. The following Commissioners voted “aye”: Caballero, Feinbaum, Gibson, Hamilton, Pickett, Jr., and Simpson-Brown. No Commissioner voted “nay”.

Resolution 1490 – A Resolution to Amend Resolution No. 1478, the Caption of Which is as Follows: “A Resolution Making and Fixing the Annual Budget Appropriations of the Knoxville Utilities Board from the Funds of the Electric Division, the Gas Division, the Water Division, the Wastewater Division, and the Fiber Division for the Fiscal Year Beginning July 1, 2023, Providing for Expenditures Paid for the Period Beginning July 1, 2023, and Ending June 30, 2024”

May 16, 2024

Resolution 1491 – A Resolution Requesting the Council of the City of Knoxville, Tennessee to Provide for the Issuance of Not to Exceed Ninety-One Million and No/100 Dollars (\$91,000,000) In Aggregate Principal Amount of Electric System Revenue Bonds, Series QQ-2024; and Issuance of Not to Exceed Twenty Million and No/100 Dollars (\$20,000,000) In Aggregate Principal Amount of Water System Revenue Bonds, Series OO-2024

Resolution 1492 – A Resolution Authorizing the Issuance of Not to Exceed Twenty Million Dollars (\$20,000,000) In Aggregate Principal Amount of Gas System Revenue Anticipation Notes (Nonrevolving Line Of Credit) of the Knoxville Utilities Board in Anticipation of the Collection of Revenues of the Natural Gas Distribution System of the City of Knoxville for the Purpose of Paying the Cost of Natural Gas Purchases and Storage and Pipeline Capacity

Resolution 1493 – A Resolution Replacing the Existing Rate Schedules of the Electric Division, Gas Division, Water Division, and Wastewater Division as Previously Established by Resolution 1060 as Heretofore Amended

This Resolution Will Replace the Existing Rate Schedules of the Electric Division By Amending Section 1 of Resolution No. 1060, Providing for an Increase in Electric Rates Effective April 1, 2025, an Increase in Electric Rates Effective April 1, 2026, and an Increase in Electric Rates Effective April 1, 2027

This Resolution Will Replace the Existing Rate Schedules of the Gas Division By Amending Section 2 of Resolution No. 1060, Providing for an Increase in Gas Rates Effective October 1, 2024, an Increase in Gas Rates Effective October 1, 2025, and an Increase in Gas Rates Effective October 1, 2026

This Resolution Will Replace the Existing Rate Schedules of the Water Division By Amending Section 3 of Resolution No. 1060, Providing for an Increase in Water Rates Effective July 1, 2025, an Increase in Water Rates Effective July 1, 2026, and an Increase in Water Rates Effective July 1, 2027

This Resolution Will Replace the Existing Rate Schedules of the Wastewater Division By Amending Section 4 of Resolution No. 1060, Providing for an Increase in Wastewater Rates Effective July 1, 2025, an Increase in Wastewater Rates Effective July 1, 2026, and an Increase in Wastewater Rates Effective July 1, 2027

May 16, 2024

Resolution 1494 – A Resolution Making and Fixing the Annual Budget Appropriations of the Knoxville Utilities Board from the Funds of the Electric Division, the Gas Division, the Water Division, the Wastewater Division, and the Fiber Division for the Fiscal Year Beginning July 1, 2024, Providing for Expenditures Paid for the Period Beginning July 1, 2024, and Ending June 30, 2025

Resolution 1495 – A Resolution Approving Commitment Appropriations for the Fiscal Year Beginning July 1, 2024, Thereby Authorizing the Commitment of Expenditures to be Paid Subsequent to June 30, 2025, for Contractual Commitments Executed and Other Obligations Incurred on or Before June 30, 2025

President Bolas advised the Board there have been previous discussions regarding KUB's long-range plan, rate considerations in light of inflationary pressures, and KUB's proposed budget for fiscal year 2025. He recognized Mark Walker, Senior Vice President and Chief Financial Officer, to review an amendment to the current fiscal year budget, then present proposed fiscal year 2025 appropriations and funding recommendations, which are in line with information discussed at last month's workshop. Mr. Walker began by reviewing the proposed fiscal year 2024 budget amendment needed for the Wastewater Division.

He then reviewed the proposed budget for fiscal year 2025 and funding of the proposed budget. The proposed total budget appropriations for fiscal year 2025 are \$1.2 billion, including \$793.4 million for the Electric Division, \$134.9 million for the Gas Division, \$119.6 million for the Water Division, \$127.3 million for the Wastewater Division, and \$28.4 million for the Fiber Division. He also reviewed the major cost components of the proposed \$1.2 billion budget and advised the Board the proposed budget will be funded by \$1,050 billion in system revenues, \$111 million in bond proceeds, \$11 million in general fund cash, \$20 million in grants, and a \$11 million interdivisional loan from the Electric Division to the Fiber Division.

Mr. Walker next reviewed the request for the issuance of up to \$91 million in new electric bonds and up to \$20 million in new water bonds. He then reviewed the request for the issuance of a gas system revenue anticipation note of up to \$20 million to fund purchased gas costs for fiscal year 2025 to address seasonality of cash flows for the Gas Division.

Mr. Walker then reviewed a series of three annual rate increases for electric, gas, water, and wastewater. He advised the increases will be applied solely to usage rates for residential customers, with no increases in residential basic service charges. Impacts to business customers will vary based on rate classification and monthly usage.

May 16, 2024

Lastly, Mr. Walker reviewed the request for commitment appropriations for fiscal year 2025, authorizing the commitment of expenditures for each division subsequent to June 30, 2025.

President Bolas recommended adoption of Resolutions 1490, 1491, 1492, 1494, and 1495 on first and final reading and Resolution 1493 on first reading. His written recommendation is included in Attachment 1.

Upon a motion by Commissioner Feinbaum and a second by Commissioner Gibson, Resolution 1490 (*Attachment 4*) was adopted by a roll call vote on first and final reading. The following Commissioners voted "aye": Caballero, Feinbaum, Gibson, Hamilton, Pickett, Jr., and Simpson-Brown. No Commissioner voted "nay".

Upon a motion by Commissioner Hamilton and a second by Commissioner Caballero, Resolution 1491 (*Attachment 5*) was adopted by a roll call vote on first and final reading. The following Commissioners voted "aye": Caballero, Feinbaum, Gibson, Hamilton, Pickett, Jr., and Simpson-Brown. No Commissioner voted "nay".

Upon a motion by Commissioner Caballero and a second by Commissioner Gibson, Resolution 1492 (*Attachment 6*) was adopted by a roll call vote on first and final reading. The following Commissioners voted "aye": Caballero, Feinbaum, Gibson, Hamilton, Pickett, Jr., and Simpson-Brown. No Commissioner voted "nay".

Upon a motion by Commissioner Hamilton and a second by Commissioner Feinbaum, Resolution 1493 (*Attachment 7*) was adopted by a roll call vote on first reading. The following Commissioners voted "aye": Caballero, Feinbaum, Gibson, Hamilton, Pickett, Jr., and Simpson-Brown. No Commissioner voted "nay".

Upon a motion by Commissioner Gibson and a second by Commissioner Feinbaum, Resolution 1494 (*Attachment 8*) was adopted by a roll call vote on first and final reading. The following Commissioners voted "aye": Caballero, Feinbaum, Gibson, Hamilton, Pickett, Jr., and Simpson-Brown. No Commissioner voted "nay".

Upon a motion by Commissioner Hamilton and a second by Commissioner Feinbaum, Resolution 1495 (*Attachment 9*) was adopted by a roll call vote on first and final reading. The following Commissioners voted "aye": Caballero, Feinbaum, Gibson, Hamilton, Pickett, Jr., and Simpson-Brown. No Commissioner voted "nay".

May 16, 2024

President's Report

Fiscal Year 2025 Financial and Organizational Metrics

President Bolas recognized Commissioner Hamilton who advised the Board that the Audit and Finance Committee met on May 2, 2024 and adopted fiscal year 2025 financial and organizational metrics. She introduced Chris Hood, Vice President of Finance, to share an overview of those metrics with the full board.

Other Business

None

Public Comment

None

Adjournment

There being nothing further to come before the Board, Chair Simpson-Brown declared the Board meeting adjourned at 1:02 p.m.



Adrienne Simpson-Brown, Chair



Mark Walker, Board Secretary

Attachments

		<u>Page(s)</u>
Attachment 1	Recommendation Letter and Resolution 1487 – A Resolution Amending the Existing Purchased Power Adjustment of the Electric Division, as Previously Established by Resolution No. 1065, as Heretofore Amended, to Address Changes to Wholesale Power Supply Costs Arising from Participation in the Tennessee Valley Authority's Power Supply Expanded Flexibility Program	12166 – 12184
Attachment 2	Resolution 1488 – A Resolution Amending the Existing Rate Schedules of the Electric Division, as Previously Established by Resolution 1060, as Heretofore Amended, Providing for an Electric Vehicle Charging Pump (EVCP) Rate	12185 – 12188
Attachment 3	Resolution 1489 – A Resolution Authorizing Participation in the Tennessee Valley Authority's PowerFlex Program and Amending the Existing Rate Schedules of the Electric Division, as Previously Established by Resolution 1060, as Heretofore Amended, Providing for a PowerFlex Rate Schedule	12189 – 12192
Attachment 4	Resolution 1490 – A Resolution to Amend Resolution No. 1478, the Caption of Which is as Follows: "A Resolution Making and Fixing the Annual Budget Appropriations of the Knoxville Utilities Board from the Funds of the Electric Division, the Gas Division, the Water Division, the Wastewater Division, and the Fiber Division for the Fiscal Year Beginning July 1, 2023, Providing for Expenditures Paid for the Period Beginning July 1, 2023, and Ending June 30, 2024"	12193 – 12196
Attachment 5	Resolution 1491 – A Resolution Requesting the Council of the City of Knoxville, Tennessee to Provide for the Issuance of Not to Exceed Ninety-One Million and No/100 Dollars (\$91,000,000) In Aggregate Principal Amount of Electric System Revenue Bonds, Series QQ-2024; and Issuance of Not to Exceed Twenty Million and No/100 Dollars (\$20,000,000) In Aggregate Principal Amount of Water System Revenue Bonds, Series OO-2024	12197 – 12271
Attachment 6	Resolution 1492 – A Resolution Authorizing the Issuance of Not to Exceed Twenty Million Dollars (\$20,000,000) In Aggregate Principal Amount of Gas System Revenue Anticipation Notes (Nonrevolving Line Of Credit) of the Knoxville Utilities Board in Anticipation of the Collection of Revenues of the Natural Gas Distribution System of the City of Knoxville for the Purpose of Paying the Cost of Natural Gas Purchases and Storage and Pipeline Capacity	12272 – 12280

Attachment 7	<p>Resolution 1493 – A Resolution Replacing the Existing Rate Schedules of the Electric Division, Gas Division, Water Division, and Wastewater Division as Previously Established by Resolution 1060 as Heretofore Amended – 1st Reading</p> <p>This Resolution Will Replace the Existing Rate Schedules of the Electric Division By Amending Section 1 of Resolution No. 1060, Providing for an Increase in Electric Rates Effective April 1, 2025, an Increase in Electric Rates Effective April 1, 2026, and an Increase in Electric Rates Effective April 1, 2027</p> <p>This Resolution Will Replace the Existing Rate Schedules of the Gas Division By Amending Section 2 of Resolution No. 1060, Providing for an Increase in Gas Rates Effective October 1, 2024, an Increase in Gas Rates Effective October 1, 2025, and an Increase in Gas Rates Effective October 1, 2026</p> <p>This Resolution Will Replace the Existing Rate Schedules of the Water Division By Amending Section 3 of Resolution No. 1060, Providing for an Increase in Water Rates Effective July 1, 2025, an Increase in Water Rates Effective July 1, 2026, and an Increase in Water Rates Effective July 1, 2027</p> <p>This Resolution Will Replace the Existing Rate Schedules of the Wastewater Division By Amending Section 4 of Resolution No. 1060, Providing for an Increase in Wastewater Rates Effective July 1, 2025, an Increase in Wastewater Rates Effective July 1, 2026, and an Increase in Wastewater Rates Effective July 1, 2027</p>	12281 – 12665
Attachment 8	<p>Resolution 1494 – A Resolution Making and Fixing the Annual Budget Appropriations of the Knoxville Utilities Board from the Funds of the Electric Division, the Gas Division, the Water Division, the Wastewater Division, and the Fiber Division for the Fiscal Year Beginning July 1, 2024, Providing for Expenditures Paid for the Period Beginning July 1, 2024, and Ending June 30, 2025</p>	12666 – 12676
Attachment 9	<p>Resolution 1495 – A Resolution Approving Commitment Appropriations for the Fiscal Year Beginning July 1, 2024, Thereby Authorizing the Commitment of Expenditures to be Paid Subsequent to June 30, 2025, for Contractual Commitments Executed and Other Obligations Incurred on or Before June 30, 2025</p>	12677 – 12682



May 10, 2024

Knoxville Utilities Board
445 S. Gay Street
Knoxville, Tennessee 37902-1109

Commissioners:

As discussed at the financial workshop in April, the May 16 Board meeting agenda includes multiple official action items. A listing of each official action item and summary overview is provided below.

- Resolution 1487 – Purchased Power Adjustment Amendment
- Resolution 1488 – Electric Vehicle Fast Charging Pump Rate
- Resolution 1489 – Tennessee Valley Authority (TVA) PowerFlex Rate
- Resolution 1490 – Additional FY24 Budget Appropriations for Wastewater
- Resolution 1491 – Electric System and Water System Revenue Bonds
- Resolution 1492 – Gas System Revenue Anticipation Note (Line of Credit)
- Resolution 1493 – Rate Increases for Electric, Gas, Water, and Wastewater
- Resolution 1494 – FY25 Budget Appropriations
- Resolution 1495 – FY25 Commitment Appropriations

Resolution 1487 (First of Two Readings)

Resolution 1487 amends KUB's Purchased Power Adjustment (PPA) for the purpose of retaining savings from participation in TVA's Power Supply Expanded Flexibility Program. Under the Expanded Flexibility Program, KUB may deploy certain renewable sources of electric generation (such as solar), which would displace a portion of the demand and energy usage TVA would have otherwise billed KUB.

Staff has recommended power cost savings realized under the Expanded Flexibility Program be used to help fund the additional cost requirements of the Inflation Response Plan (IRP) for the Electric Division. The PPA must be amended to retain the savings.

Resolution 1488 (First of Two Readings)

Resolution 1488 adopts a new electric rate schedule establishing an electric vehicle charging pump rate.

KUB, in partnership with the City and TVA, is constructing two new electric vehicle fast charging stations in KUB's electric service territory for public use. One station is located on Central Avenue in downtown Knoxville, and the other is in the Seymour area. Both stations are projected to be in service this summer. This rate action will establish the end-use rate for electric charging at KUB owned stations.

Resolution 1489 (First of Two Readings)

As part of its efforts to provide peak generation capacity, TVA is implementing a new demand response program. PowerFlex is an optional program for qualified large commercial and industrial customers in the TVA region with the ability to curtail power usage. PowerFlex expands TVA's interruptible power offerings to a larger base of customers. The program goes into effect on June 1, 2024.

Resolution 1489 authorizes KUB's participation in the PowerFlex Program and adopts a PowerFlex electric rate schedule.

Resolution 1490

Resolution 1490 provides for additional budget appropriations for the Wastewater Division for fiscal year 2024. Last May the Board adopted budget appropriations of \$132.4 million for the Wastewater Division. At the May 2 meeting of the Board's Audit and Finance Committee, staff discussed the need for additional budget appropriations for the Wastewater Division to cover higher than expected capital expenditures for the current fiscal year, the result of timing of projects.

Resolution 1490 provides for an additional \$3 million in budget appropriations for the Wastewater Division for fiscal year 2024. A letter from Mr. Walker, KUB's Chief Financial Officer, has been prepared certifying the availability of these funds.

Resolution 1491

Resolution 1491 requests City Council approval for the issuance of up to \$111 million in new revenue bonds, including \$91 million in electric system bonds and \$20 million in water system bonds. The proceeds of the bonds will be used to help fund extensions and capital improvements to the electric and water systems in fiscal year 2025 and cover issuance costs and underwriters' fees.

A summary of the major provisions of the proposed City Council bond resolutions is enclosed for your information.

Resolution 1492

Resolution 1492 authorizes the issuance of a gas system revenue anticipation note (line of credit) of up to \$20 million. The Gas Division is subject to seasonal cash flow variation. While most natural gas sales occur during the winter heating season, natural gas purchases and other system expenditures are incurred throughout the fiscal year. The line of credit is an effective tool for managing potential cash flow shortfalls associated with the seasonality of sales. The proposed line of credit would have a maturity not to exceed one year. Staff anticipates any balance drawn on the line of credit would be repaid prior to the end of fiscal year 2025.

Resolution 1493 (First of Two Readings)

Resolution 1493 replaces the rate schedules of the Electric, Gas, Water, and Wastewater Divisions to provide for a series of three annual rate increases for each division. The proposed rate increases will help fund additional cost requirements associated with inflationary impacts and the continuation/expansion of Century II infrastructure programs.

As you will recall, Staff presented funding options for each division at the Inflation Response Plan workshop in November 2023. Based on feedback received from the Board, Staff presented preliminary funding recommendations at the January 2024 Board meeting, including a series of three annual rate increases for each division. Staff presented its final recommendations on the proposed rate increases to the Board at the April financial workshop.

The proposed electric rate increases include 4% effective April 2025, 3% effective April 2026, and 2% effective April 2027. The associated monthly bill impacts for the average residential electric customer are \$5.00, \$3.85, and \$2.70, respectively.

The proposed gas rate increases include 3% increases effective October 2024, October 2025, and October 2026, with monthly bill impacts of \$1.90, \$1.95, and \$2.00 for the average residential gas customer.

The proposed water rate increases include 6% increases effective July 2025, July 2026, and July 2027. Monthly bill impacts for the average residential water customer are \$2.00, \$2.15, and \$2.30, respectively.

The proposed wastewater rate increases include 2% increases effective July 2025, July 2026, and July 2027, with monthly bill impacts of \$1.45, \$1.50, and \$1.55 for the average residential wastewater customer.

The impact of the proposed rate electric, gas, water, and wastewater rate increases on commercial and industrial customers' monthly bills will vary depending on their rate classification and level of monthly use.

Resolution 1494

Resolution 1494 adopts budget appropriations for fiscal year 2025 totaling \$1.2 billion, including \$793.4 million for the Electric Division, \$134.9 million for the Gas Division, \$119.6 million for the Water Division, \$127.3 million for the Wastewater Division, and \$28.4 million for the Fiber Division.

The proposed budget request provides \$516.4 million for wholesale energy purchases (also includes \$2 million for fiber cost of goods sold), \$234.2 million for operating and maintenance expenditures, \$297.2 million for system capital investments, \$98.1 million for debt service payments, \$46.7 million for taxes and tax equivalent payments, and \$11 million for an inter-divisional loan from the Electric Division to the Fiber Division.

Mr. Walker, KUB's Chief Financial Officer, has prepared a letter certifying the availability of funds for the proposed budget.

Resolution 1495

Resolution 1495 adopts commitment appropriations for fiscal year 2025. The resolution authorizes KUB to execute contracts and incur obligations on or before June 30, 2025 that commit KUB to expenditures after June 30, 2025. The commitments total \$145.6 million, including \$61.1 million for the Electric Division, \$13.8 million for the Gas Division, \$27.5 million for the Water Division, \$38.4 million for the Wastewater Division, and \$4.7 million for the Fiber Division. Mr. Walker has also prepared a letter certifying the availability of funds for the commitment appropriations.

Resolutions 1487, 1488, 1489, and 1493 are rate-related official actions, which require two readings. If approved on first readings at the May meeting, the resolutions will be presented to the Board on second and final readings at the June Board meeting.

I recommend the adoption of Resolutions 1487, 1488, 1489, and 1493 on first readings, and the adoption of Resolutions 1490, 1491, 1492, 1494, and 1495 on first and final readings.

Respectfully submitted,



Gabriel J. Bolas, II
President and Chief Executive Officer

Enclosures

RESOLUTION NO. 1487

A Resolution Amending the Existing Purchased Power Adjustment of the Electric Division, as Previously Established by Resolution No. 1065, as Heretofore Amended, to Address Changes to Wholesale Power Supply Costs Arising from Participation in the Tennessee Valley Authority's Power Supply Expanded Flexibility Program

Whereas, Knoxville Utilities Board of Commissioners (the "Board") has rate setting authority pursuant to Article XI of the Charter of the City of Knoxville; and

Whereas, the Board previously adopted Resolution No. 1065, as heretofore amended, providing for a Purchased Power Adjustment ("PPA") for the Electric Division; and

Whereas, Knoxville Utilities Board ("KUB") purchases its electric power requirements from the Tennessee Valley Authority ("TVA") and any exceptions to the full requirements contract must be approved by TVA; and

Whereas, the Board previously adopted Resolution 1483 which provides for KUB's participation in TVA's Power Supply Expanded Flexibility Program which allows KUB (and other Valley Partners) to deploy certain Energy Resources to produce its own power; and

Whereas, Energy Resource generation will displace a portion of the demand and energy usage that TVA would have otherwise charged to Distributor under the Power Contract; and

Whereas, KUB staff presented the Electric Division Long Range Plan to the Board on April 18, 2024 which incorporated an Inflation Response Plan, updated cost information for infrastructure projects, and anticipated savings from KUB's participation in the Expanded Flexibility Program; and

Whereas, KUB staff recommends retaining the savings from participation in the Expanded Flexibility Program to provide funding for the Electric Division Long Range Plan; and

Whereas, KUB staff recommends updating the existing Purchased Power Adjustment to account for savings arising from participation in the Expanded Flexibility Program; and

Whereas, in accordance with Section 1107(L) of the Charter of the City of Knoxville, KUB has provided the required public notice of not less than five (5) days prior to a meeting of the Board when a rate schedule change is to be considered.

Now, Therefore, Be it Hereby Resolved by the Board of Commissioners of the Knoxville Utilities Board:

Section 1. That the Purchased Power Adjustment previously established in Resolution 1065, as heretofore amended, shall be deleted in its entirety, and replaced with Exhibit A to this Resolution, to be effective July 1, 2024.

Adrienne Simpson-Brown, Chair

Mark Walker, Board Secretary

APPROVED ON 1st
READING: 5-16-24
APPROVED ON 2nd
READING: _____
EFFECTIVE DATE: _____
MINUTE BOOK 47 PAGE 12170-12184

**RESOLUTION 1487
EXHIBIT A
PURCHASED POWER ADJUSTMENT
EFFECTIVE JULY 1, 2024**

PURCHASED POWER ADJUSTMENT

I. Provision for Adjustment

The electricity rates per kWh, per kW or per customer account billed as set forth in the Rate Schedules of the Electric Division (Division) shall be increased or decreased by amounts hereinafter described, which amounts are called the "Purchased Power Adjustment" or the PPA.

II. Intent and Application to Various Purchases

(a) This Purchased Power Adjustment is intended to assure that KUB recovers on an equitable basis the total cost of electricity purchased for delivery to its electricity sales customers. The PPA is further intended to assure that no excess or deficiency in cost recovery from KUB's electric customers occurs.

(b) The PPA anticipates various costs of purchased power for the general distribution system including, but not limited to:

1. the cost of energy purchased
2. the cost of power demanded
3. the amount of hydro preference adjustment

III. Definitions

The following definitions shall apply to the terms as used in this Section. Any term used in this Section that is not otherwise defined in this Section shall have the meaning customarily ascribed to that term in the electric industry.

(a) Adjustment period – the twelve-month period beginning with the Effective Date of the Purchased Power Adjustment

(b) Base Rates of Purchased Power are:

1. Standard Service Base Rates – as set forth in Appendix A to this resolution
 - i. Demand kW Base Rate – the components designed to recover the cost of demand through Demand kW Sales
 - ii. Demand kWh Base Rate – the components designed to recover the cost of demand through Demand kWh Sales

- iii. Energy kWh Base Rate – the components designed to recover the cost of energy purchased through Energy kWh Sales
 - iv. Residential Customer Hydro Credit – the component designed to allocate the customer based hydro credit to each eligible residential customer account billed
 - v. Hydro Energy Credit – the components deigned to allocate the wholesale hydro energy credit to applicable Energy Sales
 - vi. Hydro Energy Debit – the components designed to allocate the wholesale hydro energy debit to applicable Energy Sales
2. Manufacturing and General Power Service Cost Components – the wholesale base rates as set forth in the current wholesale rate schedules from Supplier plus an historical average for distribution losses
- (c) Base Retail Electric Rates – the retail rates per kWh or kW of electricity use or power demanded, or per customer account billed, exclusive of PPA components
- (d) Billing Determinants – average Standard Service units billed to KUB by its Supplier during the Computation Period, adjusted for known and measurable changes
- 1. Demand Billing Determinants – average Standard Service kW
 - 2. Energy Billing Determinants – average Standard Service kWh
 - 3. Residential Customer Hydro Credit – the sum of eligible residential customer accounts billed during KUB's most recently completed fiscal year
 - 4. Hydro Energy Credit – average kWh used to calculate the hydro adjustment *credited* to KUB
 - 5. Hydro Energy Debit – average kWh used to calculate the Hydro adjustment *debited* to KUB
- (e) Change in Purchased Power Cost = Projected Purchased Power Cost less Power Cost Recovery (As follows):
- 1. Change in Demand Cost = Projected Demand Cost less Demand Cost Recovery

- i. $\text{Change in Demand Cost kW} = \text{Change in Demand Cost} \times \frac{\text{Demand kW Power Cost Recovery}}{\text{Demand Cost Recovery}}$
 - ii. $\text{Change in Demand Cost kWh} = \text{Change in Demand Cost} \times \frac{\text{Demand kWh Power Cost Recovery}}{\text{Demand Cost Recovery}}$
 2. $\text{Change in Energy Cost} = \text{Projected Energy Cost} \text{ less Energy Cost Recovery}$
 3. $\text{Change in Residential Customer Hydro Credit Cost} = \text{Projected Residential Customer Hydro Credit Cost} \text{ less Residential Customer Hydro Credit Cost Recovery}$
 4. $\text{Change in Hydro Energy Credit Cost} = \text{Projected Hydro Energy Credit Cost} \text{ less Hydro Energy Credit Cost Recovery}$
 5. $\text{Change in Hydro Energy Debit Cost} = \text{Projected Hydro Energy Debit Cost} \text{ less Hydro Energy Debit Cost Recovery}$
- (f) Computation Period – the thirty-six (36) month period utilized to compute historical volumes purchased from Supplier and billed to customers. Such period shall be the thirty-six (36) month period ending on the last day of the fiscal year which is not more than ninety-three (93) days prior to the proposed Effective Date, as hereinafter defined, which month shall be determined by KUB based upon the availability of the needed information
- (g) Computation Period Sales – historic volumes billed to customers adjusted for known and measurable changes
1. Demand kW Sales – the sum of the average power demanded (kW) metered to Standard Service customers
 2. Demand kWh Sales – the sum of the average volumes of electricity having a demand component (kWh) metered to Standard Service customers
 3. Energy kWh Sales – the sum of the average volumes of electricity (kWh) metered to Standard Service customers
 4. Residential Customer Hydro Credit Sales – the sum of eligible residential customer accounts billed in the most recent KUB fiscal year
 5. Hydro Energy Credit Sales – the sum of the average volumes to which the wholesale hydro energy credit applies, expressed in kWh, metered to eligible residential customers

6. Hydro Energy Debit Sales – the sum of the average volumes to which the wholesale hydro energy debit applies, expressed in kWh, metered to Standard Service customers
- (h) Green Invest Cost – the incremental invoiced cost, including Product price and Third-Party Costs, if any, from TVA associated with purchase of renewable energy from TVA under the Green Invest Agreement, or any similar program offerings by TVA in pursuit of renewable energy for KUB customers, as may be amended from time to time, as approved in Resolution 1410, as may be amended from time to time
- (i) Expanded Flexibility Savings – the amount TVA or other entities pay KUB for the renewable energy under the Power Supply Flexibility program. This will be paid to KUB by TVA or other entities through the TVA Power Invoice or any other means, as approved in Resolution 1483, as may be amended from time to time
- (j) Long-term Partnership Credits – all wholesale invoice credits provided by TVA in recognition of signing the TVA Long-Term Agreement, as may be amended from time to time, as approved in Resolution 1410, as may be amended from time to time
- (k) Manufacturing and General Power Service – power and energy sold and billed to KUB under any classification other than Standard Service
- (l) Power Cost Recovery – the Projected Purchased Power Cost recovery during the Adjustment Period using the Base Rates. The Power Cost Recovery shall be calculated as follows:
 1. Demand Cost Recovery – the sum of the Demand kW Power Cost Recovery and the Demand kWh Power Cost Recovery as described below:
 - i. Demand kW Power Cost Recovery = Demand kW Base Rates (\$) x Demand kW Sales (kW)
 - ii. Demand kWh Power Cost Recovery = Demand kWh Base Rates (\$) x Demand kWh Sales (kWh)
 2. Energy Cost Recovery = Energy kWh Base Rates (\$) x the sum of Energy kWh Sales (kWh)

3. Residential Customer Hydro Credit Cost Recovery = Residential Customer Hydro Credit (\$) x Residential Customer Hydro Credit Sales (#)
4. Hydro Energy Credit Cost Recovery = Hydro Energy Credit (\$) x Hydro Energy Credit Sales (kWh)
5. Hydro Energy Debit Cost Recovery = Hydro Energy Debit (\$) x Hydro Energy Debit Sales (kWh)

(m) Projected Purchased Power Cost – the Purchased Power Costs projected to be incurred by the Division during the Adjustment Period. The Purchased Power Costs shall be based on the best information available to KUB and shall have categories as follows:

1. Projected Demand Cost = all projected Purchased Power Demand Costs including, but not limited to, Demand Billing Determinants x the appropriate Supplier Rates
2. Projected Energy Cost = all projected Purchased Power Energy Costs including, but not limited to, Energy Billing Determinants x the appropriate Supplier Rates
3. Projected Residential Customer Hydro Credit Cost = Residential Customer Hydro Credit Billing Determinants x the appropriate Supplier Rates
4. Projected Hydro Energy Credit Cost = Hydro Energy Credit Billing Determinants x the appropriate Supplier Rates
5. Projected Hydro Debit Cost = Hydro Energy Debit Billing Determinants x the appropriate Supplier Rates

(n) Purchased Power Costs – the total cost, paid or to be paid to Supplier in connection with the purchase of electricity for the Division excluding the following: Long-term Partnership Credits, Standard Service Pandemic Relief Credits, Green Invest Costs, and Expanded Flexibility Savings. Purchased Power Costs are segregated into categories as follows:

1. Purchased Power Demand Costs – all Purchased Power Costs related to and varying with power demanded (i.e. kW)
2. Purchased Power Energy Costs – Purchased Power Costs, including both fuel and non-fuel components of electricity, and excluding calculation of Hydro Energy Debits and Hydro Energy Credits, related to and varying with energy consumption (i.e. kWh)

3. Purchased Power Residential Customer Hydro Credit Costs – all Purchased Power costs calculated as a credit based on number of eligible residential accounts billed
4. Purchased Power Hydro Energy Credit Costs – all Standard Service Purchased Power costs calculated as a credit based on eligible Hydro Energy Credit volumes (i.e. kWh)
5. Purchased Power Hydro Energy Debit Costs – all Standard Service Purchased Power costs calculated as a debit based on eligible Hydro Energy Debit volumes (i.e. kWh)

Total Purchased Power Costs shall exclude Long-term Partnership Credits, Standard Service Pandemic Relief Credits Green Invest Costs, and Expanded Flexibility Savings.

All other costs not directly attributable to one of the categories described above shall default to Purchased Power Energy Costs.

All costs not attributable to Manufacturing and General Power Service shall default to Standard Service.

- (o) Standard Service – power and energy taken by KUB from Supplier for resale to customers and billed to KUB by Supplier at Standard Service wholesale rates
 - (p) Standard Service Pandemic Relief Credits – that portion of wholesale invoice credit provided by TVA, calculated based on Standard Service usage, and designed to provide base wholesale rate relief during the wholesale invoice period October 2020 through September 2021
 - (q) Supplier – any entity that sells electricity to the Division
 - (r) Supplier Rates – the Supplier's rates which are known or if not known which are reasonably anticipated to be in effect on the first day of the Adjustment Period
- IV. Seasonal periods shall be determined as defined in the retail rate schedules of KUB's Electric Division.
- V. Computation of the Purchased Power Adjustment Components

All change in costs which can be directly attributed to specific customer classes shall be recovered from those customer classes; where change in costs cannot be directly attributed to specific customer classes those costs shall be divided over all Standard Service demand or energy sales as applicable.

Where change in costs cannot otherwise be directly attributed, the change in costs shall be divided over applicable Energy kWh Sales.

The components of the Purchased Power Adjustment shall be computed and rounded to the nearest hundredth of a cent per kWh, with five thousandths of a cent to be increased to the next higher hundredth of a cent, for adjustments affecting kWh; and computed and rounded to the nearest cent per kW, with five tenths of a cent to be increased to the next higher cent, for adjustments affecting kW, as follows:

- (a) Demand kW Component = Change in Demand Cost kW/Demand kW Sales
- (b) Demand kWh Component = Change in Demand Cost kWh/Demand kWh Sales
- (c) Energy Component = Change in Energy Cost/Energy kWh Sales
- (d) Residential Customer Hydro Credit Component = Change in Residential Customer Hydro Credit Cost/Hydro Energy Credit Sales
- (e) Hydro Energy Credit Component = Change in Hydro Energy Credit Cost/Hydro Energy Credit Sales
- (f) Hydro Energy Debit Component = Change in Hydro Energy Debit Cost/Hydro Energy Debit Sales
- (g) Manufacturing and General Power Service Energy Component - Any energy rate per kilowatt hour (kWh) set forth in the current wholesale rate schedules for any rate schedule of the Electric Division duly adopted by the Board for Manufacturing and General Power Service subsequent to this resolution shall be increased or decreased, as applicable, by an amount equivalent to the increase or decrease for the wholesale energy rate for each respective rate schedule, plus an amount to provide for any change in distribution loss charges due to an increase or decrease in the respective wholesale energy rate
- (h) Manufacturing and General Power Service Demand Component - Any demand rate per kilowatt (kW) set forth in the current wholesale rate schedules for any rate schedule of the Electric Division duly adopted by the Board for Manufacturing and General Power Service

subsequent to this resolution shall be increased or decreased, as applicable, by an amount equivalent to the increase or decrease in the wholesale demand rate for each respective rate schedule, plus an amount to provide for any change in distribution loss charges due to an increase or decrease in the respective demand rate

VI. Application and Effective Date of the Purchased Power Adjustment

(a) The Purchased Power Adjustment shall consist of the following:

1. Standard Service Demand kW Purchased Power Adjustment – the Demand kW Component
2. Standard Service Demand kWh Purchased Power Adjustment – the Demand kWh Component
3. Standard Service Energy Purchased Power Adjustment – the Energy Component
4. Residential Hydro Credit Purchased Power Adjustment – the Residential Customer Hydro Credit Component and the Hydro Energy Credit Component
5. Hydro Energy Debit Purchased Power Adjustment – the Hydro Energy Debit Component
6. Manufacturing and General Power Service Purchased Power Adjustment – the sum of the Manufacturing and General Power Service Demand Component and the Manufacturing and General Power Service Energy Component

(b) Each Purchased Power Adjustment shall apply to billing periods beginning on or after the Effective Date of such adjustment.

1. The Standard Service Demand kW Purchased Power Adjustment shall be added to or deducted from, as appropriate, the Base Retail Electric Rates for Rate Schedule GSA, and for any other rate schedule designated for Standard Service of the Electric Division, duly adopted by the Board subsequent to this resolution.
2. The Standard Service Demand kWh Purchased Power Adjustment shall be added to or deducted from, as appropriate, the Base Retail Electric Rates for Rate Schedules RS, GSA, LS, and for any other rate schedule designated for Standard Service of the Electric Division, duly adopted by the Board subsequent to this resolution.

3. The Standard Service Energy Purchased Power Adjustment shall be added to or deducted from, as appropriate, the Base Retail Electric Rates for Rate Schedules RS, GSA, LS, and for any other rate schedule designated for Standard Service of the Electric Division, duly adopted by the Board subsequent to this resolution.
 4. The Residential Hydro Credit Purchased Power Adjustment shall be added to or deducted from, as appropriate, the Base Retail Electric Rates for Rate Schedule RS.
 5. The Hydro Energy Debit Purchased Power Adjustment shall be added to or deducted from, as appropriate, the Base Retail Electric Rates for any rate schedule, other than Rate Schedule RS, designated for Standard Service of the Electric Division.
 6. The Manufacturing and General Power Service Purchased Power Adjustment shall be added to or deducted from, as appropriate, the Base Retail Electric Rates for rate schedules other than those designated for power and energy sold under Standard Service.
- (c) The Purchased Power Adjustment shall be computed as of and shall take effect on the first day of each calendar month (the "Effective Date").
- (d) Each computation of the Purchased Power Adjustment shall be promptly filed with the Chief Financial Officer and shall be accompanied with appropriate documentation supporting the calculation of the Purchased Power Adjustment.

VII. Purchased Power Accounting

- (a) To appropriately match revenues with the cost of purchased power as contemplated under this PPA, KUB shall originally record Purchased Power Costs as debit entries in the "Unrecovered Purchased Power" account. Monthly KUB shall debit the appropriate subaccount(s) of "Other Power Supply Expenses" with an amount equal to the product obtained by multiplying the appropriate power cost components (the sum of the Base Rates of Purchased Power and the current applicable Purchased Power Adjustment) by the appropriate sales billed to customers. The corresponding monthly credit entry shall be made to the "Unrecovered Purchased Power Cost" account.
- (b) The "Unrecovered Purchased Power Cost" account shall be subclassified into appropriate subaccounts, but at a minimum separate subaccounts shall be maintained for demand, energy, residential customer hydro credit, hydro

energy credit, and hydro energy debit categories of the Purchased Power Costs.

- (c) If it cannot be determined which subaccount should be debited, the energy subaccount will be debited.

VIII. Adjustment for Over or Under Recovery of Standard Service Purchased Power Cost

- (a) To permit amortization of the accumulated balance in the "Unrecovered Purchased Power Cost" account, KUB shall include on August 1 of each year the June 30 balance of the "Unrecovered Purchased Power Cost" account for such year in the calculation of the Standard Service Purchased Power Adjustment. This balance shall be included in each monthly calculation of the Standard Service Purchased Power Adjustment commencing on August 1 and thereafter until the following August 1 at which time it shall be superseded by the then current June 30 balance.
- (b) The "Unrecovered Purchased Power Cost" balance shall be segregated into demand, energy, hydro energy credit, and hydro energy debit categories, and shall be added to or deducted from, as appropriate, the applicable Demand Costs, Energy Costs, Hydro Energy Credits, and Hydro Energy Debits included in the Standard Service Purchased Power Adjustment.

IX. Annual Reporting

Annually KUB shall retain an independent consultant to audit the transactions in the "Unrecovered Purchased Power Cost" account and the related Standard Service Purchased Power Adjustment calculations to verify that the procedures and intent of this Standard Service Purchased Power Adjustment are being followed. The independent consultant shall report his or her findings to The Board's Audit and Finance Committee.

**RESOLUTION 1487
APPENDIX A**

**BASE RATES OF PURCHASED POWER
STANDARD SERVICE**

	Summer	Winter	Transition
Residential Credit Eligible kWh			
demand kWh base	0.02437	0.02396	0.02396
energy kWh base	0.06070	0.06070	0.06070
hydro energy credit	-0.00297	-0.00297	-0.00297
Residential Customer Hydro Credit As Stated in Current Effective Wholesale Contract			
Residential Credit Eligible - TOU			
Onpeak kWh			
demand kWh base	0.11957	0.11957	0.11957
energy kWh base	0.07229	0.07229	0.07229
hydro energy credit	-0.00297	-0.00297	-0.00297
Offpeak kWh			
energy kWh base	0.06010	0.06010	0.06010
hydro energy credit	-0.00297	-0.00297	-0.00297
Residential Debit Eligible kWh			
demand kWh base	0.02437	0.02396	0.02396
energy kWh base	0.05494	0.05494	0.05494
hydro energy debit	0.00323	0.00323	0.00323
Residential Debit Eligible - TOU			
Onpeak kWh			
demand kWh base	0.11957	0.11957	0.11957
energy kWh base	0.07229	0.07229	0.07229
hydro energy debit	0.00323	0.00323	0.00323
Offpeak kWh			
energy kWh base	0.06010	0.06010	0.06010
hydro energy debit	0.00323	0.00323	0.00323
GSA1 kWh			
demand kWh base	0.02845	0.02804	0.02804
energy kWh base	0.06141	0.06141	0.06141
hydro energy debit	0.00323	0.00323	0.00323
GSA1 - TOU			
Onpeak kWh			
demand kWh base	0.11957	0.11957	0.11957
energy kWh base	0.07229	0.07229	0.07229
hydro energy debit	0.00323	0.00323	0.00323
Offpeak kWh			
energy kWh base	0.06010	0.06010	0.06010
hydro energy debit	0.00323	0.00323	0.00323
GSA2			
1st 15,000 kWh			
demand kWh base	0.02452	0.02411	0.02411
energy kWh base	0.06534	0.06534	0.06534
hydro energy debit	0.00323	0.00323	0.00323
additional kWh			
demand kWh base	0	0	0

energy kWh base	0.05641	0.05641	0.05641
hydro energy debit	0.00323	0.00323	0.00323
>50kW			
demand kW base	11.10	10.31	10.31
energy kWh base	0	0	0
	Summer	Winter	Transition
GSA2-A - TOU			
Onpeak kWh			
demand kWh base	0.11957	0.11957	0.11957
energy kWh base	0.07229	0.07229	0.07229
hydro energy debit	0.00323	0.00323	0.00323
Offpeak kWh			
energy kWh base	0.06010	0.06010	0.06010
hydro energy debit	0.00323	0.00323	0.00323
GSA2-B - TOU			
Onpeak kWh			
demand kWh base	0.11957	0.11957	0.11957
energy kWh base	0.07229	0.07229	0.07229
hydro energy debit	0.00323	0.00323	0.00323
Offpeak kWh			
energy kWh base	0.06010	0.06010	0.06010
hydro energy debit	0.00323	0.00323	0.00323
GSA3			
kWh			
demand kWh base	0	0	0
energy kWh base	0.05641	0.05641	0.05641
hydro energy debit	0.00323	0.00323	0.00323
0-1000 kW			
demand kW base	11.47	10.71	10.71
energy kWh base	0	0	0
>1000 kW			
demand kW base	13.63	12.87	12.87
energy kWh base	0	0	0
LS kWh			
demand kWh base	0.00837	0.00837	0.00837
energy kWh base	0.04621	0.04621	0.04621
hydro energy debit	0.00323	0.00323	0.00323
EVC			
Onpeak kWh			
demand kWh base	0.08992	0.08992	0.08992
energy kWh base	0.13488	0.13488	0.13488
hydro energy debit	0.00323	0.00323	0.00323
Offpeak kWh			
energy kWh base	0.11749	0.11749	0.11749
hydro energy debit	0.00323	0.00323	0.00323

RESOLUTION NO. 1488

A Resolution Amending the Existing Rate Schedules of the Electric Division, as Previously Established by Resolution 1060, as Heretofore Amended, Providing for an Electric Vehicle Charging Pump (EVCP) Rate

Whereas, by the provisions of the Charter of the City of Knoxville, Tennessee (the "City"), the management and operation of the City's electrical system, has been placed under the jurisdiction of the Board of Commissioners (the "Board") of the Knoxville Utilities Board ("KUB"); and

Whereas, the Board previously adopted Resolution 1060, as heretofore amended, providing rate schedules for the Electric Division of KUB; and

Whereas, the Board supports the adoption and utilization of electric vehicles; and

Whereas, KUB, in partnership with the City of Knoxville and the Tennessee Valley Authority, is currently building two electric vehicle (EV) charging stations within KUB's electric service area for public use; and

Whereas, KUB staff has developed an Electric Vehicle Charging Pump (EVCP) Rate Schedule and recommends its adoption; and

Whereas, in accordance with Section 1107 (D) of the Charter of the City of Knoxville ("Charter"), the Board is required to charge sufficient rates for electric service to pay all obligations of the Electric Division; and

Whereas, in accordance with Section 1107 (L) of the Charter, KUB has provided the required public notice of not less than five (5) days prior to a meeting of the Board when a rate change is to be considered.

Now, Therefore, Be it Hereby Resolved by the Board of Commissioners of the Knoxville Utilities Board:

Section 1. That the Electric Division Rate Schedules as set forth in Section 1 of Resolution No. 1060, as heretofore amended, be amended to include a rate schedule for EVCP, as set forth in Exhibit A to this Resolution, to be effective July 1, 2024.

Adrienne Simpson-Brown, Chair

Mark Walker, Board Secretary

APPROVED ON 1st
READING: 5-16-24
APPROVED ON 2nd
READING: _____
EFFECTIVE DATE: _____
MINUTE BOOK 47 PAGE 12185-12188

**RESOLUTION 1488
EXHIBIT A
EVCP RATE SCHEDULE OF ELECTRIC DIVISION
EFFECTIVE JULY 1, 2024**

RATE SCHEDULE EVCP - Electric Vehicle Charging Pump Rate

Availability

Service under Rate Schedule EVCP is available to any vehicle served at KUB owned EV charging stations. This fuel is solely for use for charging commercial or personal vehicles.

Rate

Base Rate

\$0.40 per kWh

Plus

All applicable local, state, and federal taxes and applicable transaction fees.

Other Charges

Idle fees and any other charges can be found in the KUB Electric Service Procedures.

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

RESOLUTION NO. 1489

A Resolution Authorizing Participation in the Tennessee Valley Authority's PowerFlex Program and Amending the Existing Rate Schedules of the Electric Division, as Previously Established by Resolution 1060, as Heretofore Amended, Providing for a PowerFlex Rate Schedule

Whereas, by the provisions of the Charter of the City of Knoxville, Tennessee (the "City"), the management and operation of the City's electrical system, has been placed under the jurisdiction of the Board of Commissioners (the "Board") of the Knoxville Utilities Board ("KUB"); and

Whereas, the Board previously adopted Resolution 1060, as heretofore amended, providing rate schedules for the Electric Division of KUB; and

Whereas, KUB purchases its full electric power requirements from the Tennessee Valley Authority ("TVA"); and

Whereas, TVA has developed a PowerFlex program, a new demand response program which is optional for qualified large commercial and industrial customers with the ability to curtail load; and

Whereas, TVA's PowerFlex program contains multiple features and allows each end use customer to select a combination of options based on their energy needs and ability to curtail load; and

Whereas, TVA's PowerFlex program becomes available June 1, 2024; and

Whereas, it is in the best interest of KUB and its customers for KUB to participate in TVA's PowerFlex program; and

Whereas, in accordance with Section 1107 (D) of the Charter of the City of Knoxville ("Charter"), the Board is required to charge sufficient rates for electric service to pay all obligations of the Electric Division; and

Whereas, in accordance with Section 1107 (L) of the Charter, KUB has provided the required public notice of not less than five (5) days prior to a meeting of the Board when a rate change is to be considered.

Now, Therefore, Be it Hereby Resolved by the Board of Commissioners of the Knoxville Utilities Board:

Section 1. That the Board hereby authorizes KUB's participation in TVA's PowerFlex program.

Section 2. That the President and Chief Executive Officer is hereby authorized on behalf of KUB to enter any agreements or take any actions reasonably necessary for KUB and its customers to participate in the PowerFlex program.

Section 3. That the rate schedules of the Electric Division, as set forth in Section 1 of Resolution No. 1060, as heretofore amended, be amended to include a rate schedule for PowerFlex, as set forth in Exhibit A to this Resolution, to be effective for meters read on or after July 1, 2024.

Adrienne Simpson-Brown, Chair

Mark Walker, Board Secretary

APPROVED ON 1st
READING: 5-16-24
APPROVED ON 2nd
READING: _____
EFFECTIVE DATE: _____
MINUTE BOOK 47 PAGE 12189-12192

RESOLUTION 1489
EXHIBIT A
POWERFLEX RATE SCHEDULE OF ELECTRIC DIVISION

POWERFLEX

Availability

KUB provides PowerFlex to qualified power users through its wholesale power supplier, the Tennessee Valley Authority (TVA), in accordance with the power supply contract between KUB and TVA.

PowerFlex shall be made available to qualified power users pursuant to specific contractual arrangements between KUB and the customer (such contractual arrangements may be contained in one or more written instruments and are hereinafter sometimes referred to as the "Agreement").

Charges for PowerFlex

KUB Administrative Charge: \$350.00 per month

All other PowerFlex related charges including TVA Administrative Cost Charges shall be established in accordance with the Agreement.

Interruptibility

PowerFlex furnished to a customer under the Agreement shall be subject to interruption and to suspension of availability as provided for in the Agreement.

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

RESOLUTION NO. 1490

A Resolution to Amend Resolution No. 1478, the Caption of Which is as Follows: “A Resolution Making and Fixing the Annual Budget Appropriations of the Knoxville Utilities Board from the Funds of the Electric Division, the Gas Division, the Water Division, the Wastewater Division, and the Fiber Division for the Fiscal Year Beginning July 1, 2023, Providing for Expenditures Paid for the Period Beginning July 1, 2023, and Ending June 30, 2024”

Whereas, Section 1109 of the Charter of the City of Knoxville provides that “No money shall be drawn from the treasury of the system nor shall any obligation for the expenditure of money be incurred except in pursuance of appropriations made by the board”; and

Whereas, the Knoxville Utilities Board of Commissioners (hereinafter referred to as the “Board”) adopted Resolution No. 1478, making and fixing the annual budget appropriations for the Knoxville Utilities Board (hereinafter referred to as “KUB”) for the fiscal year beginning July 1, 2023 and ending June 30, 2024; and

Whereas, KUB staff met with the Board’s Audit and Finance Committee on May 2, 2024, and reviewed the need for additional budget appropriations for the fiscal year ending June 30, 2024; and,

Whereas, the Board has determined it is appropriate to amend the budget appropriations for the Wastewater Division for the current fiscal year, by increasing the amount of expenditures authorized to be paid on or before June 30, 2024; and,

Whereas, the Chief Financial Officer has certified to the Board the availability of funds to fund the proposed increase in budget appropriations.

Now, Therefore, Be It Hereby Resolved by the Board of Commissioners of the Knoxville Utilities Board:

Section 1. That Section 4 of Resolution No. 1478 previously approved by this Board, be amended by adding **\$3,000,000** to the budget appropriations of the Wastewater Division for expenditures to be paid on or before June 30, 2024, thereby increasing the existing budget appropriations of the Wastewater Division from **\$132,353,000** to **\$135,353,000**.

Section 2. That funds will be available for the Wastewater Division to fund the expenditures to be paid for the fiscal year beginning July 1, 2023, as noted in Section 1 of this resolution. The availability of funds has been certified by letter from the Senior Vice President and Chief Financial Officer, whereby said letter is attached to and incorporated by reference as part of this Resolution.

Section 3. That this Resolution shall take effect from and after its passage.

Adrienne Simpson-Brown/s
Adrienne Simpson-Brown, Chair

Mark Walker/s
Mark Walker, Board Secretary

APPROVED ON 1st
& FINAL READING: 5-16-24
EFFECTIVE DATE: 5-16-24
MINUTE BOOK 47 PAGE 12193-12196



May 10, 2024

Knoxville Utilities Board
445 S. Gay Street
Knoxville, Tennessee 37902-1109

Commissioners,

I hereby certify that within the meaning of Section 1109 of the City of Knoxville Charter and Article IX.B.2.e. of the Board's By-Laws there are sufficient funds adequate to fund the proposed additional budget appropriations.

\$3,000,000 for the Wastewater Division, thereby increasing the existing budget appropriations from \$132,353,000 to \$135,353,000 for the fiscal year beginning July 1, 2023.

The availability of funds for budget appropriations is based on general fund cash and all available cash reserves of the Wastewater Division and all monies anticipated to come into the general fund of the Wastewater Division on or before June 30, 2024 from utility sales at rates approved by the KUB Board; from other fees, charges, sales proceeds, accounts and notes receivable, or other credits in the process of collection; and from proceeds of authorized debt issues.

Please see the enclosed worksheet which demonstrates the availability of funds to support the proposed additional budget appropriations.

Respectfully submitted,

A handwritten signature in blue ink that reads "Mark Walker".

Mark Walker
Senior Vice President and Chief Financial Officer

Enclosure

May 2024: Certification of Available Funds - FY 2024 Budget Appropriations

Wastewater Division: Certification of Available Funds

	<u>FY 2024</u>
Beginning General Fund Cash	\$28,051,000
Sales Revenues	\$110,787,000
Other Revenues/Receipts	\$6,135,000
Cash Reserves	\$34,083,000
Total	<u>\$179,056,000</u>
FY 2024 Budget Appropriations (Res. 1478)	\$132,353,000
FY 2024 Budget Appropriations (Res. 1490)	\$3,000,000
Available Funds	<u>\$43,703,000</u>

If positive, there are available funds to fund appropriations.

RESOLUTION NO. 1491

A Resolution Requesting the Council of the City of Knoxville, Tennessee to Provide for the Issuance of Not to Exceed Ninety-One Million and No/100 Dollars (\$91,000,000) In Aggregate Principal Amount of Electric System Revenue Bonds, Series QQ-2024; and Issuance of Not to Exceed Twenty Million and No/100 Dollars (\$20,000,000) In Aggregate Principal Amount of Water System Revenue Bonds, Series OO-2024

Whereas, by the provisions of the City Charter of the City of Knoxville, Tennessee (the "City"), the management and operation of the City's electrical system (the "Electric System"); and the City's water distribution and treatment system (the "Water System") have been placed under the jurisdiction of the Board of Commissioners (the "Board") of the Knoxville Utilities Board ("KUB"); and

Whereas, the Board, after due investigation and consideration, deems it in the best interest of the City for the City to issue and sell not to exceed \$91,000,000 in aggregate principal amount of Electric System Revenue Bonds, Series QQ-2024 (the "Electric Bonds") for the purpose of providing funds to finance the cost of improvements and extensions to the electrical system of the City, including the payment of legal, fiscal and administrative costs incident thereto and incident to the issuance and sale of the Electric Bonds; and

Whereas, the Board, after due investigation and consideration, deems it in the best interest of the City for the City to issue and sell not to exceed \$20,000,000 in aggregate principal amount of Water System Revenue Bonds, Series OO-2024 (the "Water Bonds") for the purpose of providing funds to finance the cost of improvements and extensions to the water distribution and treatment system of the City, including the payment of legal, fiscal and administrative costs incident thereto and incident to the issuance and sale of the Water Bonds; and

Whereas, the Board has had prepared for passage by the Council of the City a resolution authorizing the issuance of the Electric Bonds, a copy of which is attached hereto and made a part hereof (the "Electric Resolution"); and a resolution authorizing the issuance of the Water Bonds, a copy of which is attached hereto and made a part hereof (the "Water Resolution").

Now, Therefore, Be It Hereby Resolved by the Board of Commissioners of the Knoxville Utilities Board:

Section 1. The Board hereby determines and finds that it is in the best interest of the City that the Council of the City adopt the Electric Resolution, in substantially the form presented to this meeting with only such changes as the Chief Financial Officer of KUB shall deem necessary, and authorize the issuance and sale of the Electric Bonds pursuant thereto, the description of the Electric Bonds, the security therefor and the purposes for which said Electric Bonds are to be issued, being more fully stated in the Electric Resolution.

Section 2. The Board hereby determines and finds that it is in the best interest of the City that the Council of the City adopt the Water Resolution, in substantially the form presented to this meeting with only such changes as the Chief Financial Officer of KUB shall deem necessary, and authorize the issuance and sale of the Water Bonds pursuant thereto, the description of the Water Bonds, the security therefor and the purposes for which said Water Bonds are to be issued, being more fully stated in the Water Resolution.

Section 3. As required by the State Funding Board of the State of Tennessee, KUB has heretofore adopted its Debt Management Policy. The Board hereby finds that the issuance of the Electric Bonds and Water Bonds, as proposed herein, is consistent with the Debt Management Policy.

Section 4. The Board hereby formally requests the Council of the City to pass the Electric Resolution and the Water Resolution, and the Board does hereby adopt, ratify, approve, consent and agree to each and every provision contained in the Electric Resolution and the Water Resolution, upon adoption.

Section 5. The Board has elected and does hereby elect that the Electric Bonds be issued under the Electric Resolution and the Water Bonds be issued under the Water Resolution.

Section 6. The Secretary of the Board shall deliver a certified copy of this Resolution to the Mayor and the Council of the City as formal evidence of this Board's action in connection therewith.

Section 7. The Board hereby states its intent to reimburse itself from the proceeds of the Electric Bonds and the Water Bonds, respectively, for expenditures made on or after the date that is sixty (60) days prior to the date of this resolution to make improvements to the Electric System and the Water System, respectively.

Section 8. This Resolution shall take effect from and after its passage.

Adrienne Simpson-Brown/s
Adrienne Simpson-Brown, Chair

Mark Walker/s
Mark Walker, Board Secretary

APPROVED ON 1st
& FINAL READING: 5-16-24
EFFECTIVE DATE: 5-16-24
MINUTE BOOK 47 PAGE 12197-12271

A RESOLUTION SUPPLEMENTING RESOLUTION NO. 1644 ADOPTED BY THE CITY COUNCIL OF THE CITY OF KNOXVILLE, TENNESSEE ON JANUARY 4, 1949 ENTITLED "A RESOLUTION PROVIDING FOR THE ISSUANCE OF ELECTRIC SYSTEM REVENUE BONDS" SO AS TO PROVIDE FOR THE ISSUANCE OF NOT TO EXCEED NINETY-ONE MILLION AND NO/100 DOLLARS (\$91,000,000) OF ELECTRIC SYSTEM REVENUE BONDS, SERIES QQ-2024.

RESOLUTION NO: _____

REQUESTED BY: _____

PREPARED BY: _____

APPROVED AS TO FORM

CORRECTNESS: _____

Law Director

FINANCIAL IMPACT STATEMENT:

Director of Finance

APPROVED: _____

APPROVED AS AN
EMERGENCY MEASURE: _____

MINUTE BOOK _____ PAGE _____

WHEREAS, the City of Knoxville (the "City"), pursuant to a resolution entitled "A Resolution Providing for the Issuance of Electric System Revenue Bonds," being Resolution No. 1644 of the City Council adopted January 4, 1949 (which resolution as heretofore amended is hereinafter sometimes referred to as the "1949 Resolution"), authorized an issue of Electric System Revenue Bonds; and

WHEREAS, pursuant to the 1949 Resolution, and for the purpose of financing the cost of the extensions and improvements to the City's electrical power distribution system (the "System") and the refinancing of indebtedness issued for that purpose, the City issued Electric System Revenue Bonds, the series of which, the amount issued, and the amount outstanding as of April 30, 2024, are as follows:

<u>Series</u>	<u>Amount Issued</u>	<u>Amount Outstanding</u>
EE-2015	\$28,550,000	\$16,815,000
GG-2016	\$40,000,000	\$33,650,000
HH-2017	\$23,445,000	\$10,520,000
II-2017	\$40,000,000	\$35,060,000
JJ-2018	\$39,995,000	\$35,725,000
KK-2020	\$14,380,000	\$10,740,000
LL-2021	\$70,180,000	\$60,715,000
MM-2022	\$45,650,000	\$44,885,000
NN-2022	\$27,215,000	\$27,215,000
OO-2022	\$79,000,000	\$79,000,000
PP-2023	\$55,000,000	\$55,000,000

WHEREAS, it is desirable that an additional series of bonds be issued to finance the costs of the extensions and improvements to the System, including the payment of legal, fiscal and administrative costs incident thereto and incident to the issuance and sale of the bonds, pursuant to the authority of the 1949 Resolution and pursuant to the authority of this resolution; and

WHEREAS, the Board of Commissioners (the "Board") of the Knoxville Utilities Board ("KUB") has duly adopted a resolution requesting the City Council of the City to adopt this resolution authorizing the issuance of bonds for the purposes and in the manner hereinafter more fully stated; and

WHEREAS, it is the intention of the City Council of the City to adopt this resolution for the purpose of authorizing not to exceed \$91,000,000 in aggregate principal amount of electric system revenue bonds for the purposes described above, establishing the terms of such bonds, providing for the issuance, sale and payment of the bonds and disposition of proceeds therefrom, and collection of revenues from the System and the application thereof to the payment of principal of, premium, if any, and interest on said bonds.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Knoxville, Tennessee, as follows:

Section 1. Authority. The bonds authorized by this resolution are issued pursuant to Sections 7-34-101 et seq. and 9-21-101 et seq., Tennessee Code Annotated, and other applicable provisions of law.

Section 2. Definitions. Capitalized terms used herein and not defined in this Section 2 shall have the meanings ascribed to them in the 1949 Resolution (as hereinbelow defined). The following terms shall have the following meanings in this resolution unless the text expressly or by necessary implication requires otherwise.

- (a) "Board" shall mean the Board of Commissioners of the Knoxville Utilities Board;
- (b) "Bond Purchase Agreement" means a Bond Purchase Agreement, dated as of the sale of the Series QQ-2024 Bonds, entered into by and between KUB and the Underwriter, in substantially the form of the document attached hereto as Exhibit A, subject to such changes as permitted by Section 9 hereof, as approved by the President and Chief Executive Officer of KUB, consistent with the terms of this resolution;
- (c) "Book-Entry Form" or "Book-Entry System" means a form or system, as applicable, under which physical Bond certificates in fully registered form are issued to a Depository, or to its nominee as Registered Owner, with the certificated Bonds being held by and "immobilized" in the custody of such Depository, and under which records maintained by persons, other than the City, KUB or the Registration Agent, constitute the written record that identifies, and records the transfer of, the beneficial "book-entry" interests in those Bonds;
- (d) "City" shall mean the City of Knoxville, Tennessee;
- (e) "Code" shall mean the Internal Revenue Code of 1986, as amended, and any lawful regulations promulgated or proposed thereunder;
- (f) "Depository" means any securities depository that is a clearing agency under federal laws operating and maintaining, with its participants or otherwise, a Book-Entry System, including, but not limited to, DTC;
- (g) "Direct Payment Credit" means any refundable direct payment credit received by the City or KUB from the United States Treasury or other agency or instrumentality of the United States pursuant to the American Infrastructure Bonds Act of 2021 (if enacted) or other similar federal law with respect to any emission of Bonds qualifying as Federally Taxable Bonds for which the City or KUB makes an irrevocable election as set forth herein;
- (h) "DTC" means the Depository Trust Company, a limited purpose company organized under the laws of the State of New York, and its successors and assigns;
- (i) "DTC Participant(s)" means securities brokers and dealers, banks, trust companies and clearing corporations that have access to the DTC system;
- (j) "Federally Taxable Bonds" means for purposes of this resolution, any emission of Bonds, the interest on which is includable in gross income of the holders thereof for federal income tax purposes and that, when issued, qualify to receive Direct Payment Credits;
- (k) "Federally Tax-Exempt Bonds" means any emission of Bonds, the interest on which is intended to be excludable from gross income of the holders thereof for federal income tax purposes;
- (l) "Financial Adviser" means Cumberland Securities Company, Inc.;
- (m) "Governing Body" shall mean the City Council of the City;
- (n) "KUB" shall mean the Knoxville Utilities Board;
- (o) "1949 Resolution" shall mean Resolution No. 1644 of the Governing Body, adopted January 4, 1949, as amended and supplemented by Resolution No. 2171, Resolution No. 3491, Resolution

No. R-317-90, Resolution No. R-422-98, Resolution No. R-149-01, Resolution No. R-332-2010, and Resolution No. R-230-2018 and as otherwise supplemented prior to the date hereof;

(p) "Outstanding Bonds" shall mean the City's outstanding Electric System Revenue Refunding Bonds, Series EE-2015, dated May 1, 2015, maturing July 1, 2024 and thereafter, the City's outstanding Electric System Revenue Bonds, Series GG-2016, dated August 5, 2016, maturing July 1, 2024 and thereafter, the City's outstanding Electric System Revenue Refunding Bonds, Series HH-2017, dated April 7, 2017, maturing July 1, 2024 and thereafter, the City's outstanding Electric System Revenue Bonds, Series II-2017, dated September 15, 2017, maturing July 1, 2024 and thereafter, the City's outstanding Electric System Revenue Bonds, Series JJ-2018, dated September 14, 2018, maturing July 1, 2024 and thereafter, the City's outstanding Electric System Revenue Refunding Bonds, Series KK-2020, dated May 22, 2020, maturing July 1, 2024 and thereafter, the City's outstanding Electric System Revenue Refunding Bonds, Series LL-2021, dated April 19, 2021, maturing July 1, 2024 and thereafter, the City's outstanding Electric System Revenue Bonds, Series MM-2022, dated April 29, 2022, maturing July 1, 2024 and thereafter, the City's outstanding Electric System Revenue Refunding Bonds, Series NN-2022, dated May 13, 2022, maturing July 1, 2024 and thereafter, the City's outstanding Electric System Revenue Bonds, Series OO-2022, dated December 16, 2022, maturing July 1, 2024 and thereafter, and the City's Electric System Revenue Bonds, Series PP-2023, dated December 8, 2023, maturing July 1, 2025 and thereafter;

(q) "Parity Bonds" shall mean any bonds issued on a parity with the Series QQ-2024 Bonds and the Outstanding Bonds pursuant to the 1949 Resolution;

(r) "Project" shall mean extensions and improvements to the System;

(s) "Registration Agent" shall mean the registration and paying agent for the Series QQ-2024 Bonds designated by the President and Chief Executive Officer of KUB, or any successor as designated by the Board;

(t) "Series QQ-2024 Bonds" shall mean the City's Electric System Revenue Bonds, Series QQ-2024, dated the date of their issuance or such other date as shall be determined by the Board pursuant to Section 9 hereof, authorized to be issued by the 1949 Resolution and this resolution in an aggregate principal amount not to exceed \$91,000,000;

(u) "State" shall mean the State of Tennessee; and

(v) "Underwriter" shall mean an investment banking firm qualified to underwrite bonds such as the Series QQ-2024 Bonds in the State of Tennessee selected by the President and Chief Executive Officer of KUB.

Section 3. Declarations. It is hereby determined that all requirements of the 1949 Resolution have been or will have been met upon the issuance of the Series QQ-2024 Bonds so that the Series QQ-2024 Bonds will be issued as Parity Bonds.

Section 4. Authorization and Terms of the Series QQ-2024 Bonds. (a) For the purpose of providing funds to finance the costs of construction of the Project, including the payment of legal, fiscal and administrative costs incident thereto and incident to the issuance and sale of the Series QQ-2024 Bonds as more fully set out in Section 9 hereof, there are hereby authorized to be issued revenue bonds of the City in the aggregate principal amount of not to exceed \$91,000,000. The Series QQ-2024 Bonds shall be issued in fully registered form, without coupons, shall be known as "Electric System Revenue Bonds, Series QQ-2024" and shall be dated the date of their issuance or such other date as shall be determined by the Board or the President and Chief Executive Officer of KUB as its designee pursuant to Section 9 hereof. The

Series QQ-2024 Bonds shall bear interest at a rate or rates not to exceed the maximum rate permitted by law, payable semi-annually on January 1 and July 1 in each year, commencing July 1, 2025 or such later date as is permitted pursuant to Section 9 hereof. The Series QQ-2024 Bonds shall be initially issued in \$5,000 denominations or integral multiples thereof as shall be requested by the purchaser thereof. The Series QQ-2024 Bonds shall mature and be payable either serially or through mandatory redemption on each July 1 in such years as is established by the Board or the President and Chief Executive Officer of KUB as its designee pursuant to Section 9, provided that the final maturity date shall not be later than July 1, 2054. The final maturity schedule shall be established by the award resolution or certificate awarding the Series QQ-2024 Bonds to the successful purchaser thereof or in the Bond Purchase Agreement provided for in Section 9 if the Series QQ-2024 Bonds are sold by negotiated sale.

(b) Subject to adjustment pursuant to Section 9 hereof, the Series QQ-2024 Bonds maturing on or before July 1, 2033 shall mature without option of prior redemption, and Series QQ-2024 Bonds maturing on July 1, 2034 and thereafter shall be subject to redemption prior to maturity at the option of the City, acting through the Board, on or after July 1, 2033, as a whole or in part at any time at a redemption price equal to the principal amount plus interest accrued to the redemption date.

If less than all the Series QQ-2024 Bonds shall be called for redemption, the maturities to be redeemed shall be selected by the Board in its discretion. If less than all the Series QQ-2024 Bonds within a single maturity shall be called for redemption, the interests within the maturity to be redeemed shall be selected as follows:

(i) if the Series QQ-2024 Bonds are being held under a Book-Entry System by DTC, or a successor Depository, the amount of the interest of each DTC Participant in the Series QQ-2024 Bonds to be redeemed shall be determined by DTC, or such successor Depository, by lot or such other manner as DTC, or such successor Depository, shall determine; or

(ii) if the Series QQ-2024 Bonds are not being held under a Book-Entry System by DTC, or a successor Depository, the Series QQ-2024 Bonds within the maturity to be redeemed shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall determine.

(c) Pursuant to Section 9 hereof, KUB is authorized to sell the Series QQ-2024 Bonds, or any maturities thereof, as term bonds with mandatory redemption requirements corresponding to the maturities set forth herein or as determined by KUB. In the event any or all the Series QQ-2024 Bonds are sold as term bonds, KUB shall redeem such term bonds on redemption dates corresponding to the maturity dates set forth in the award resolution or certificate awarding the Series QQ-2024 Bonds, in amounts so as to achieve an amortization of the indebtedness approved by the Board or the President and Chief Executive Officer of KUB as its designee. DTC, as Depository for the Series QQ-2024 Bonds, or any successor Depository for the Series QQ-2024 Bonds, shall determine the interest of each Participant in the Series QQ-2024 Bonds to be redeemed using its procedures generally in use at that time. If DTC or another securities depository is no longer serving as Depository for the Series QQ-2024 Bonds, the Series QQ-2024 Bonds to be redeemed within a maturity shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall select.

At its option, to be exercised on or before the forty-fifth (45th) day next preceding any such redemption date, KUB may (i) deliver to the Registration Agent for cancellation Series QQ-2024 Bonds to be redeemed, in any aggregate principal amount desired, and/or (ii) receive a credit in respect of its redemption obligation under this mandatory redemption provision for any Series QQ-2024 Bonds of the maturity to be redeemed which prior to said date have been purchased or redeemed (otherwise than through the operation of this mandatory sinking fund redemption provision) and canceled by the Registration Agent

and not theretofore applied as a credit against any redemption obligation under this mandatory sinking fund provision. Each Series QQ-2024 Bond so delivered or previously purchased or redeemed shall be credited by the Registration Agent at 100% of the principal amount thereof on the obligation of KUB on such payment date and any excess shall be credited on future redemption obligations in chronological order, and the principal amount of Series QQ-2024 Bonds to be redeemed by operation of this mandatory sinking fund provision shall be accordingly reduced. KUB shall on or before the forty-fifth (45th) day next preceding each payment date furnish the Registration Agent with its certificate indicating whether or not and to what extent the provisions of clauses (i) and (ii) of this subsection are to be availed of with respect to such payment and confirm that funds for the balance of the next succeeding prescribed payment will be paid on or before the next succeeding payment date.

(d) Notice of call for redemption, whether optional or mandatory, shall be given by the Registration Agent not less than twenty (20) nor more than sixty (60) days prior to the date fixed for redemption by sending an appropriate notice to the registered owners of the Series QQ-2024 Bonds to be redeemed by first-class mail, postage prepaid, at the addresses shown on the bond registration records of the Registration Agent as of the date of the notice; but neither failure to mail such notice nor any defect in any such notice so mailed shall affect the sufficiency of the proceedings for redemption of any of the Series QQ-2024 Bonds for which proper notice was given. The notice may state that it is conditioned upon the deposit of moneys in an amount equal to the amount necessary to affect the redemption with the Registration Agent no later than the redemption date ("Conditional Redemption"). As long as DTC, or a successor Depository, is the registered owner of the Series QQ-2024 Bonds, all redemption notices shall be mailed by the Registration Agent to DTC, or such successor Depository, as the registered owner of the Series QQ-2024 Bonds, as and when above provided, and neither KUB, the City, nor the Registration Agent shall be responsible for mailing notices of redemption to DTC Participants or Beneficial Owners. Failure of DTC, or any successor Depository, to provide notice to any DTC Participant or Beneficial Owner will not affect the validity of such redemption. The Registration Agent shall mail said notices, in the case of term bonds with mandatory redemption requirements as and when provided herein and in the Series QQ-2024 Bonds and, in the case of optional redemption, as and when directed by the Board pursuant to written instructions from an authorized representative of the Board given at least forty-five (45) days prior to the redemption date (unless a shorter notice period shall be satisfactory to the Registration Agent). From and after the redemption date, all Series QQ-2024 Bonds called for redemption shall cease to bear interest if funds are available at the office of the Registration Agent for the payment thereof and if notice has been duly provided as set forth herein. In the case of a Conditional Redemption, the failure of the City or KUB to make funds available in part or in whole on or before the redemption date shall not constitute an event of default, and the Registration Agent shall give immediate notice to the Depository or the affected Bondholders that the redemption did not occur and that the Bonds called for redemption and not so paid remain outstanding.

(e) The Series QQ-2024 Bonds shall be executed in such manner as may be prescribed by applicable law, in the name, and on behalf, of the City with the manual or facsimile signature of the Chair of the Board and attested by the manual or facsimile signature of the Secretary of the Board.

(f) The City hereby authorizes and directs the Board to appoint a Registration Agent and paying agent for the Series QQ-2024 Bonds, and the Registration Agent so appointed is authorized and directed to maintain Bond registration records with respect to the Series QQ-2024 Bonds, to authenticate and deliver the Series QQ-2024 Bonds as provided herein, either at original issuance, upon transfer, or as otherwise directed by the Board, to effect transfers of the Series QQ-2024 Bonds, to give all notices of redemption as required herein, to make all payments of principal and interest with respect to the Series QQ-2024 Bonds as provided herein, to cancel and destroy Series QQ-2024 Bonds which have been paid at maturity or upon earlier redemption or submitted for exchange or transfer, to furnish KUB at least annually a certificate of destruction with respect to Series QQ-2024 Bonds canceled and destroyed, and to furnish KUB at least annually an audit confirmation of Bonds paid, Bonds outstanding and payments made with

respect to interest on the Series QQ-2024 Bonds. The Chair of the Board is hereby authorized to execute and the Secretary of the Board is hereby authorized to attest such written agreement between KUB and the Registration Agent as they shall deem necessary or proper with respect to the obligations, duties and rights of the Registration Agent. The payment of all reasonable fees and expenses of the Registration Agent for the discharge of its duties and obligations hereunder or under any such agreement is hereby authorized and directed. The Board hereby delegates to the President and Chief Executive Officer of KUB the authority to select and appoint the Registration Agent and any paying agents for the Series QQ-2024 Bonds.

(g) The Series QQ-2024 Bonds shall be payable, principal and interest, in lawful money of the United States of America at the designated trust office of the Registration Agent. The Registration Agent shall make all interest payments with respect to the Bonds on each interest payment date directly to the registered owners as shown on the Bond registration records maintained by the Registration Agent as of the close of business on the fifteenth day of the month next preceding the interest payment date (the "Regular Record Date") by check or draft mailed to such owners at their addresses shown on said Bond registration records, without, except for final payment, the presentation or surrender of such registered Series QQ-2024 Bonds, and all such payments shall discharge the obligations of KUB in respect of such Series QQ-2024 Bonds to the extent of the payments so made. Payment of principal of the Series QQ-2024 Bonds shall be made upon presentation and surrender of such Series QQ-2024 Bonds to the Registration Agent as the same shall become due and payable. All rates of interest specified herein shall be computed on the basis of a three hundred sixty (360) day year composed of twelve (12) months of thirty (30) days each. In the event the Series QQ-2024 Bonds are no longer registered in the name of DTC, or a successor Depository, if requested by the Owner of at least \$1,000,000 in aggregate principal amount of the Series QQ-2024 Bonds, payment of interest on such Series QQ-2024 Bonds shall be paid by wire transfer to a bank within the continental United States or deposited to a designated account if such account is maintained with the Registration Agent and written notice of any such election and designated account is given to the Registration Agent prior to the record date.

(h) Any interest on any Series QQ-2024 Bond which is payable but is not punctually paid or duly provided for on any interest payment date (hereinafter "Defaulted Interest") shall forthwith cease to be payable to the registered owner on the relevant Regular Record Date; and, in lieu thereof, such Defaulted Interest shall be paid to the persons in whose names the Series QQ-2024 Bonds are registered at the close of business on a date (the "Special Record Date") for the payment of such Defaulted Interest, which shall be fixed in the following manner: KUB shall notify the Registration Agent in writing of the amount of Defaulted Interest proposed to be paid on each Series QQ-2024 Bond and the date of the proposed payment, and at the same time KUB shall deposit with the Registration Agent an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Registration Agent for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the persons entitled to such Defaulted Interest as in this Section 4 provided. Thereupon, not less than ten (10) days after the receipt by the Registration Agent of the notice of the proposed payment, the Registration Agent shall fix a Special Record Date for the payment of such Defaulted Interest which Date shall be not more than fifteen (15) nor less than ten (10) days prior to the date of the proposed payment to the registered owners. The Registration Agent shall promptly notify KUB of such Special Record Date and, in the name and at the expense of KUB, not less than ten (10) days prior to such Special Record Date, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first class postage prepaid, to each registered owner at the address thereof as it appears in the Bond registration records maintained by the Registration Agent as of the date of such notice. Nothing contained in this Section 4 or in the Series QQ-2024 Bonds shall impair any statutory or other rights in law or in equity of any registered owner arising as a result of the failure of KUB to punctually pay or duly provide for the payment of principal of, premium, if any, and interest on the Series QQ-2024 Bonds when due.

(i) The Series QQ-2024 Bonds are transferable only by presentation to the Registration Agent by the registered owner, or such owner's legal representative duly authorized in writing, of the registered Series QQ-2024 Bond(s) to be transferred with the form of assignment on the reverse side thereof completed in full and signed with the name of the registered owner as it appears upon the face of the Series QQ-2024 Bond(s) accompanied by appropriate documentation necessary to prove the legal capacity of any legal representative of the registered owner. Upon receipt of the Series QQ-2024 Bond(s) in such form and with such documentation, if any, the Registration Agent shall issue a new Series QQ-2024 Bond or Series QQ-2024 Bonds to the assignee(s) in \$5,000 denominations, or integral multiples thereof, as requested by the registered owner requesting transfer. The Registration Agent shall not be required to transfer or exchange any Series QQ-2024 Bond during the period commencing on a Regular or Special Record Date and ending on the corresponding interest payment date of such Series QQ-2024 Bond, nor to transfer or exchange any Series QQ-2024 Bond after notice calling such Series QQ-2024 Bond for redemption has been made, nor to transfer or exchange any Series QQ-2024 Bond during the period following the receipt of instructions from KUB to call such Series QQ-2024 Bond for redemption; provided, the Registration Agent, at its option, may make transfers after any of said dates. No charge shall be made to any registered owner for the privilege of transferring any Series QQ-2024 Bond, provided that any transfer tax relating to such transaction shall be paid by the registered owner requesting transfer. The person in whose name any Series QQ-2024 Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and neither KUB nor the Registration Agent shall be affected by any notice to the contrary whether or not any payments due on the Series QQ-2024 Bonds shall be overdue. Series QQ-2024 Bonds, upon surrender to the Registration Agent, may, at the option of the registered owner, be exchanged for an equal aggregate principal amount of Series QQ-2024 Bonds of the same maturity in any authorized denomination or denominations. This subsection shall be applicable only if the Series QQ-2024 Bonds are no longer held by a Depository, and as long as the Series QQ-2024 Bonds are held by a Depository, transfers of ownership interests in the Series QQ-2024 Bonds shall be governed by the rules of the Depository.

(j) Except as otherwise authorized herein, the Series QQ-2024 Bonds shall be registered in the name of Cede & Co., as nominee of DTC, which will act as the Depository for the Series QQ-2024 Bonds except as otherwise provided herein. References in this Section 4 to a Series QQ-2024 Bond or the Series QQ-2024 Bonds shall be construed to mean the Series QQ-2024 Bond or the Series QQ-2024 Bonds that are held under the Book-Entry System. One Series QQ-2024 Bond for each maturity of the Series QQ-2024 Bonds shall be issued to DTC and immobilized in its custody or a custodian of DTC. The Registration Agent is a custodian and agent for DTC, and the Series QQ-2024 Bond will be immobilized in its custody. A Book-Entry System shall be employed, evidencing ownership of the Series QQ-2024 Bonds in authorized denominations, with transfers of beneficial ownership effected on the records of DTC and the DTC Participants pursuant to rules and procedures established by DTC.

Each DTC Participant shall be credited in the records of DTC with the amount of such DTC Participant's interest in the Series QQ-2024 Bonds. Beneficial ownership interests in the Series QQ-2024 Bonds may be purchased by or through DTC Participants. The holders of these beneficial ownership interests are hereinafter referred to as the "Beneficial Owners." The Beneficial Owners shall not receive the Series QQ-2024 Bonds representing their beneficial ownership interests. The ownership interests of each Beneficial Owner shall be recorded through the records of the DTC Participant from which such Beneficial Owner purchased its Series QQ-2024 Bonds. Transfers of ownership interests in the Series QQ-2024 Bonds shall be accomplished by book entries made by DTC and, in turn, by DTC Participants acting on behalf of Beneficial Owners. SO LONG AS CEDE & CO., AS NOMINEE FOR DTC, IS THE REGISTERED OWNER OF THE SERIES QQ-2024 BONDS, THE REGISTRATION AGENT SHALL TREAT CEDE & CO., AS THE ONLY HOLDER OF THE SERIES QQ-2024 BONDS FOR ALL PURPOSES UNDER THIS RESOLUTION, INCLUDING RECEIPT OF ALL PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE SERIES QQ-2024 BONDS, RECEIPT OF NOTICES,

VOTING AND TAKING OR NOT TAKING, OR CONSENTING TO, CERTAIN ACTIONS UNDER THIS RESOLUTION.

Payments of principal, interest, and redemption premium, if any, with respect to the Series QQ-2024 Bonds, so long as DTC is the only owner of the Series QQ-2024 Bonds, shall be paid by the Registration Agent directly to DTC or its nominee, Cede & Co. as provided in the Letter of Representation relating to the Series QQ-2024 Bonds from the City, acting by and through KUB, and the Registration Agent to DTC (the "Letter of Representation"). DTC shall remit such payments to DTC Participants, and such payments thereafter shall be paid by DTC Participants to the Beneficial Owners. Neither the City, KUB nor the Registration Agent shall be responsible or liable for payment by DTC or DTC Participants, for sending transaction statements or for maintaining, supervising or reviewing records maintained by DTC or DTC Participants.

In the event that (1) DTC determines not to continue to act as Depository for the Series QQ-2024 Bonds or (2) to the extent permitted by the rules of DTC, the Board determines to discontinue the Book-Entry System, the Book-Entry System with DTC shall be discontinued. If the Board fails to identify another qualified securities depository to replace DTC, the Board shall cause the Registration Agent to authenticate and deliver replacement Series QQ-2024 Bonds in the form of fully registered Series QQ-2024 Bonds to each Beneficial Owner.

NEITHER THE CITY, KUB NOR THE REGISTRATION AGENT SHALL HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO ANY DTC PARTICIPANT OR ANY BENEFICIAL OWNER WITH RESPECT TO (i) THE SERIES QQ-2024 BONDS; (ii) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; (iii) THE PAYMENT BY DTC OR ANY DTC PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OF AND INTEREST ON THE SERIES QQ-2024 BONDS; (iv) THE DELIVERY OR TIMELINESS OF DELIVERY BY DTC OR ANY DTC PARTICIPANT OF ANY NOTICE DUE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED UNDER THE TERMS OF THIS RESOLUTION TO BE GIVEN TO BENEFICIAL OWNERS, (v) THE SELECTION OF BENEFICIAL OWNERS TO RECEIVE PAYMENTS IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE SERIES QQ-2024 BONDS; OR (vi) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC, OR ITS NOMINEE, CEDE & CO., AS OWNER.

If the purchaser or Underwriter certifies that it intends to hold the Series QQ-2024 Bonds for its own account, then the City may issue, acting by and through KUB, certificated Bonds without the utilization of DTC and the Book-Entry System.

(k) In case any Series QQ-2024 Bond shall become mutilated, or be lost, stolen, or destroyed, the City, acting by and through KUB, in its discretion, shall issue, and the Registration Agent, upon written direction from KUB, shall authenticate and deliver, a new Series QQ-2024 Bond of like tenor, amount, maturity and date, in exchange and substitution for, and upon the cancellation of, the mutilated Series QQ-2024 Bond, or in lieu of and in substitution for such lost, stolen or destroyed Series QQ-2024 Bond, or if any such Series QQ-2024 Bond shall have matured or shall be about to mature, instead of issuing a substituted Series QQ-2024 Bond KUB may pay or authorize payment of such Series QQ-2024 Bond without surrender thereof. In every case the applicant shall furnish evidence satisfactory to KUB and the Registration Agent of the destruction, theft or loss of such Series QQ-2024 Bond, and indemnity satisfactory to KUB and the Registration Agent; and KUB may charge the applicant for the issue of such new Series QQ-2024 Bond an amount sufficient to reimburse KUB for the expense incurred by it in the issue thereof.

(l) The Registration Agent is hereby authorized to authenticate and deliver the Series QQ-2024 Bonds to DTC, on behalf of the initial purchaser thereof, or an agent of DTC, upon receipt by KUB

of the proceeds of the sale thereof, subject to the rules of the depository, and to authenticate and deliver Series QQ-2024 Bonds in exchange for Series QQ-2024 Bonds of the same principal amount delivered for transfer upon receipt of the Series QQ-2024 Bond(s) to be transferred in proper form with proper documentation as hereinabove described. The Series QQ-2024 Bonds shall not be valid for any purpose unless authenticated by the Registration Agent by the manual signature of an authorized representative thereof on the certificate set forth herein on the Series QQ-2024 Bond form.

(m) The Registration Agent is hereby authorized to take such action as may be necessary from time to time to qualify and maintain the Series QQ-2024 Bonds for deposit with DTC, including but not limited to, wire transfers of interest and principal payments with respect to the Series QQ-2024 Bonds, utilization of electronic book entry data received from DTC in place of actual delivery of Series QQ-2024 Bonds and provision of notices with respect to Series QQ-2024 Bonds registered by DTC (or any of its designees identified to the Registration Agent) by overnight delivery, courier service, telegram, telecopy or other similar means of communication. No such arrangements with DTC may adversely affect the interest of any of the Beneficial Owners of the Series QQ-2024 Bonds, provided, however, that the Registration Agent shall not be liable with respect to any such arrangements it may make pursuant to this Section 4.

Section 5. Source of Payment. The Series QQ-2024 Bonds shall be payable solely from and be secured by a pledge of the Net Revenues of the System as hereinafter provided and as provided in the 1949 Resolution on a parity and equality of lien with the Outstanding Bonds. The punctual payment of principal of and interest on the Series QQ-2024 Bonds, the Outstanding Bonds and any Parity Bonds shall be secured equally and ratably by the Net Revenues of the System, without priority by reason of series, number or time of sale and delivery. The owners of the Series QQ-2024 Bonds shall have no recourse to the power of taxation of the City.

Section 6. Form of Series QQ-2024 Bonds. The Series QQ-2024 Bonds shall be in substantially the following form, the omissions to be appropriately completed when the Series QQ-2024 Bonds are prepared and delivered:

(Form of Series QQ-2024 Bond)

REGISTERED
Number _____

REGISTERED
\$ _____

UNITED STATES OF AMERICA
STATE OF TENNESSEE
COUNTY OF KNOX
CITY OF KNOXVILLE
ELECTRIC SYSTEM REVENUE BOND, SERIES QQ-2024

Interest Rate:

Maturity Date:

Date of Bond:

CUSIP No.:

Registered Owner:

Principal Amount:

KNOW ALL PERSONS BY THESE PRESENTS: That the City of Knoxville, a municipal corporation lawfully organized and existing in Knox County, Tennessee (the "City"), acting by and through the Knoxville Utilities Board ("KUB"), for value received hereby promises to pay to the registered owner hereof, hereinabove named, or registered assigns, in the manner hereinafter provided, the principal amount hereinabove set forth on the maturity date hereinabove set forth, or upon earlier redemption, as set forth

herein, and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on said principal amount at the annual rate of interest hereinabove set forth from the date hereof until said maturity date or redemption date, said interest being payable on January 1, 2025, and semi-annually thereafter on the first day of January and July in each year until this Bond matures or is redeemed. Both principal hereof and interest hereon are payable in lawful money of the United States of America by check or draft at the designated trust office of _____, _____, Tennessee, as registration agent and paying agent (the "Registration Agent"). The Registration Agent shall make all interest payments with respect to this Bond by check or draft on each interest payment date directly to the registered owner hereof shown on the bond registration records maintained by the Registration Agent as of the close of business on the day which is the fifteenth (15th) day of the month next preceding the interest payment date (the "Regular Record Date") by depositing said payment in the United States mail, postage prepaid, addressed to such owner at such owner's address shown on said bond registration records, without, except for final payment, the presentation or surrender of this Bond, and all such payments shall discharge the obligations of the City and KUB to the extent of the payments so made. Any such interest not so punctually paid or duly provided for on any interest payment date shall forthwith cease to be payable to the registered owner on the relevant Regular Record Date; and, in lieu thereof, such defaulted interest shall be payable to the person in whose name this Bond is registered at the close of business on the date (the "Special Record Date") for payment of such defaulted interest to be fixed by the Registration Agent, notice of which shall be given to the owners of the Bonds of the issue of which this Bond is one not less than ten (10) days prior to such Special Record Date. Payment of principal of and premium, if any, on the Bonds shall be made when due upon presentation and surrender of this Bond to the Registration Agent.

Except as otherwise provided herein or in the Resolution, as hereinafter defined, this Bond shall be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Bonds of the series of which this Bond is one. One Bond for each maturity of the Bonds shall be issued to DTC and immobilized in its custody or a custodian of DTC. The Registration Agent is a custodian and agent for DTC, and the Bond will be immobilized in its custody. A book-entry system (the "Book-Entry System") shall be employed, evidencing ownership of the Bonds in \$5,000 denominations, or multiples thereof, with transfers of beneficial ownership effected on the records of DTC and the DTC Participants, as defined in the Resolution, pursuant to rules and procedures established by DTC. So long as Cede & Co., as nominee for DTC, is the registered owner of the Bonds, the City, KUB and the Registration Agent shall treat Cede & Co., as the only owner of the Bonds for all purposes under the Resolution, including receipt of all principal of, premium, if any, and interest on the Bonds, receipt of notices, voting and requesting or taking or not taking, or consenting to, certain actions hereunder. Payments of principal, maturity amounts, interest, and redemption premium, if any, with respect to the Bonds, so long as DTC is the only owner of the Bonds, shall be paid directly to DTC or its nominee, Cede & Co. DTC shall remit such payments to DTC Participants, and such payments thereafter shall be paid by DTC Participants to the Beneficial Owners, as defined in the Resolution. Neither the City, KUB, nor the Registration Agent shall be responsible or liable for payment by DTC or DTC Participants, for sending transaction statements or for maintaining, supervising or reviewing records maintained by DTC or DTC Participants. In the event that (1) DTC determines not to continue to act as securities depository for the Bonds or (2) to the extent permitted by the rules of DTC, the Board of Commissioners of KUB (the "Board") determines to discontinue the Book-Entry System, the Book-Entry System with DTC shall be discontinued. If the Board fails to identify another qualified securities depository to replace DTC, the Board shall cause the Registration Agent to authenticate and deliver replacement Bonds in the form of fully registered Bonds to each Beneficial Owner. Neither the City, KUB nor the Registration Agent shall have any responsibility or obligations to any DTC Participant or any Beneficial Owner with respect to (i) the Bonds; (ii) the accuracy of any records maintained by DTC or any DTC Participant; (iii) the payment by DTC or any DTC Participant of any amount due to any Beneficial Owner in respect of the principal or maturity amounts of and interest on the Bonds; (iv) the delivery or timeliness of delivery by DTC or any DTC Participant of any notice due to any Beneficial Owner that is required or permitted under

the terms of the Resolution to be given to Beneficial Owners, (v) the selection of Beneficial Owners to receive payments in the event of any partial redemption of the Bonds; or (vi) any consent given or other action taken by DTC, or its nominee, Cede & Co., as owner.

The Bonds of the issue of which this Bond is one maturing on or before July 1, 2033 shall mature without option of prior redemption. The Bonds maturing on July 1, 2034 and thereafter shall be subject to redemption prior to maturity at the option of the City, acting through the Board, on or after July 1, 2033, as a whole or in part at any time at a redemption price equal to the principal amount plus interest accrued to the redemption date.

[If less than all the Bonds shall be called for redemption, the maturities to be redeemed shall be selected by the Board in its discretion. If less than all of the Bonds within a single maturity shall be called for redemption, the interests within the maturity to be redeemed shall be selected as follows:

(i) if the Bonds are being held under a Book-Entry System by DTC, or a successor Depository, the amount of the interest of each DTC Participant in the Bonds to be redeemed shall be determined by DTC, or such successor Depository, by lot or such other manner as DTC, or such successor Depository, shall determine; or

(ii) if the Series Bonds are not being held under a Book-Entry System by DTC, or a successor Depository, the Bonds within the maturity to be redeemed shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall determine.]

[Subject to the credit hereinafter provided, the City acting by and through KUB, shall redeem Bonds maturing on the redemption dates set forth below opposite such maturity date, in aggregate principal amounts equal to the respective dollar amounts set forth below opposite the redemption dates at a price of par plus accrued interest thereon to the date of redemption. DTC, as securities depository for the series of Bonds of which this Bond is one, or any successor Depository for the Bonds, shall determine the interest of each Participant in the Bonds to be redeemed using its procedures generally in use at that time. If DTC, or another securities depository is no longer serving as securities depository for the Bonds, the Bonds to be redeemed within a maturity shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall select. The dates of redemption and amount of Bonds to be redeemed on said dates are as follows:

<u>Maturity</u>	<u>Redemption Date</u>	<u>Principal Amount of Bonds to be Redeemed</u>
-----------------	----------------------------	---

*final maturity

At its option, to be exercised on or before the forty-fifth (45th) day next preceding any such redemption date, the City, acting through KUB, may (i) deliver to the Registration Agent for cancellation Bonds to be redeemed, in any aggregate principal amount desired, and/or (ii) receive credit in respect of its redemption obligation under the mandatory redemption provision for any Bonds to be redeemed which prior to said date have been purchased or redeemed (otherwise than by mandatory redemption) and canceled by the Registration Agent and not theretofore applied as a credit against any redemption obligation under the mandatory redemption provision. Each Bond so delivered or previously purchased or redeemed shall

be credited by the Registration Agent at 100% of the principal amount thereof on the obligation of KUB on such payment date and any excess shall be credited on future redemption obligations in chronological order, and the principal amount of the Bonds to be redeemed by operation of the mandatory redemption provision shall be accordingly reduced. KUB shall on or before the forty-fifth (45th) day next preceding each payment date furnish the Registration Agent with its certificate indicating whether or not and to what extent the provisions of clauses (i) and (ii) of this paragraph are to be availed of with respect to such payment and confirm that funds for the balance of the next succeeding prescribed payment will be paid on or before the next succeeding payment date.

Notice of call for redemption, whether optional or mandatory shall be given by the Registration Agent on behalf of the City, but only upon direction of the Board, not fewer than twenty (20) nor more than sixty (60) days prior to the date fixed for redemption by sending an appropriate notice to the registered owners of the Bonds to be redeemed by first-class mail, postage prepaid, at the addresses shown on the Bond registration records of the Registration Agent as of the date of the notice; but neither failure to mail such notice nor any defect in any such notice so mailed shall affect the sufficiency of the proceedings for the redemption of any of the Bonds for which proper notice was given. The notice may state that it is conditioned upon the deposit of moneys in an amount equal to the amount necessary to affect the redemption with the Registration Agent no later than the redemption date ("Conditional Redemption"). From and after any redemption date, all Bonds called for redemption shall cease to bear interest if funds are available at the office of the Registration Agent for the payment thereof and if notice has been duly given as set forth in the Resolution, as hereafter defined. In the case of a Conditional Redemption, the failure of the City or KUB to make funds available in part or in whole on or before the redemption date shall not constitute an event of default, and the Registration Agent shall give immediate notice to the Depository or the affected Bondholders that the redemption did not occur and that the Bonds called for redemption and not so paid remain outstanding.]

The Bonds of the issue of which this Bond is one are issuable only as fully registered Bonds, without coupons, in the denomination of Five Thousand Dollars (\$5,000) or any authorized integral multiple thereof. At the designated trust office of the Registration Agent, in the manner and subject to the limitations, conditions and charges provided in the Resolution, fully registered Bonds may be exchanged for an equal aggregate principal amount of fully registered Bonds of the same maturity, of authorized denominations, and bearing interest at the same rate. The Bonds shall be numbered consecutively from one upwards and will be made eligible for the Book-Entry System of DTC. Except as otherwise provided in this paragraph and the Resolution, as hereinafter defined, the Bonds shall be registered in the name of Cede & Co., as nominee of DTC. The Board may discontinue use of DTC for Bonds at any time upon determination by the Board that the use of DTC is no longer in the best interest of the beneficial owners of the Bonds. Upon such determination, registered ownership of the Bonds may be transferred on the registration books maintained by the Registration Agent, and the Bonds may be delivered in physical form to the following:

- i. any successor of DTC or its nominee;
- ii. any substitute depository to which the Registration Agent does not unreasonably object, upon (a) the resignation of DTC or its successor (or any substitute depository or its successor) from its functions as depository, or (b) a determination by the Board that DTC or its successor (or any substitute depository or its successor) is no longer able to carry out its functions as depository; or
- iii. any person, upon (a) the resignation of DTC or its successor (or substitute depository or its successor) from its functions as depository, or (b) termination by the Board of the use of DTC (or substitute depository or its successor).

In the event that this Bond is no longer held in a Book-Entry System by DTC, this Bond shall be transferable by the registered owner hereof in person or by such owner's attorney duly authorized in writing at the designated trust office of the Registration Agent set forth on the front side hereof, but only in the manner, subject to limitations and upon payment of the charges provided in the Resolution and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds of authorized denomination or denominations of the same maturity and interest rate for the same aggregate principal amount will be issued to the transferee in exchange therefor. The person in whose name this Bond is registered shall be deemed and regarded as the absolute owner thereof for all purposes and neither the City, KUB nor the Registration Agent shall be affected by any notice to the contrary whether or not any payments due on the Bond shall be overdue. Bonds, upon surrender to the Registration Agent, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of the Bonds of the same maturity in authorized denomination or denominations, upon the terms set forth in the Resolution. The Registration Agent shall not be required to transfer or exchange any Bond during the period commencing on a Regular Record Date or Special Record Date and ending on the corresponding interest payment date of such Bond, nor to transfer or exchange any Bond after the notice calling such Bond for redemption has been made, nor during a period following the receipt of instructions from the Board to call such Bond for redemption.

This Bond is one of a total authorized issue aggregating \$91,000,000 and issued by the City, acting by and through KUB, for the purpose of providing funds to finance the construction of extensions and improvements to the City's electrical power distribution system (the "System"), including the payment of legal, fiscal and administrative costs incident thereto and costs incident to the issuance of the Bonds, under and in full compliance with the Constitution and statutes of the State of Tennessee, including Sections 7-34-101 et seq. and Section 9-21-101 et seq., Tennessee Code Annotated, and pursuant to Resolution No. 1644 duly adopted by the City Council of the City on January 4, 1949, as supplemented and amended by Resolution No. 2171, Resolution No. 3491, Resolution No. R-317-90, Resolution No. R-422-98, Resolution No. R-149-01, Resolution No. R-332-2010, and Resolution No. R-230-2018, and as supplemented by Resolution No. R-____-2024 and as otherwise supplemented prior to the date hereof (as supplemented and amended, the "Resolution").

This Bond, and interest hereon, are payable solely from and secured by a pledge of the income and revenues to be derived from the operation of the System, subject only to the payment of the reasonable and necessary costs of operating, maintaining, repairing, and insuring the System. The Bonds of the series of which this Bond is one shall enjoy complete parity and equality of lien with the City's outstanding Electric System Revenue Refunding Bonds, Series EE-2015, dated May 1, 2015, maturing July 1, 2024 and thereafter, the City's outstanding Electric System Revenue Bonds, Series GG-2016, dated August 5, 2016, maturing July 1, 2024 and thereafter, the City's outstanding Electric System Revenue Refunding Bonds, Series HH-2017, dated April 7, 2017, maturing July 1, 2024 and thereafter, the City's outstanding Electric System Revenue Bonds, Series II-2017, dated September 15, 2017, maturing July 1, 2024 and thereafter, the City's outstanding Electric System Revenue Bonds, Series JJ-2018, dated September 14, 2018, maturing July 1, 2024 and thereafter, the City's outstanding Electric System Revenue Refunding Bonds, Series KK-2020, dated May 22, 2020, maturing July 1, 2024 and thereafter, the City's outstanding Electric System Revenue Refunding Bonds, Series LL-2021, dated April 19, 2021, maturing July 1, 2024 and thereafter, the City's outstanding Electric System Revenue Bonds, Series MM-2022, dated April 29, 2022, maturing July 1, 2024 and thereafter, the City's outstanding Electric System Revenue Refunding Bonds, Series NN-2022, dated May 13, 2022, maturing July 1, 2024 and thereafter, the City's outstanding Electric System Revenue Bonds, Series OO-2022, dated December 16, 2022, maturing July 1, 2024 and thereafter, and the City's outstanding Electric System Revenue Bonds, Series , PP-2023, dated December 8, 2023, maturing July 1, 2025 and thereafter (collectively, the "Outstanding Bonds"). As provided in the Resolution, the punctual payment of principal of, premium, if any, and interest on the series of Bonds of which this Bond

is one, the Outstanding Bonds, and any other bonds issued on a parity therewith pursuant to the terms of the Resolution shall be secured equally and ratably by said revenues without priority by reason of series, number or time of sale or delivery. The owner of this Bond shall have no recourse to the power of taxation of the City. The Board has covenanted that it will fix and impose such rates and charges for the services rendered by the System and will collect and account for sufficient revenues to pay promptly the principal of and interest on this Bond and the issue of which it is a part, as each payment becomes due. For a more complete statement of the revenues from which and conditions under which this Bond is payable, a statement of the conditions on which obligations may hereafter be issued on a parity with this Bond, the general covenants and provisions pursuant to which this Bond is issued and the terms upon which the Resolution may be modified, reference is hereby made to the Resolution.

Under existing law, this Bond and the income therefrom are exempt from all present state, county and municipal taxation in Tennessee except (a) Tennessee excise taxes on all or a portion of the interest on this Bond during the period such Bond is held or beneficially owned by any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee, and (b) Tennessee franchise taxes by reason of the inclusion of the book value of this Bond in the Tennessee franchise tax base or any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee.

It is hereby certified, recited, and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond exist, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other indebtedness of either the City or KUB, does not exceed any limitation prescribed by the constitution and statutes of the State of Tennessee.

IN WITNESS WHEREOF, the City acting by and through the Board has caused this Bond to be signed by the Chair of the Board by his manual or facsimile signature and attested by the Secretary of the Board by his manual or facsimile signature, all as of the date hereinabove set forth.

CITY OF KNOXVILLE
by and through the
KNOXVILLE UTILITIES BOARD

By: _____
Chair

ATTESTED:

Secretary

Transferable and payable at the
trust office of: _____,
_____, Tennessee

Date of Registration: _____

This Bond is one of the issue of Bonds issued pursuant to the Resolution hereinabove described.

Registration Agent

By: _____
Authorized Representative

FORM OF ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns, and transfers unto _____, [Please insert Federal Tax Identification Number or Social Security Number of Assignee _____] whose address is _____, the within bond of the City of Knoxville, Tennessee, and does hereby irrevocably constitute and appoint _____, _____, Tennessee, attorney, to transfer the said bond on the records kept for registration thereof with full power of substitution in the premises.

Dated: _____

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears on the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

Signature guaranteed:

NOTICE: Signature(s) must be guaranteed by a member firm of a Medallion Program acceptable to the Registration Agent.

Section 7. Equality of Lien; Pledge of Net Revenues. The punctual payment of principal of, premium, if any, and interest on the Series QQ-2024 Bonds, the Outstanding Bonds and any Parity Bonds shall be secured equally and ratably by the Net Revenues of the System without priority by reason of series, number or time of sale or execution or delivery, and the Net Revenues of the System are hereby irrevocably pledged to the punctual payment of such principal, premium and interest as the same become due.

Section 8. Applicability of the 1949 Resolution. The Series QQ-2024 Bonds are issued in compliance with the 1949 Resolution so as to be on a parity with the Outstanding Bonds, and, when duly delivered, the Series QQ-2024 Bonds shall constitute a series of bonds issued under the authority of the 1949 Resolution. All recitals, provisions, covenants and agreements contained in the 1949 Resolution, as supplemented and amended herein (except insofar as any of said recitals, provisions, covenants and agreements necessarily relate exclusively to any series of the Outstanding Bonds) are hereby ratified and confirmed and incorporated herein by reference and, for so long as any of the Series QQ-2024 Bonds shall be outstanding and unpaid either as to principal or interest, or until discharge and satisfaction of the Series QQ-2024 Bonds as provided in Section 12 hereof, shall be applicable to the Series QQ-2024 Bonds, shall inure to the benefit of owners of the Series QQ-2024 Bonds as if set out in full herein, and shall be fully enforceable by the owner of any Series QQ-2024 Bond.

All references to "holder" or "holders" in the 1949 Resolution shall be deemed to include owners of the Series QQ-2024 Bonds, and all references to "Bonds" in the 1949 Resolution shall be deemed to include the Series QQ-2024 Bonds.

Section 9. Sale of Series QQ-2024 Bonds.

(a) The Series QQ-2024 Bonds or any emission thereof may be sold at negotiated sale to the Underwriter or at public sale as determined by the President and Chief Executive Officer of KUB at a price of not less than 98.00% of par, exclusive of original issue discount, plus accrued interest, if any, provided, however, that no emission of Series QQ-2024 Bonds may be sold at negotiated sale unless the Audit and Finance Committee of the Board has previously approved the sale of such emission at negotiated sale. The sale of any emission of the Series QQ-2024 Bonds to the Underwriter or by public sale shall be binding on the City and KUB, and no further action of the Board with respect thereto shall be required.

(b) The President and Chief Executive Officer of KUB, as the designee of the Board, is further authorized with respect to each emission of Series QQ-2024 Bonds to:

- (1) change the dated date to a date other than the date of issuance;
- (2) specify or change the series designation of the Series QQ-2024 Bonds to a designation other than "Electric System Revenue Bonds, Series QQ-2024";
- (3) change the first interest payment date to a date other than January 1, 2025, provided that such date is not later than twelve months from the dated date of such emission of Series QQ-2024 Bonds;
- (4) establish and adjust the principal and interest payment dates and determine maturity or mandatory redemption amounts of the Series QQ-2024 Bonds or any emission thereof, provided that (A) the total principal amount of all emissions of the Series QQ-2024 Bonds does not exceed the total amount of Series QQ-2024 Bonds authorized herein, (B) the final maturity date of each emission shall be not later than July 1, 2054 and (C) the debt service payable in each fiscal year after the completion of the Project shall be approximately level;
- (5) modify or remove the optional redemption provisions contained herein, provided that the premium amount to be paid in connection with any redemption provision shall not exceed two percent (2%) of the principal amount thereof;
- (6) sell the Series QQ-2024 Bonds, or any emission thereof, or any maturities thereof as term bonds with mandatory redemption requirements as determined by the Board, as it shall deem most advantageous to KUB; and
- (7) cause all or a portion of the Series QQ-2024 Bonds to be insured by a bond insurance policy issued by a nationally recognized bond insurance company to achieve the purposes set forth herein and to serve the best interests of KUB and to enter into agreements with such insurance company to the extent not inconsistent with this resolution.

(c) If any emission of Series QQ-2024 Bonds is sold at negotiated sale, the President and Chief Executive Officer of KUB is authorized to execute a Bond Purchase Agreement with respect to such emission of Series QQ-2024 Bonds, providing for the purchase and sale of the Series QQ-2024 Bonds, or any emission thereof. Each Bond Purchase Agreement shall be in substantially the form attached hereto as

Exhibit A, with such changes as the President and Chief Executive Officer deems necessary or advisable in connection with the sale of such Series QQ-2024 Bonds, provided any such changes are not inconsistent with the terms of this Section 9. If the Underwriter does not intend to reoffer the Series QQ-2024 Bonds to the public, then the Bond Purchase Agreement shall be conformed to reflect such intention. The form of the Series QQ-2024 Bond set forth in Section 6 hereof shall be conformed to reflect any changes made pursuant to this Section 9.

(d) The President and Chief Executive Officer and the Chief Financial Officer of KUB, or either of them, are authorized to cause the Series QQ-2024 Bonds, in book-entry form (except as otherwise authorized herein), to be authenticated and delivered by the Registration Agent to the purchaser(s), and to execute, publish, and deliver all certificates and documents, including an official statement, the Bond Purchase Agreement and closing certificates, as they shall deem necessary in connection with the sale and delivery of each emission of the Bonds.

(e) If the Series QQ-2024 Bonds are sold at public sale, the Series QQ-2024 Bonds shall be awarded by the President and Chief Executive Officer of KUB to the bidder that offers to purchase the Bonds for the lowest true interest cost to KUB.

(f) Each emission of Series QQ-2024 Bonds shall be offered for sale as either Federally Tax-Exempt Bonds or as Federally Taxable Bonds as determined by KUB, in consultation with the Financial Advisor, by taking into account which type of Series QQ-2024 Bond will result in the lowest cost to KUB with respect to such emission of Series QQ-2024 Bonds taking into consideration the Direct Payment Credit projected to be received if such emission of Series QQ-2024 Bonds is issued as Federally Taxable Bonds and such other factors affecting the cost of KUB, including redemption provisions relating to each such emission. KUB will cause to be filed with the transcript of proceedings for any emission of Federally Taxable Bonds, a report of the Financial Adviser as to the factors taken into account by the Financial Adviser in recommending that any emission be issued as Federally Taxable Bonds. If issued as Federally Taxable Bonds, the President and Chief Executive Officer of KUB, on behalf of the City and KUB, is directed to make any election required under applicable law to qualify such emission of Bonds for Direct Payment Credits on each interest payment date. KUB is further authorized to submit any required forms to the Internal Revenue Service or other applicable governmental agency for the purpose of receiving the Direct Payment Credit with respect to each interest payment date, or take such other actions required for receipt of the Direct Payment Credit required by the Internal Revenue Service of the United States Treasury or other governmental agency. KUB is authorized to direct the deposit of the Direct Payment Credit as KUB deems appropriate, and such Direct Payment Credits shall be deemed funds of KUB when paid. All decisions by KUB made pursuant to this subsection shall be binding on the City, and no further action of the Governing Body with respect thereto shall be required. The President and Chief Executive Officer of KUB, as the designee of the Board, is authorized to take all actions required or authorized by this subsection.

Section 10. Disposition of Series QQ-2024 Bond Proceeds. The proceeds of the sale of the Series QQ-2024 Bonds shall be paid to KUB and used and applied by KUB as follows:

(a) All accrued interest, if any, shall be deposited to the Debt Service Fund created under the 1949 Resolution and used to pay interest on the Series QQ-2024 Bonds on the first interest payment date following delivery of the Series QQ-2024 Bonds; and

(b) The remainder of the proceeds of the sale of the Series QQ-2024 Bonds shall be deposited with a financial institution regulated by the Federal Deposit Insurance Corporation or similar federal agency, in the "Electric System Expansion and Replacement Fund" (the "Construction Fund") to be kept separate and apart from all other funds of KUB. The funds in the Construction Fund shall be disbursed solely to pay the costs of constructing the Project and costs related to the issuance and sale of the Series

QQ-2024 Bonds, including necessary legal, accounting, and fiscal expenses, printing, engraving, advertising and similar expenses, administrative and clerical costs, rating agency fees, Registration Agent fees, and other necessary miscellaneous expenses incurred in connection with the Project and the issuance and sale of the Series QQ-2024 Bonds. Money in the Construction Fund shall be secured in the manner prescribed by applicable statutes relative to the securing of public or trust funds, if any, or, in the absence of such a statute, by a pledge of readily marketable securities having at all times a market value of not less than the amount in said Construction Fund. Money in the Construction Fund shall be expended only for the purposes authorized by this resolution. Any funds remaining in the Construction Fund after completion of the Project and payment of authorized expenses shall be deposited to the Bond Fund and used to retire Series QQ-2024 Bonds on the earliest date possible. Moneys in the Construction Fund shall be invested as directed by the Chief Financial Officer of KUB in such investments as shall be permitted by applicable law. All income derived from such investments shall be deposited to the Construction Fund.

Section 11. Discharge and Satisfaction of Series QQ-2024 Bonds. If KUB, on behalf of the City, shall pay and discharge the indebtedness evidenced by any of the Series QQ-2024 Bonds or Parity Bonds (referred to hereinafter, collectively, in this Section 11 as the "Bonds") in any one or more of the following ways:

(a) By paying or causing to be paid, by deposit of sufficient funds as and when required with the Registration Agent, the principal of and interest on such Bonds as and when the same become due and payable;

(b) By depositing or causing to be deposited with any financial institution which has trust powers and which is regulated by and the deposits of which are insured by the Federal Deposit Insurance Corporation or similar federal agency ("an Agent"; which Agent may be the Registration Agent), in trust or escrow, on or before the date of maturity or redemption, sufficient money or Defeasance Obligations, the principal of and interest on which, when due and payable, will provide sufficient moneys to pay or redeem such Bonds and to pay premium, if any, and interest thereon when due until the maturity or redemption date (provided, if such Bonds are to be redeemed prior to maturity thereof, proper notice of such redemption shall have been given or adequate provision shall have been made for the giving of such notice); or

(c) By delivering such Bonds to the Registration Agent, for cancellation by it;

and if KUB, on behalf of the City, shall also pay or cause to be paid all other sums payable hereunder by KUB, on behalf of the City with respect to such Bonds or make adequate provision therefor, and by resolution of the Board instruct any such Agent to pay amounts when and as required to the Registration Agent for the payment of principal of and interest and redemption premiums, if any, on such Bonds when due, then and in that case the indebtedness evidenced by such Bonds shall be discharged and satisfied and all covenants, liens, pledges, agreements and obligations entered into, created, or imposed hereunder, including the pledge of and lien on the Net Revenues of the System set forth herein, shall be fully discharged and satisfied with respect to such Bonds and the owners thereof and shall thereupon cease, terminate and become void.

If KUB, on behalf of the City, shall pay and discharge or cause to be paid and discharged the indebtedness evidenced by any of the Bonds in the manner provided in either clause (a) or clause (b) above, then the registered owners thereof shall thereafter be entitled only to payment out of the money or Defeasance Obligations deposited as aforesaid.

Except as otherwise provided in this Section 11, neither Defeasance Obligations nor moneys deposited with the Agent pursuant to this Section 11 nor principal or interest payments on any such

Defeasance Obligations shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and premium, if any, and interest on said Bonds; provided that any cash received from such principal or interest payments on such Defeasance Obligations deposited with the Agent, (A) to the extent such cash will not be required at any time for such purpose, shall be paid over to KUB as received by the Agent and (B) to the extent such cash will be required for such purpose at a later date, shall, to the extent practicable, be reinvested in Defeasance Obligations maturing at times and in amounts sufficient to pay when due the principal and premium, if any, and interest to become due on said Bonds on or prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestments, to the extent not needed for the payment of such principal, premium and interest, shall be paid over to KUB, as received by the Agent. For the purposes of this Section 11, Defeasance Obligations shall mean direct obligations of, or obligations, the principal of and interest on which are guaranteed by, the United States of America, or any agency thereof, obligations of any agency or instrumentality of the United States or any other obligations at the time of the purchase thereof are permitted investments under Tennessee law for the purposes described in this Section 11, which bonds or other obligations shall not be subject to redemption prior to their maturity other than at the option of the registered owner thereof.

No redemption privilege shall be exercised with respect to the Series QQ-2024 Bonds or any Parity Bonds except at the option and election of the Board. The right of redemption set forth herein shall not be exercised by any Registration Agent or Agent unless expressly so directed in writing by an authorized representative of the Board.

Section 12. Federal Tax Matters. The City and KUB recognize that the purchasers and owners of the Series QQ-2024 Bonds that are intended to be Federally Tax-Exempt Bonds will have accepted them on, and paid therefor a price that reflects, the understanding that interest thereon will not be included in gross income for purposes of federal income taxation under laws in force on the date of delivery of the Series QQ-2024 Bonds. In this connection, KUB, on behalf of the City, agrees that it shall take no action which may render the interest on any of the Series QQ-2024 Bonds that are intended to be Federally Tax-Exempt Bonds includable in gross income for purposes of federal income taxation. It is the reasonable expectation of the City and KUB that the proceeds of the Series QQ-2024 Bonds that are intended to be Federally Tax-Exempt Bonds will not be used in a manner which will cause the Series QQ-2024 Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code, and to this end the said proceeds of the Series QQ-2024 Bonds and other related funds established for the purposes herein set out, shall be used and spent expeditiously for the purposes described herein. In the event Section 148(f) of the Code shall require the payment of any investment proceeds of the Series QQ-2024 Bonds that are intended to be Federally Tax-Exempt Bonds to the United States government, KUB will make such payments as and when required by said Section 148(f) and will take such other actions as shall be necessary or permitted to prevent the interest on the Series QQ-2024 Bonds that are intended to be Federally Tax-Exempt Bonds from becoming taxable. The Chair of the Board, the Secretary of the Board, the President and Chief Executive Officer of KUB and Chief Financial Officer of KUB, or any of them, are authorized and directed to make such certifications in this regard in connection with the sale of the Series QQ-2024 Bonds that are intended to be Federally Tax-Exempt Bonds as any or all shall deem appropriate, and such certifications shall constitute a representation and certification of the City and KUB.

Section 13. Official Statement. The President and Chief Executive Officer of KUB, or his designee, is hereby authorized and directed to provide for the preparation and distribution of a Preliminary Official Statement describing the Series QQ-2024 Bonds. After the Series QQ-2024 Bonds have been awarded, the President and Chief Executive Officer of KUB, or his designee, shall make such completions, omissions, insertions and changes in the Preliminary Official Statement not inconsistent with this resolution as are necessary or desirable to complete it as a final Official Statement for purposes of Rule 15c2-12(e)(3) of the Securities and Exchange Commission. The President and Chief Executive Officer of KUB, or his

designee, shall arrange for the delivery to the purchaser of the Series QQ-2024 Bonds of a reasonable number of copies of the Official Statement within seven business days after the Series QQ-2024 Bonds have been awarded for subsequent delivery by the purchaser to each potential investor requesting a copy of the Official Statement and to each person to whom such purchaser and members of such purchaser's group initially sell the Series QQ-2024 Bonds.

The President and Chief Executive Officer of KUB, or his designee is authorized, on behalf of the Board, to deem the Preliminary Official Statement and the Official Statement in final form, each to be final as of its date within the meaning of Rule 15c2-12(b)(1), except for the omission in the Preliminary Official Statement of certain pricing and other information allowed to be omitted pursuant to such Rule 15c2-12(b)(1). The distribution of the Preliminary Official Statement and the Official Statement in final form shall be conclusive evidence that each has been deemed in final form as of its date by the Board except for the omission in the Preliminary Official Statement of such pricing and other information.

Section 14. Continuing Disclosure. The City hereby covenants and agrees that KUB will provide annual financial information and material event notices for the Series QQ-2024 Bonds as required by Rule 15c2-12 of the Securities and Exchange Commission. The Chief Financial Officer of KUB is authorized to execute at the closing of the sale of the Series QQ-2024 Bonds, an agreement for the benefit of and enforceable by the owners of the Series QQ-2024 Bonds specifying the details of the financial information and material event notices to be provided and its obligations relating thereto. Failure of KUB to comply with the undertaking herein described and to be detailed in said closing agreement, shall not be a default hereunder, but any such failure shall entitle the owner or owners of any of the Bonds to take such actions and to initiate such proceedings as shall be necessary and appropriate to cause KUB to comply with its undertaking as set forth herein and in said agreement, including the remedies of mandamus and specific performance.

Section 15. Separability. 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 16. Repeal of Conflicting Resolutions and Effective Date. All other resolutions and 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.

Adopted and approved this ____ day of _____, 2024

Mayor

ATTEST:

City Recorder

STATE OF TENNESSEE)
)
COUNTY OF KNOX)

I, Will Johnson, hereby certify that I am the duly qualified and acting City Recorder of the City of Knoxville, Tennessee, and as such official I further certify that attached hereto is a copy of excerpts from the minutes of a regular meeting of the governing body of the City Council held on _____, 2024; that these minutes were promptly and fully recorded and are open to public inspection; that I have compared said copy with the original minute record of said meeting in my official custody; and that said copy is a true, correct and complete transcript from said original minute record insofar as said original records relate to an amount not to exceed \$91,000,000 Electric System Revenue Bonds, Series QQ-2024.

WITNESS my official signature of the City of Knoxville, Tennessee, this ____ day of _____, 2024.

City Recorder

EXHIBIT A

\$91,000,000
CITY OF KNOXVILLE, TENNESSEE
ACTING ON BEHALF OF KNOXVILLE UTILITIES BOARD
ELECTRIC SYSTEM REVENUE BONDS, SERIES QQ-2024

BOND PURCHASE AGREEMENT

_____, 2024

Knoxville Utilities Board
445 South Gay Street
Knoxville, Tennessee 37902

Ladies and Gentlemen:

The undersigned (the "Underwriter") offers to enter into this agreement with Knoxville Utilities Board ("KUB") which, upon your acceptance of this offer, will be binding upon you and upon us.

This offer is made subject to your acceptance of this agreement on or before 5:00 p.m., Eastern Standard Time, on _____, 2024.

1. Purchase Price.

Upon the terms and conditions and upon the basis of the respective representations, warranties and covenants set forth herein, the Underwriter hereby agrees to purchase from KUB, and KUB hereby agrees to sell to the Underwriter, all (but not less than all) of \$91,000,000 aggregate principal amount of KUB's Electric System Revenue Bonds, Series QQ-2024 (the "Bonds"). The purchase price is \$_____ plus accrued interest and shall be paid in accordance with paragraph 6 hereof. The purchase price is equal to the par amount of the Bonds less \$_____ original issue discount, less \$_____ underwriter's discount and plus accrued interest. The Bonds are to be issued under and pursuant to, and are to be secured by the Resolution (the "Bond Resolution") adopted on _____, 2024, by the City Council of the City of Knoxville (the "City") at the request of KUB. The Bonds shall mature on the dates and shall bear interest at the rates all as described in the Official Statement referred to in Section 3 hereof. The maturities, rates and discount at which the Bonds are being sold are more fully described on **Schedule I** attached hereto.

The Bonds are being issued to provide funds to finance the cost of extensions and improvements to the electrical power distribution system operated by KUB on behalf of the City (the "System"), including the payment of legal, fiscal and administrative costs incident thereto and incident to the issuance and sale of the Bonds.

2. Public Offering.

The Underwriter intends to make an initial bona fide public offering of all of the Bonds at not in excess of the public offering prices set forth on the cover of the Official Statement and may subsequently change such offering price without any requirement of prior notice. The Underwriter may offer and sell Bonds to certain dealers (including dealers depositing bonds into investment trusts) and others at prices lower than the public offering prices stated on the cover of the Official Statement. The Underwriter reserves the right (i) to over-allot or effect transactions that stabilize or maintain the market prices of the Bonds at levels above those which might otherwise prevail in the open market; and (ii) to discontinue such stabilizing, if commenced at any time without prior notice.

3. Official Statement.

(a) KUB has provided the Underwriter with information that constitutes a "deemed final" official statement for purposes of Rule 15c2-12 under the Securities Exchange Act of 1934 ("Rule 15c2-12"). Concurrently with KUB's acceptance of this Bond Purchase Agreement, KUB shall deliver or cause to be delivered to the Underwriter two copies of the Official Statement (as hereinafter defined) relating to the Bonds dated the date hereof substantially in the same form as the Preliminary Official Statement with only such changes as shall have been accepted by the Underwriter.

(b) Within seven (7) business days from the date hereof and within sufficient time to accompany any confirmation requesting payment from any customers of the Underwriter, KUB shall deliver to the Underwriter copies of the Official Statement of KUB, dated the date hereof, relating to the Bonds, in sufficient quantity as may reasonably be requested by the Underwriter in order to comply with Rule 15c2-12 and any applicable rules of the Municipal Securities Rulemaking Board, in substantially the form approved by KUB (which, together with the cover page, and all exhibits, appendices, and statements included therein or attached thereto and any amendments and supplements that may be authorized for use with respect to the Bonds is herein called the "Official Statement"), executed on behalf of KUB by a duly authorized officer of KUB. You hereby authorize and approve the Official Statement and other pertinent documents referred to in Section 6 hereof to be lawfully used in connection with the offering and sale of the Bonds. You also acknowledge and ratify the use by the Underwriter, prior to the date hereof, of the Preliminary Official Statement in connection with a public offering of the Bonds.

(c) If, prior to the Closing (as defined in Section 5 below) or within twenty-five (25) days subsequent to the end of the underwriting period as such term is used for purposes of Rule 15c2-12, any event shall occur with respect to KUB or KUB shall receive notice of the occurrence of any other event that might or would cause the information contained in the Official Statement to contain any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading, KUB shall so notify the Underwriter. KUB agrees to amend or supplement the Official Statement whenever requested by the Underwriter when in the reasonable judgment of the Underwriter such amendment or supplementation is required and to furnish the Underwriter with sufficient quantities of such amendment or supplement in order to permit the Underwriter to comply with Rule 15c2-12.

4. Representations and Warranties.

KUB hereby represents and warrants to the Underwriter that:

(a) KUB is duly existing pursuant to the Charter of the City and is authorized by such Charter to operate and manage the System. KUB has duly authorized all necessary action to be taken by it for: (i) the issuance and sale of the Bonds upon the terms set forth herein and in the Official Statement; (ii)

the approval of the Official Statement and the signing of the Official Statement by a duly authorized officer; (iii) the execution, delivery and receipt of this Bond Purchase Agreement, the Bonds and any and all such other agreements and documents as may be required to be executed, delivered and received by KUB in order to carry out, give effect to, and consummate the transactions contemplated hereby, by the Bonds, the Official Statement and the Bond Resolution;

(b) When executed by the respective parties thereto, this Bond Purchase Agreement will constitute a legal, valid and binding obligation of KUB enforceable in accordance with its terms;

(c) The information and statements contained in the Preliminary Official Statement, as of its date and as of the date hereof, did not and do not contain any untrue statement of a material fact or omit to state any material fact which was necessary in order to make such information and statements, in the light of the circumstances under which they were made, not misleading;

(d) The information and statements contained in the Official Statement, as of its date and as of the Closing, are and will be correct and complete in all material respects and do not and will not contain any untrue statement of a material fact or omit to state any material fact which is necessary in order to make such information and statements, in the light of the circumstances under which they were made, not misleading;

(e) KUB has complied, and will at the Closing be in compliance, in all respects with the obligations on its part contained in the Bond Resolution and the laws of the State of Tennessee (the "State"), including the Act;

(f) The City has duly adopted the Bond Resolution, and the City and KUB have (a) duly authorized and approved the distribution of the Preliminary Official Statement, (b) duly authorized and approved the execution and delivery of the Official Statement, (c) duly authorized and approved the execution and delivery of, and the performance by KUB of the obligations on its part contained in, the Bonds, the Bond Resolution and this Bond Purchase Agreement, and (d) duly authorized and approved the consummation by it of all other transactions contemplated by this Bond Purchase Agreement and the Official Statement;

(g) KUB is not in breach of or default under any applicable law or administrative regulation of the State or the United States in any manner related to or affecting the transactions contemplated hereby or in breach of or default under any applicable judgment or decree or any loan agreement, note, resolution, ordinance, agreement or other instrument to which KUB is a party or to which it or any of its property is otherwise subject; and the execution and delivery of this Bond Purchase Agreement, the Bonds and the adoption of the Bond Resolution, and compliance with the provisions of each thereof, will not conflict with or constitute a breach of or default under any law, administrative regulation, judgment, decree, loan agreement, note, resolution, ordinance, agreement or other instrument to which KUB is a party or to which it or any of its property is otherwise subject;

(h) Except as may be required under the securities or "blue sky" laws of any state, all approvals, consents, authorizations and orders of, filings with or certifications by any governmental authority, board, agency or commission having jurisdiction, which would constitute a condition precedent to the performance by KUB of its obligations hereunder and under the Bond Resolution and the Bonds, have been obtained;

(i) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, pending or, to the knowledge of KUB, threatened against KUB or others (a) affecting KUB or the corporate existence of KUB or the titles of its officers to their

respective offices, (b) seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Bonds or the collection of Net Revenues pledged to pay the principal of and interest on the Bonds, or the pledge thereof, (c) in any way contesting or affecting the transactions contemplated hereby or by the Official Statement or by the validity or enforceability of the Bonds, the Bond Resolution or this Bond Purchase Agreement, (d) contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement, or (e) contesting the powers or authority of KUB for the issuance of the Bonds, the adoption of the Bond Resolution or the execution and delivery of this Bond Purchase Agreement;

(j) KUB will not take or omit to take any action that will in any way cause the proceeds from the sale of the Bonds and other moneys of KUB to be transferred on the date of issuance of the Bonds to be applied or result in such proceeds and other moneys being applied in a manner other than as provided in or permitted by the Bond Resolution and consistent with the utilization described in the Official Statement;

(k) KUB agrees reasonably to cooperate with the Underwriter and its counsel in any endeavor to qualify the Bonds for offering and sale under the securities or "blue sky" laws of such jurisdictions of the United States as the Underwriter may request. KUB hereby consents to the use of the Official Statement and the Bond Resolution by the Underwriter in obtaining any qualification required;

(l) If at any time from the date of this Bond Purchase Agreement through 25 days following the "end of the underwriting period" (as defined in Rule 15c2-12 described below) any event shall occur that might or would cause the Official Statement to contain any untrue statement of a material fact or to omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, KUB shall notify the Underwriter and if, in the opinion of the Underwriter, such event requires the preparation and publication of a supplement or amendment to the Official Statement, KUB will supplement or amend the Official Statement in a form and in a manner approved by the Underwriter. If the Official Statement is so supplemented or amended prior to the Closing, such approval by the Underwriter of a supplement or amendment to the Official Statement shall not preclude the Underwriter from thereafter terminating this Bond Purchase Agreement, and if the Official Statement is so amended or supplemented subsequent to the date hereof and prior to the Closing, the Underwriter may terminate this Bond Purchase Agreement by notification to KUB at any time prior to the Closing if, in the judgment of the Underwriter, such amendment or supplement has or will have a material adverse effect on the marketability of the Bonds;

(m) KUB has duly authorized and approved the execution and delivery of this Bond Purchase Agreement and the performance by KUB of the obligations on its part contained herein;

(n) KUB is not, nor has it at any time, been in default in the payment of principal of or interest on any obligation issued or guaranteed by KUB;

(o) Any certificate signed by an authorized officer of KUB and delivered to the Underwriter at or prior to the Closing shall be deemed a representation and warranty by KUB in connection with this Bond Purchase Agreement to the Underwriter as to the statements made therein upon which the Underwriter shall be entitled to rely. KUB covenants that between the date hereof and the Closing, it will not take any action that will cause the representations and warranties made herein to be untrue as of the Closing;

(p) The Bonds, when issued, authenticated and delivered in accordance with the Bond Resolution and sold to the Underwriter as provided herein, will be validly issued and outstanding special obligations of KUB entitled to the benefits of the Bond Resolution;

(q) KUB has lawful authority to operate the System, to consummate the transactions contemplated by the Official Statement and collect revenues, fees and other charges in connection with the System and through its Board of Commissioners, to fix the rates, fees and other charges with respect to the System; and

(r) KUB hereby covenants and agrees to enter into a written agreement or contract, constituting an undertaking (the "Undertaking") to provide ongoing disclosure about KUB, for the benefit of the beneficial owners of the Bonds on or before the date of delivery of the Bonds as required under paragraph (b)(5) of Rule 15c2-12. The Undertaking shall be as described in the Preliminary Official Statement, with such changes as may be agreed in writing by the Underwriter. KUB represents that it has complied in all respects with its obligations to provide continuing disclosure of certain information as described in that certain Continuing Disclosure Certificate entered into in connection with the issuance of the Bonds.

5. Delivery of, and Payment for, the Bonds.

At 10:00 a.m. on or about _____, 2024, or at such other time or date as shall have been mutually agreed upon by KUB and the Underwriter, KUB will deliver, or cause to be delivered, to the Underwriter the other documents hereinafter mentioned and, subject to the conditions contained herein, the Underwriter will accept such delivery and pay the purchase price of the Bonds plus accrued interest payable to the order of KUB, in federal funds or other immediately available funds by delivering to KUB such funds by wire transfer to KUB or its designated agent except that physical delivery of the Bonds shall be made through the facilities of the Depository Trust Company.

Payment for the Bonds shall be confirmed and delivery of the documents as aforesaid shall be made at the offices of KUB, or such other place as may be agreed upon by the Underwriter and KUB. Such payment and delivery is herein called the "Closing." The Bonds will be delivered as fully registered bonds in such names and in such denominations as shall be designated in writing by the Underwriter to KUB at Closing.

6. Certain Conditions to Underwriter's Obligations.

The obligations of the Underwriter hereunder shall be subject to (i) the performance by KUB of its obligations to be performed hereunder, (ii) the accuracy in all material respects of the representations and warranties of KUB herein as of the date hereof and as of the date of the Closing, and (iii) to the following conditions:

(a) At the time of Closing, (i) the Bond Resolution shall be in full force and effect and shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Underwriter, (ii) the proceeds of the sale of the Bonds shall be applied as described in the Official Statement, and (iii) KUB shall have duly adopted and there shall be in full force and effect such other resolutions as, in the opinion of Bass, Berry & Sims PLC, Knoxville, Tennessee ("Bond Counsel"), shall be necessary in connection with the transactions contemplated hereby;

(b) At or prior to the Closing, the Underwriter shall have received an executed copy of each of the following documents:

(1) the approving opinion dated the date of the Closing, of Bond Counsel addressed to KUB and the Underwriter, relating to, among other things, the validity of the Bonds [and the exclusion from gross income of the interest on the Bonds for federal and State of Tennessee income tax purposes,] in substantially the form set forth as Appendix to the Official Statement;

(2) a supplemental opinion, dated the date of the Closing, of Bond Counsel addressed to the Underwriter in substantially the form of Exhibit A hereto;

(3) an opinion, dated the date of the Closing, of Hodges, Doughty & Carson, Knoxville, Tennessee, counsel to KUB, addressed to KUB, Bond Counsel and the Underwriter in substantially the form of Exhibit B hereto;

(4) a certificate of KUB, dated the date of the Closing and signed by a duly authorized officer of KUB and in form and substance reasonably satisfactory to the Underwriter, to the effect that (i) since the execution of the Bond Purchase Agreement no material and adverse change has occurred in the financial position of the System or results of operations of the System; (ii) KUB has not incurred any material liabilities secured by the Net Revenues of the System other than in the ordinary course of business or as set forth in or contemplated by the Official Statement; and (iii) no event affecting KUB has occurred since the date of the Official Statement which should be disclosed in the Official Statement for the purpose for which it is to be used or which is necessary to be disclosed therein in order to make the statements and information therein not misleading as of the date of Closing;

(5) the Official Statement executed on behalf of KUB by a duly authorized officer thereof;

(6) the Bond Resolution and the Bonds;

(7) a certificate of a duly authorized officer of KUB, satisfactory to the Underwriter, dated the date of Closing, stating that such officer is charged, either alone or with others, with the responsibility for issuing the Bonds; setting forth, in the manner permitted by Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), the reasonable expectations of KUB as of such date as to the use of proceeds of the Bonds and of any other funds of KUB expected to be used to pay principal or interest on the Bonds and the facts and estimates on which such expectations are based; and stating that, to the best of the knowledge and belief of the certifying officer, KUB's expectations are reasonable;

(8) evidence indicating a rating on the Bonds of "___" by [rating agency];

(9) other certificates of KUB listed on a Closing Memorandum to be approved by counsel to KUB, Bond Counsel and counsel to the Underwriter, including any certificates or representations required in order for Bond Counsel to deliver the opinion referred to in Paragraph 6(b)(1) of this Bond Purchase Agreement; and such additional legal opinions, certificates, proceedings, instruments and other documents as the counsel to the Underwriter or Bond Counsel may reasonably request to evidence compliance by KUB with legal requirements, the truth and accuracy, as of the time of Closing, of the representations of KUB contained herein and the due performance or satisfaction by KUB at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by KUB.

All such opinions, certificates, letters, agreements and documents will be in compliance with the provisions hereof only if they are satisfactory in form and substance to the Underwriter and counsel to the Underwriter. KUB will furnish the Underwriter with such conformed copies or photocopies of such opinions, certificates, letters, agreements and documents as the Underwriter may reasonably request.

(c) The Underwriter shall have received within seven (7) business days from the date hereof and within sufficient time to accompany any confirmation requesting payment from any customers of the

Underwriter, the Official Statement in sufficient quantity as may be reasonably requested by the Underwriter in order to comply with Rule 15(c) 2-12.

7. Termination.

The Underwriter shall have the right to cancel its obligation to purchase the Bonds if (i) between the date hereof and the Closing, legislation shall be enacted or recommended to the Congress or otherwise endorsed for passage (by press release, other form of notice or otherwise) by the President of the United States, the Treasury Department of the United States, the Internal Revenue Service or the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives or favorably reported for passage to either House of the Congress by any committee of such House to which such legislation has been referred for consideration, or a bill to amend the Internal Revenue Code (which, if enacted, would take effect in whole or in part prior to the Closing) shall be filed in either house, or recommended for passage by the Congress by any joint or conference committee thereof, or a decision by a court of the United States or the United States Tax Court shall be rendered, or a ruling, regulation or statement by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or other governmental agency shall be made or proposed to be made, with respect to the federal taxation upon interest on obligations of the general character of the Bonds, or other action or events shall have transpired which may have the purpose or effect, directly or indirectly of changing the federal income tax consequences of any of the transactions contemplated in connection herewith, including the tax-exempt status of KUB and, in the opinion of the Underwriter, materially adversely affects the market price of the Bonds, or the market price generally of obligations of the general character of the Bonds, or (ii) there shall exist any event which in the Underwriter's judgment either (a) makes untrue or incorrect in any material respect any statement or information contained in the Official Statement or (b) is not reflected in the Official Statement but should be reflected therein in order to make the statements and information contained therein not misleading in any material respect, or (iii) there shall have occurred any outbreak of hostilities or any national or international calamity or crisis including financial crisis, or a financial crisis or a default with respect to the debt obligations of, or the institution of proceedings under the federal or the state bankruptcy laws by or against the State of Tennessee or any subdivision, agency or instrumentality of such State, the effect of which on the financial markets of the United States being such as, in the reasonable judgment of the Underwriter, would make it impracticable for the Underwriter to market the Bonds or to enforce contracts for the sale of the Bonds, or (iv) there shall be in force a general suspension of trading on the New York Stock Exchange, or (v) a general banking moratorium shall have been declared by either federal, Tennessee or New York authorities, or (vi) there shall have occurred since the date of this Bond Purchase Agreement any material adverse change in the financial position of the System, except for changes which the Official Statement discloses have occurred or may occur, or (vii) legislation shall be enacted or any action shall be taken by the Securities and Exchange Commission which, in the opinion of counsel for the Underwriter, has the effect of requiring the contemplated distribution of the Bonds to be registered under the Securities Act of 1933, as amended, or the Bond Resolution or any other document executed in connection with the transactions contemplated hereof to be qualified under the Trust Indenture Act of 1939, as amended, or (viii) a stop order, ruling, regulation or official statement by or on behalf of the Securities and Exchange Commission shall be issued or made to the effect that the issuance, offering or sale of the Bonds, or of obligations of the general character of the Bonds as contemplated hereby, or the offering of any other obligation which may be represented by the Bonds is in violation of any provision of the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, or the Trust Indenture Act of 1939, as amended, or (ix) any state blue sky or securities commission shall have withheld registration, exemption or clearance of the offering, and in the reasonable judgment of the Underwriter the market for the Bonds is materially affected thereby.

If KUB shall be unable to satisfy any of the conditions to the obligations of the Underwriter contained in this Bond Purchase Agreement and such condition is not waived by the Underwriter, or if the obligations of the Underwriter to purchase and accept delivery of the Bonds shall be terminated or canceled for any reason permitted by this Bond Purchase Agreement, this Bond Purchase Agreement shall terminate and neither the Underwriter nor KUB shall be under further obligation hereunder; except that the respective obligations to pay expenses, as provided in Section 10 hereof, shall continue in full force and effect.

8. Particular Covenants.

KUB covenants and agrees with the Underwriter as follows:

(a) KUB shall use its best efforts to furnish or cause to be furnished to the Underwriter, without charge, as many copies of the Official Statement as the Underwriter may reasonably request;

(b) Before revising, amending or supplementing the Official Statement, KUB shall furnish a copy of the revised Official Statement or such amendment or supplement to the Underwriter. If in the opinion of KUB and the Underwriter a supplement or amendment to the Official Statement is required, KUB will supplement or amend the Official Statement in a form and in a manner approved by the Underwriter and its counsel.

9. Survival of Representations.

All representations, warranties and agreements of KUB hereunder shall remain operative and in full force and effect, regardless of any investigation made by or on behalf of the Underwriter and shall survive the delivery of the Bonds.

10. Payment of Expenses.

Whether or not the Bonds are sold to the Underwriter by KUB, KUB shall pay, but only out of the proceeds of the sale of the Bonds or other funds made available by KUB, any expenses incident to the performance of its obligations hereunder, including but not limited to: (i) the cost of the preparation and printing of the Official Statement and any supplements thereto, together with a number of copies which the Underwriter deems reasonable; (ii) the cost of the preparation and printing of the definitive Bonds; (iii) the rating agency fees; and (iv) the fees and disbursements of Counsel to KUB and Bond Counsel and any other experts or consultants retained by KUB.

Whether or not the Bonds are sold to the Underwriter, the Underwriter shall pay (i) all advertising expenses in connection with the public offering of the Bonds; (ii) the cost of preparing and printing the blue sky memorandum, if any, and filing fees in connection with the aforesaid blue sky memorandum other than the costs of preparation of the Preliminary Official Statement and the Official Statement; and (iii) all other expenses incurred by the Underwriter in connection with its public offering and distribution of the Bonds, including the fees and expenses of the Underwriter's counsel.

11. No Advisory or Fiduciary Role.

KUB acknowledges and agrees that (i) the purchase and sale of the Bonds pursuant to this Bond Purchase Agreement is an arm's-length commercial transaction between KUB and the Underwriter, (ii) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriter is and has been acting solely as principal and is not acting as the agent, advisor or fiduciary of KUB, (iii) the Underwriter has not assumed an advisory or fiduciary responsibility in favor of KUB with respect to the offering contemplated hereby or the discussions,

undertakings and procedures leading thereto (irrespective of whether the Underwriter, or any affiliates of the Underwriter, has provided other services or are currently providing other services to KUB on other matters) and the Underwriter has no obligation to KUB with respect to the offering contemplated hereby except the obligations expressly set forth in this Bond Purchase Agreement, (iv) the Underwriter has financial and other interests that differ from those of KUB and (v) KUB has consulted its own legal, financial and other advisors to the extent it has deemed appropriate.

KUB and the Underwriter represent and warrant that no finder or other agent has been employed by either KUB or the Underwriter in connection with this transaction.

12. Notices.

Any notice or other communication to be given to KUB under this Bond Purchase Agreement may be given by delivering the same in writing at its address set forth above, and any notice or other communication to be given to the Underwriter under this Bond Purchase Agreement may be given by delivering the same in writing to _____, _____, _____, _____.

13. Parties.

This Bond Purchase Agreement is made solely for the benefit of KUB and the Underwriter (including the successors or assigns of the Underwriter) and no other person shall acquire or have any right hereunder or by virtue hereof.

14. Governing Law.

This Bond Purchase Agreement shall be governed by and construed in accordance with the laws of the State of Tennessee.

15. General.

This Bond Purchase Agreement may be executed in several counterparts, each of which shall be regarded as an original and all of which will constitute one and the same instrument. The section headings of this Bond Purchase Agreement are for convenience of reference only and shall not affect its interpretation. This Bond Purchase Agreement shall become effective upon your acceptance hereof.

Very truly yours,

By: _____
Its: _____

Accepted and agreed to as of
the date first above written:

KNOXVILLE UTILITIES BOARD

By: _____
President and Chief Executive Officer

EXHIBIT A TO BOND PURCHASE AGREEMENT

[LETTERHEAD OF BASS BERRY & SIMS PLC]

[Closing Date]

Ladies and Gentlemen:

This opinion is being rendered to you pursuant to Paragraph 6(b)(2) of the Bond Purchase Agreement, dated _____, 2024 (the "Bond Purchase Agreement"), between _____ (the "Underwriter"), and Knoxville Utilities Board ("KUB"), relating to the sale by KUB of its Electric System Revenue Bonds, Series QQ-2024, in the aggregate principal amount of \$91,000,000 (the "Bonds"). Terms which are used herein and not otherwise defined shall have the meanings assigned to them in the Bond Purchase Agreement.

Of even date herewith, we have delivered our approving opinion in connection with the issuance of the Bonds. In our capacity as Bond Counsel, we have reviewed a record of proceedings in connection with the issuance of the Bonds and we have participated in conferences from time to time with counsel to KUB, representatives of the Underwriter and counsel to the Underwriter, relative to the Official Statement, dated _____, 2024, relating to the Bonds, and the related documents described below. We have also examined such other agreements, documents and certificates, and have made such investigations of law, as we have deemed necessary or appropriate in rendering the opinions set forth below.

Based on the foregoing, we are of the opinion that, as of the date hereof:

1. The offer and sale of the Bonds to the public do not require any registration under the Securities Act of 1933, as amended, and, in connection therewith, the Bond Resolution does not need to be qualified under the Trust Indenture Act of 1939, as amended.

2. The statements contained in the Official Statement under the captions "Introduction" to the extent the narrative thereunder purports to describe the terms of the Bonds and the legal authority by which they are issued, "The Bonds," and in Appendix A to the Official Statement, insofar as such statements purport to summarize certain provisions of the Bonds and the Bond Resolution, fairly summarize such provisions. The statements contained in the Official Statement under the caption "Opinion of Bond Counsel" are correct as to matters of law.

This opinion may be relied upon only by the Underwriter and by other persons to whom written permission to rely hereon is granted by us.

Very truly yours,

EXHIBIT B TO BOND PURCHASE AGREEMENT

_____, 2024

Bass Berry & Sims PLC
900 South Gay Street, Suite 1700
Knoxville, Tennessee 37902

Ladies and Gentlemen:

Re: City of Knoxville, Tennessee acting on behalf of the Knoxville Utilities Board \$91,000,000 Electric System Revenue Bonds, Series QQ-2024

Ladies and Gentlemen:

You have requested that the undersigned, General Counsel to the Knoxville Utilities Board of the City of Knoxville, Tennessee ("KUB"), render this opinion in connection with the execution, delivery and sale of the captioned bonds (the "Bonds"), the proceeds of which will be used to finance extensions and improvements to the electrical power distribution system described herein.

It is our opinion that KUB is duly established and validly existing pursuant to the Charter of the City of Knoxville, Tennessee (the "Municipality"), and, pursuant to said Charter, the electrical power distribution system of the Municipality (the "System") is under the jurisdiction, control and management of KUB.

The undersigned does hereby certify that no litigation of any nature is now pending or, to our knowledge, threatened

- (1) seeking to restrain or enjoin the issuance, sale, execution or delivery of the Bonds;
- (2) seeking to restrain or enjoin the charging of sufficient rates to pay the cost of operating, maintaining, repairing and insuring the System and to pay principal of and interest on the Bonds and all outstanding obligations payable from the revenues of the System;
- (3) in any manner questioning the proceedings or authority pursuant to which the Bonds are authorized or issued or such rates are charged;
- (4) in any manner questioning or relating to the validity of the Bonds;
- (5) contesting in any way the completeness or accuracy of the Official Statement prepared and distributed in connection with the sale of the Bonds;
- (6) in any way contesting the corporate existence or boundaries of the Municipality, except for various pending actions challenging past or present annexation efforts of the Municipality, which will have no material adverse effect on the revenues of the System;
- (7) contesting the title of the present officers of KUB to their respective offices; or

(8) contesting the powers of KUB or the authority of KUB with respect to the Bonds, or proceedings authorizing the Bonds, or any act to be done or document or certificate to be executed or delivered in connection with the issuance and delivery of the Bonds.

Neither the voters of the Municipality nor its governing body nor the Board of Commissioners of KUB have approved any special, local or private act or legislation passed by the General Assembly of the State of Tennessee at its most recent session or any amendments to the Charter of the Municipality affecting the power of the Municipality to issue the Bonds or pay the principal of, premium, if any, and interest on the Bonds when due or affecting the power of the Board of Commissioners of KUB to manage and control the System.

I hereby certify that _____ and _____ are the duly qualified, appointed and acting Chair and Secretary, respectively, of the Board of Commissioners of KUB with full power to act as such officers on behalf of KUB in connection with the execution and delivery of the Bonds.

Yours truly,

37785163.2

A RESOLUTION SUPPLEMENTING RESOLUTION NO. 2075 ADOPTED BY THE CITY COUNCIL OF THE CITY OF KNOXVILLE, TENNESSEE ON APRIL 20, 1954 ENTITLED "A RESOLUTION PROVIDING FOR THE ISSUANCE OF WATER REVENUE BONDS" SO AS TO PROVIDE FOR THE ISSUANCE OF NOT TO EXCEED TWENTY MILLION DOLLARS (\$20,000,000) OF WATER SYSTEM REVENUE BONDS, SERIES OO-2024.

RESOLUTION NO: _____

REQUESTED BY: _____

PREPARED BY: _____

APPROVED AS TO FORM

CORRECTNESS: _____

Law Director

FINANCIAL IMPACT STATEMENT:

Director of Finance

APPROVED: _____

APPROVED AS AN
EMERGENCY MEASURE: _____

MINUTE BOOK _____ PAGE _____

WHEREAS, the City of Knoxville (the "City"), pursuant to a resolution entitled "A Resolution Providing for the Issuance of Water Revenue Bonds," being Resolution No. 2075 of the City Council adopted April 20, 1954 (which resolution as heretofore amended is hereinafter sometimes referred to as "Resolution No. 2075"), authorized an issue of Water Revenue Bonds; and

WHEREAS, pursuant to Resolution No. 2075, and for the purpose of financing the cost of the extensions and improvements to the City's water distribution and treatment system (the "System") and the refinancing of indebtedness issued for that purpose, the City issued Water Revenue Bonds, the series of which, the amount issued, and the amount outstanding as of April 30, 2024 are as follows:

<u>Series</u>	<u>Amount Issued</u>	<u>Amount Outstanding</u>
BB-2015	\$23,005,000	\$15,915,000
CC-2015	\$20,000,000	\$ 1,075,000
DD-2016	\$25,000,000	\$20,825,000
EE-2016	\$20,875,000	\$14,490,000
FF-2017	\$ 5,310,000	\$ 1,815,000
GG-2017	\$20,000,000	\$17,225,000
HH-2018	\$19,995,000	\$17,415,000
II-2019	\$19,995,000	\$18,030,000
JJ-2020	\$19,520,000	\$17,505,000
KK-2020	\$ 9,045,000	\$ 8,295,000
LL-2021	\$33,180,000	\$29,385,000
MM-2022	\$14,915,000	\$14,815,000
NN-2023	\$19,995,000	\$19,745,000

WHEREAS, it is desirable that an additional series of bonds be issued to finance the costs of the extensions and improvements to the System, including the payment of legal, fiscal and administrative costs incident thereto and incident to the issuance and sale of the bonds, pursuant to the authority of Resolution No. 2075 and pursuant to the authority of this resolution; and

WHEREAS, the Board of Commissioners (the "Board") of the Knoxville Utilities Board has duly adopted a resolution requesting the City Council of the City to adopt this resolution authorizing the issuance of bonds for the purposes and in the manner hereinafter more fully stated; and

WHEREAS, it is the intention of the City Council of the City to adopt this resolution for the purpose of authorizing not to exceed \$20,000,000 in aggregate principal amount of water revenue bonds for the purposes described above, establishing the terms of such bonds, providing for the issuance, sale and payment of the bonds and disposition of proceeds therefrom, and collection of revenues from the System and the application thereof to the payment of principal of, premium, if any, and interest on said bonds.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Knoxville, Tennessee, as follows:

Section 1. Authority. The bonds authorized by this resolution are issued pursuant to Sections 7-34-101 et seq. and 9-21-101, et seq., Tennessee Code Annotated, and other applicable provisions of law.

Section 2. Definitions. Capitalized terms used herein and not defined in this Section 2 shall have the meanings ascribed to them in the 1954 Resolution (as hereinbelow defined). The following terms shall

have the following meanings in this resolution unless the text expressly or by necessary implication requires otherwise.

- (a) "Board" shall mean the Board of Commissioners of the Knoxville Utilities Board;
- (b) "Bond Purchase Agreement" means a Bond Purchase Agreement, dated as of the sale of the Series OO-2024 Bonds, entered into by and between KUB and the Underwriter, in substantially the form of the document attached hereto as Exhibit A, subject to such changes as permitted by Section 9 hereof, as approved by the President and Chief Executive Officer of KUB, consistent with the terms of this resolution;
- (c) "Book-Entry Form" or "Book-Entry System" means a form or system, as applicable, under which physical Bond certificates in fully registered form are issued to a Depository, or to its nominee as Registered Owner, with the certificated Bonds being held by and "immobilized" in the custody of such Depository, and under which records maintained by persons, other than the City, KUB or the Registration Agent, constitute the written record that identifies, and records the transfer of, the beneficial "book-entry" interests in those Bonds;
- (d) "City" shall mean the City of Knoxville, Tennessee;
- (e) "Code" shall mean the Internal Revenue Code of 1986, as amended, and any lawful regulations promulgated or proposed thereunder;
- (f) "Depository" means any securities depository that is a clearing agency under federal laws operating and maintaining, with its participants or otherwise, a Book-Entry System, including, but not limited to, DTC;
- (g) "Direct Payment Credit" means any refundable direct payment credit received by the City or KUB from the United States Treasury or other agency or instrumentality of the United States pursuant to the American Infrastructure Bonds Act of 2021 (if enacted) or other similar federal law with respect to any emission of Bonds qualifying as Federally Taxable Bonds for which the City or KUB makes an irrevocable election as set forth herein;
- (h) "DTC" means the Depository Trust Company, a limited purpose company organized under the laws of the State of New York, and its successors and assigns;
- (i) "DTC Participant(s)" means securities brokers and dealers, banks, trust companies and clearing corporations that have access to the DTC system;
- (j) "Federally Taxable Bonds" means for purposes of this resolution, any emission of Bonds, the interest on which is includable in gross income of the holders thereof for federal income tax purposes and that, when issued, qualify to receive Direct Payment Credits;
- (k) "Federally Tax-Exempt Bonds" means any emission of Bonds, the interest on which is intended to be excludable from gross income of the holders thereof for federal income tax purposes;
- (l) "Financial Adviser" means Cumberland Securities Company, Inc.;
- (m) "Governing Body" shall mean the City Council of the City;
- (n) "KUB" shall mean the Knoxville Utilities Board;

(o) "1954 Resolution" shall mean Resolution No. 2075 of the Governing Body, adopted April 20, 1954, as amended and supplemented by Resolution No. 3633, Resolution No. R-26-88, Resolution No. R-8-98, Resolution No. R-151-01 and Resolution No. R-228-2018 and as otherwise supplemented prior to the date hereof;

(p) "Outstanding Bonds" shall mean the City's outstanding Water System Revenue Refunding Bonds, Series BB-2015, dated May 1, 2015, maturing March 1, 2025 and thereafter, the City's outstanding Water System Revenue Bonds, Series CC-2015, dated May 20, 2015, maturing March 1, 2025 and thereafter, the City's outstanding Water System Revenue Bonds, Series DD-2016, dated August 5, 2016, maturing March 1, 2025 and thereafter, the City's outstanding Water System Revenue Refunding Bonds, Series EE-2016, dated August 5, 2016, maturing March 1, 2025 and thereafter, the City's outstanding Water System Revenue Refunding Bonds, Series FF-2017, dated April 7, 2017, maturing March 1, 2025 and thereafter, the City's outstanding Water System Revenue Bonds, Series GG-2017, dated September 15, 2017, maturing March 1, 2025 and thereafter, the City's outstanding Water System Revenue Bonds, Series HH-2018, dated September 14, 2018, maturing March 1, 2025 and thereafter, the City's outstanding Water System Revenue Bonds, Series II-2019, dated August 20, 2019, maturing March 1, 2025 and thereafter, the City's outstanding Water System Revenue Refunding Bonds, Series JJ-2020, dated May 22, 2020, maturing March 1, 2025 and thereafter, the City's outstanding Water System Revenue Bonds, Series KK-2020, dated October 30, 2020, maturing March 1, 2025 and thereafter, the City's outstanding Water System Revenue Refunding Bonds, Series LL-2021, dated April 19, 2021, maturing March 1, 2025 and thereafter, the City's outstanding Water System Revenue Refunding Bonds, Series MM-2022, dated May 13, 2022, maturing March 1, 2025 and thereafter and the City's outstanding Water System Revenue Bonds, Series NN-2023, dated December 8, 2023, maturing March 1, 2025 and thereafter;

(q) "Parity Bonds" shall mean any bonds issued on a parity with the Series OO-2024 Bonds and the Outstanding Bonds pursuant to the 1954 Resolution;

(r) "Project" shall mean extensions and improvements to the System;

(s) "Registration Agent" shall mean the registration and paying agent for the Series OO-2024 Bonds designated by the President and Chief Executive Office of KUB, or any successor as designated by the Board;

(t) "Series OO-2024 Bonds" shall mean the City's Water System Revenue Bonds, Series OO-2024, dated the date of their issuance, or such other date as shall be determined by the Board pursuant to Section 9 hereof, authorized to be issued by the 1954 Resolution and this resolution in an aggregate principal amount not to exceed \$20,000,000;

(u) "State" shall mean the State of Tennessee; and

(v) "Underwriter" shall mean an investment banking firm qualified to underwrite bonds such as the Series OO-2024 Bonds in the State of Tennessee selected by the President and Chief Executive Officer of KUB.

Section 3. Declarations. It is hereby determined that all requirements of the 1954 Resolution have been or will have been met upon the issuance of the Series OO-2024 Bonds so that the Series OO-2024 Bonds will be issued as Parity Bonds.

Section 4. Authorization and Terms of the Series OO-2024 Bonds. (a) For the purpose of providing funds to finance the costs of construction of the Project including the payment of legal, fiscal and

administrative costs incident thereto and incident to the issuance and sale of the Series OO-2024 Bonds as more fully set out in Section 9 hereof, there are hereby authorized to be issued revenue bonds of the City in the aggregate principal amount of not to exceed \$20,000,000. The Series OO-2024 Bonds shall be issued in fully registered form, without coupons, shall be known as "Water System Revenue Bonds, Series OO-2024," and shall be dated the date of their issuance, or such other date as shall be determined by the Board or the President and Chief Executive Officer of KUB as its designee pursuant to Section 9 hereof. The Series OO-2024 Bonds shall bear interest at a rate or rates not to exceed the maximum rate permitted by law, payable semi-annually on March 1 and September 1 in each year, commencing March 1, 2025 or such other date as is permitted pursuant to Section 9 hereof. The Series OO-2024 Bonds shall be initially issued in \$5,000 denominations or integral multiples thereof as shall be requested by the purchaser thereof. The Series OO-2024 Bonds shall mature and be payable either serially or through mandatory redemption on each March 1 in such years as is established by the Board or the President and Chief Executive Officer of KUB as its designee pursuant to Section 9, provided that the final maturity date shall not be later than March 1, 2054. The final maturity schedule shall be established by the award resolution or certificate awarding the Series OO-2024 Bonds to the successful purchaser thereof or in the Bond Purchase Agreement provided for in Section 9 if the Series OO-2024 Bonds are sold by negotiated sale.

(b) Subject to adjustment pursuant to Section 9 hereof, the Series OO-2024 Bonds maturing on or before March 1, 2033 shall mature without option of prior redemption. Series OO-2024 Bonds maturing on March 1, 2034 and thereafter shall be subject to redemption prior to maturity at the option of the City, acting through the Board, on or after March 1, 2033, as a whole or in part at any time at a redemption price equal to the principal amount plus interest accrued to the redemption date.

If less than all the Series OO-2024 Bonds shall be called for redemption, the maturities to be redeemed shall be selected by the Board in its discretion. If less than all the Series OO-2024 Bonds within a single maturity shall be called for redemption, the interests within the maturity to be redeemed shall be selected as follows:

(i) if the Series OO-2024 Bonds are being held under a Book-Entry System by DTC, or a successor Depository, the amount of the interest of each DTC Participant in the Series OO-2024 Bonds to be redeemed shall be determined by DTC, or such successor Depository, by lot or such other manner as DTC, or such successor Depository, shall determine; or

(ii) if the Series OO-2024 Bonds are not being held under a Book-Entry System by DTC, or a successor Depository, the Series OO-2024 Bonds within the maturity to be redeemed shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall determine.

(c) Pursuant to Section 9 hereof, KUB is authorized to sell the Series OO-2024 Bonds, or any maturities thereof, as term bonds with mandatory redemption requirements corresponding to the maturities set forth herein or as determined by KUB. In the event any or all of the Series OO-2024 Bonds are sold as term bonds, KUB shall redeem such term bonds on redemption dates corresponding to the maturity dates set forth in the award resolution or certificate awarding the Series OO-2024 Bonds, in amounts so as to achieve an amortization of the indebtedness approved by the Board or the President and Chief Executive Officer of KUB as its designee. DTC, as Depository for the Series OO-2024 Bonds, or any successor Depository for the Series OO-2024 Bonds, shall determine the interest of each Participant in the Series OO-2024 Bonds to be redeemed using its procedures generally in use at that time. If DTC, or another securities depository, is no longer serving as Depository for the Series OO-2024 Bonds, the Series OO-2024 Bonds to be redeemed within a maturity shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall select.

At its option, to be exercised on or before the forty-fifth (45th) day next preceding any such redemption date, KUB may (i) deliver to the Registration Agent for cancellation Series OO-2024 Bonds to be redeemed, in any aggregate principal amount desired, and/or (ii) receive a credit in respect of its redemption obligation under this mandatory redemption provision for any Series OO-2024 Bonds of the maturity to be redeemed which prior to said date have been purchased or redeemed (otherwise than through the operation of this mandatory sinking fund redemption provision) and canceled by the Registration Agent and not theretofore applied as a credit against any redemption obligation under this mandatory sinking fund provision. Each Series OO-2024 Bond so delivered or previously purchased or redeemed shall be credited by the Registration Agent at 100% of the principal amount thereof on the obligation of KUB on such payment date and any excess shall be credited on future redemption obligations in chronological order, and the principal amount of Series OO-2024 Bonds to be redeemed by operation of this mandatory sinking fund provision shall be accordingly reduced. KUB shall on or before the forty-fifth (45th) day next preceding each payment date furnish the Registration Agent with its certificate indicating whether or not and to what extent the provisions of clauses (i) and (ii) of this subsection are to be availed of with respect to such payment and confirm that funds for the balance of the next succeeding prescribed payment will be paid on or before the next succeeding payment date.

(d) Notice of call for redemption, whether optional or mandatory, shall be given by the Registration Agent not less than twenty (20) nor more than sixty (60) days prior to the date fixed for redemption by sending an appropriate notice to the registered owners of the Series OO-2024 Bonds to be redeemed by first-class mail, postage prepaid, at the addresses shown on the bond registration records of the Registration Agent as of the date of the notice; but neither failure to mail such notice nor any defect in any such notice so mailed shall affect the sufficiency of the proceedings for redemption of any of the Series OO-2024 Bonds for which proper notice was given. The notice may state that it is conditioned upon the deposit of moneys in an amount equal to the amount necessary to affect the redemption with the Registration Agent no later than the redemption date ("Conditional Redemption"). As long as DTC, or a successor Depository, is the registered owner of the Series OO-2024 Bonds, all redemption notices shall be mailed by the Registration Agent to DTC, or such successor Depository, as the registered owner of the Series OO-2024 Bonds, as and when above provided, and neither KUB, the City, nor the Registration Agent shall be responsible for mailing notices of redemption to DTC Participants or Beneficial Owners. Failure of DTC, or any successor Depository, to provide notice to any DTC Participant or Beneficial Owner will not affect the validity of such redemption. The Registration Agent shall mail said notices, in the case of term bonds with mandatory redemption requirements as and when provided herein and in the Series OO-2024 Bonds and, in the case of optional redemption, as and when directed by the Board pursuant to written instructions from an authorized representative of the Board given at least forty-five (45) days prior to the redemption date (unless a shorter notice period shall be satisfactory to the Registration Agent). From and after the redemption date, all Series OO-2024 Bonds called for redemption shall cease to bear interest if funds are available at the office of the Registration Agent for the payment thereof and if notice has been duly provided as set forth herein. In the case of a Conditional Redemption, the failure of the City or KUB to make funds available in part or in whole on or before the redemption date shall not constitute an event of default, and the Registration Agent shall give immediate notice to the Depository or the affected Bondholders that the redemption did not occur and that the Bonds called for redemption and not so paid remain outstanding.

(e) The Series OO-2024 Bonds shall be executed in such manner as may be prescribed by applicable law, in the name, and on behalf, of the City with the manual or facsimile signature of the Chair of the Board and attested by the manual or facsimile signature of the Secretary of the Board.

(f) The City hereby authorizes and directs the Board to appoint a Registration Agent and paying agent for the Series OO-2024 Bonds, and the Registration Agent so appointed is authorized and directed to maintain Bond registration records with respect to the Series OO-2024 Bonds, to authenticate and deliver the Series OO-2024 Bonds as provided herein, either at original issuance, upon transfer, or as

otherwise directed by the Board, to effect transfers of the Series OO-2024 Bonds, to give all notices of redemption as required herein, to make all payments of principal and interest with respect to the Series OO-2024 Bonds as provided herein, to cancel and destroy the Series OO-2024 Bonds which have been paid at maturity or upon earlier redemption or submitted for exchange or transfer, to furnish KUB at least annually a certificate of destruction with respect to the Series OO-2024 Bonds canceled and destroyed, and to furnish KUB at least annually an audit confirmation of Bonds paid, Bonds outstanding and payments made with respect to interest on the Series OO-2024 Bonds. The payment of all reasonable fees and expenses of the Registration Agent for the discharge of its duties and obligations hereunder or under any such agreement is hereby authorized and directed. The Board hereby delegates to the President and Chief Executive Officer of KUB the authority to select and appoint the Registration Agent and any paying agents for the Series OO-2024 Bonds (as well as any successors to any of the foregoing). The Chair of the Board is hereby authorized to execute and the Secretary of the Board is hereby authorized to attest such written agreement between KUB and the Registration Agent as they shall deem necessary or proper with respect to the obligations, duties and rights of the Registration Agent.

(g) The Series OO-2024 Bonds shall be payable, principal and interest, in lawful money of the United States of America at the designated trust office of the Registration Agent. The Registration Agent shall make all interest payments with respect to the Series OO-2024 Bonds on each interest payment date directly to the registered owners as shown on the Bond registration records maintained by the Registration Agent as of the close of business on the fifteenth day of the month next preceding the interest payment date (the "Regular Record Date") by check or draft mailed to such owners at their addresses shown on said Bond registration records, without, except for final payment, the presentation or surrender of such registered Series OO-2024 Bonds, and all such payments shall discharge the obligations of KUB in respect of such Series OO-2024 Bonds to the extent of the payments so made. Payment of principal of the Series OO-2024 Bonds shall be made upon presentation and surrender of such Series OO-2024 Bonds to the Registration Agent as the same shall become due and payable. All rates of interest specified herein shall be computed on the basis of a three hundred sixty (360) day year composed of twelve (12) months of thirty (30) days each. In the event the Series OO-2024 Bonds are no longer registered in the name of DTC, or a successor Depository, if requested by the Owner of at least \$1,000,000 in aggregate principal amount of the Series OO-2024 Bonds, payment of interest on such Series OO-2024 Bonds shall be paid by wire transfer to a bank within the continental United States or deposited to a designated account if such account is maintained with the Registration Agent and written notice of any such election and designated account is given to the Registration Agent prior to the record date.

(h) Any interest on any Series OO-2024 Bond which is payable but is not punctually paid or duly provided for on any interest payment date (hereinafter "Defaulted Interest") shall forthwith cease to be payable to the registered owner on the relevant Regular Record Date; and, in lieu thereof, such Defaulted Interest shall be paid to the persons in whose names the Series OO-2024 Bonds are registered at the close of business on a date (the "Special Record Date") for the payment of such Defaulted Interest, which shall be fixed in the following manner: KUB shall notify the Registration Agent in writing of the amount of Defaulted Interest proposed to be paid on each Series OO-2024 Bond and the date of the proposed payment, and at the same time KUB shall deposit with the Registration Agent an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Registration Agent for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the persons entitled to such Defaulted Interest as in this Section 4 provided. Thereupon, not less than ten (10) days after the receipt by the Registration Agent of the notice of the proposed payment, the Registration Agent shall fix a Special Record Date for the payment of such Defaulted Interest which Date shall be not more than fifteen (15) nor less than ten (10) days prior to the date of the proposed payment to the registered owners. The Registration Agent shall promptly notify KUB of such Special Record Date and, in the name and at the expense of KUB, not less than ten (10) days prior to such Special Record Date, shall cause notice of the proposed payment of such

Defaulted Interest and the Special Record Date therefor to be mailed, first class postage prepaid, to each registered owner at the address thereof as it appears in the Bond registration records maintained by the Registration Agent as of the date of such notice. Nothing contained in this Section 4 or in the Series OO-2024 Bonds shall impair any statutory or other rights in law or in equity of any registered owner arising as a result of the failure of KUB to punctually pay or duly provide for the payment of principal of, premium, if any, and interest on the Series OO-2024 Bonds when due.

(i) The Series OO-2024 Bonds are transferable only by presentation to the Registration Agent by the registered owner, or such owner's legal representative duly authorized in writing, of the registered Series OO-2024 Bond(s) to be transferred with the form of assignment on the reverse side thereof completed in full and signed with the name of the registered owner as it appears upon the face of the Series OO-2024 Bond(s) accompanied by appropriate documentation necessary to prove the legal capacity of any legal representative of the registered owner. Upon receipt of the Series OO-2024 Bond(s) in such form and with such documentation, if any, the Registration Agent shall issue a new Series OO-2024 Bond or Series OO-2024 Bonds to the assignee(s) in \$5,000 denominations, or integral multiples thereof, as requested by the registered owner requesting transfer. The Registration Agent shall not be required to transfer or exchange any Series OO-2024 Bond during the period commencing on a Regular or Special Record Date and ending on the corresponding interest payment date of such Series OO-2024 Bond, nor to transfer or exchange any Series OO-2024 Bond after notice calling such Series OO-2024 Bond for redemption has been made, nor to transfer or exchange any Series OO-2024 Bond during the period following the receipt of instructions from KUB to call such Series OO-2024 Bond for redemption; provided, the Registration Agent, at its option, may make transfers after any of said dates. No charge shall be made to any registered owner for the privilege of transferring any Series OO-2024 Bond, provided that any transfer tax relating to such transaction shall be paid by the registered owner requesting transfer. The person in whose name any Series OO-2024 Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and neither KUB nor the Registration Agent shall be affected by any notice to the contrary whether or not any payments due on the Series OO-2024 Bonds shall be overdue. Series OO-2024 Bonds, upon surrender to the Registration Agent, may, at the option of the registered owner, be exchanged for an equal aggregate principal amount of Series OO-2024 Bonds of the same maturity in any authorized denomination or denominations. This subsection shall be applicable only if the Series OO-2024 Bonds are no longer held by a Depository, and as long as the Series OO-2024 Bonds are held by a Depository, transfers of ownership interests in the Bonds shall be governed by the rules of the Depository.

(j) Except as otherwise authorized herein, the Series OO-2024 Bonds shall be registered in the name of Cede & Co., as nominee of DTC, which will act as the Depository for the Series OO-2024 Bonds except as otherwise provided herein. References in this Section 4 to a Series OO-2024 Bond or the Series OO-2024 Bonds shall be construed to mean the Series OO-2024 Bond or the Series OO-2024 Bonds that are held under the Book-Entry System. One Series OO-2024 Bond for each maturity of the Series OO-2024 Bonds shall be issued to DTC and immobilized in its custody or a custodian of DTC. The Bond Registrar is a custodian and agent for DTC, and the Series OO-2024 Bond will be immobilized in its custody. A Book-Entry System shall be employed, evidencing ownership of the Series OO-2024 Bonds in authorized denominations, with transfers of beneficial ownership effected on the records of DTC and the DTC Participants pursuant to rules and procedures established by DTC.

Each DTC Participant shall be credited in the records of DTC with the amount of such DTC Participant's interest in the Series OO-2024 Bonds. Beneficial ownership interests in the Series OO-2024 Bonds may be purchased by or through DTC Participants. The holders of these beneficial ownership interests are hereinafter referred to as the "Beneficial Owners." The Beneficial Owners shall not receive the Series OO-2024 Bonds representing their beneficial ownership interests. The ownership interests of each Beneficial Owner shall be recorded through the records of the DTC Participant from which such Beneficial Owner purchased its Series OO-2024 Bonds. Transfers of ownership interests in the Series OO-

2024 Bonds shall be accomplished by book entries made by DTC and, in turn, by DTC Participants acting on behalf of Beneficial Owners. SO LONG AS CEDE & CO., AS NOMINEE FOR DTC, IS THE REGISTERED OWNER OF THE SERIES OO-2024 BONDS, THE REGISTRATION AGENT SHALL TREAT CEDE & CO., AS THE ONLY HOLDER OF THE SERIES OO-2024 BONDS FOR ALL PURPOSES UNDER THIS RESOLUTION, INCLUDING RECEIPT OF ALL PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE SERIES OO-2024 BONDS, RECEIPT OF NOTICES, VOTING AND TAKING OR NOT TAKING, OR CONSENTING TO, CERTAIN ACTIONS UNDER THIS RESOLUTION.

Payments of principal, interest, and redemption premium, if any, with respect to the Series OO-2024 Bonds, so long as DTC is the only owner of the Series OO-2024 Bonds, shall be paid by the Registration Agent directly to DTC or its nominee, Cede & Co. as provided in the Letter of Representation relating to the Series OO-2024 Bonds from the City, acting by and through KUB, and the Registration Agent to DTC (the "Letter of Representation"). DTC shall remit such payments to DTC Participants, and such payments thereafter shall be paid by DTC Participants to the Beneficial Owners. Neither the City, KUB nor the Registration Agent shall be responsible or liable for payment by DTC or DTC Participants, for sending transaction statements or for maintaining, supervising or reviewing records maintained by DTC or DTC Participants.

In the event that (1) DTC determines not to continue to act as Depository for the Series OO-2024 Bonds or (2) to the extent permitted by the rules of DTC, the Board determines to discontinue the Book-Entry System, the Book-Entry System with DTC shall be discontinued. If the Board fails to identify another qualified securities depository to replace DTC, the Board shall cause the Registration Agent to authenticate and deliver replacement Series OO-2024 Bonds in the form of fully registered Series OO-2024 Bonds to each Beneficial Owner.

NEITHER THE CITY, KUB NOR THE REGISTRATION AGENT SHALL HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO ANY DTC PARTICIPANT OR ANY BENEFICIAL OWNER WITH RESPECT TO (i) THE SERIES OO-2024 BONDS; (ii) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; (iii) THE PAYMENT BY DTC OR ANY DTC PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OF AND INTEREST ON THE SERIES OO-2024 BONDS; (iv) THE DELIVERY OR TIMELINESS OF DELIVERY BY DTC OR ANY DTC PARTICIPANT OF ANY NOTICE DUE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED UNDER THE TERMS OF THIS RESOLUTION TO BE GIVEN TO BENEFICIAL OWNERS, (v) THE SELECTION OF BENEFICIAL OWNERS TO RECEIVE PAYMENTS IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE SERIES OO-2024 BONDS; OR (vi) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC, OR ITS NOMINEE, CEDE & CO., AS OWNER.

If the purchaser or Underwriter certifies that it intends to hold the Series OO-2024 Bonds for its own account, then the City may issue, acting by and through KUB, certificated Bonds without the utilization of DTC and the Book-Entry System.

(k) In case any Series OO-2024 Bond shall become mutilated, or be lost, stolen, or destroyed, the City, acting by and through KUB, in its discretion, shall issue, and the Registration Agent, upon written direction from KUB, shall authenticate and deliver, a new Series OO-2024 Bond of like tenor, amount, maturity and date, in exchange and substitution for, and upon the cancellation of, the mutilated Series OO-2024 Bond, or in lieu of and in substitution for such lost, stolen or destroyed Series OO-2024 Bond, or if any such Series OO-2024 Bond shall have matured or shall be about to mature, instead of issuing a substituted Series OO-2024 Bond KUB may pay or authorize payment of such Series OO-2024 Bond without surrender thereof. In every case the applicant shall furnish evidence satisfactory to KUB and the

Registration Agent of the destruction, theft or loss of such Series OO-2024 Bond, and indemnity satisfactory to KUB and the Registration Agent; and KUB may charge the applicant for the issue of such new Series OO-2024 Bond an amount sufficient to reimburse KUB for the expense incurred by it in the issue thereof.

(l) The Registration Agent is hereby authorized to authenticate and deliver the Series OO-2024 Bonds to DTC, on behalf of the initial purchaser thereof, or an agent of DTC, upon receipt by KUB of the proceeds of the sale thereof, subject to the rules of the Depository, and to authenticate and deliver Series OO-2024 Bonds in exchange for Series OO-2024 Bonds of the same principal amount delivered for transfer upon receipt of the Series OO-2024 Bond(s) to be transferred in proper form with proper documentation as hereinabove described. The Series OO-2024 Bonds shall not be valid for any purpose unless authenticated by the Registration Agent by the manual signature of an authorized representative thereof on the certificate set forth herein on the Series OO-2024 Bond form.

(m) The Registration Agent is hereby authorized to take such action as may be necessary from time to time to qualify and maintain the Series OO-2024 Bonds for deposit with DTC, including but not limited to, wire transfers of interest and principal payments with respect to the Series OO-2024 Bonds, utilization of electronic book entry data received from DTC in place of actual delivery of Series OO-2024 Bonds and provision of notices with respect to Series OO-2024 Bonds registered by DTC (or any of its designees identified to the Registration Agent) by overnight delivery, courier service, telegram, teletype or other similar means of communication. No such arrangements with DTC may adversely affect the interest of any of the Beneficial Owners of the Series OO-2024 Bonds, provided, however, that the Registration Agent shall not be liable with respect to any such arrangements it may make pursuant to this Section 4.

Section 5. Source of Payment. The Series OO-2024 Bonds shall be payable solely from and be secured by a pledge of the Net Revenues of the System as hereinafter provided and as provided in the 1954 Resolution on a parity and equality of lien with the Outstanding Bonds. The punctual payment of principal of and interest on the Series OO-2024 Bonds, the Outstanding Bonds and any Parity Bonds shall be secured equally and ratably by the Net Revenues of the System without priority by reason of series, number or time of sale and delivery. The owners of the Series OO-2024 Bonds shall have no recourse to the power of taxation of the City.

Section 6. Form of Series OO-2024 Bonds. The Series OO-2024 Bonds shall be in substantially the following form, the omissions to be appropriately completed when the Series OO-2024 Bonds are prepared and delivered:

(Form of Series OO-2024 Bond)

REGISTERED
Number _____

REGISTERED
\$ _____

UNITED STATES OF AMERICA
STATE OF TENNESSEE
COUNTY OF KNOX
CITY OF KNOXVILLE
WATER SYSTEM REVENUE BOND, SERIES OO-2024

Interest Rate:

Maturity Date:

Date of Bond:

CUSIP No.:

Registered Owner:
Principal Amount:

KNOW ALL PERSONS BY THESE PRESENTS: That the City of Knoxville, a municipal corporation lawfully organized and existing in Knox County, Tennessee (the "City"), acting by and through the Knoxville Utilities Board ("KUB"), for value received hereby promises to pay to the registered owner hereof, hereinabove named, or registered assigns, in the manner hereinafter provided, the principal amount hereinabove set forth on the maturity date hereinabove set forth, or upon earlier redemption, as set forth herein, and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on said principal amount at the annual rate of interest hereinabove set forth from the date hereof until said maturity date or redemption date, said interest being payable on March 1, 2025, and semi-annually thereafter on the first day of March and September in each year until this Bond matures or is redeemed. Both principal hereof and interest hereon are payable in lawful money of the United States of America by check or draft at the designated trust office of _____, _____, Tennessee, as registration agent and paying agent (the "Registration Agent"). The Registration Agent shall make all interest payments with respect to this Bond by check or draft on each interest payment date directly to the registered owner hereof shown on the bond registration records maintained by the Registration Agent as of the close of business on the day which is the fifteenth (15th) day of the month next preceding the interest payment date (the "Regular Record Date") by depositing said payment in the United States mail, postage prepaid, addressed to such owner at such owner's address shown on said bond registration records, without, except for final payment, the presentation or surrender of this Bond, and all such payments shall discharge the obligations of the City and KUB to the extent of the payments so made. Any such interest not so punctually paid or duly provided for on any interest payment date shall forthwith cease to be payable to the registered owner on the relevant Regular Record Date; and, in lieu thereof, such defaulted interest shall be payable to the person in whose name this Bond is registered at the close of business on the date (the "Special Record Date") for payment of such defaulted interest to be fixed by the Registration Agent, notice of which shall be given to the owners of the Bonds of the issue of which this Bond is one not less than ten (10) days prior to such Special Record Date. Payment of principal of and premium, if any, on the Bonds shall be made when due upon presentation and surrender of this Bond to the Registration Agent.

Except as otherwise provided herein or in the Resolution, as hereinafter defined, this Bond shall be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Bonds of the series of which this Bond is one. One Bond for each maturity of the Bonds shall be issued to DTC and immobilized in its custody or a custodian of DTC. The Bond Registrar is a custodian and agent for DTC, and the Bond will be immobilized in its custody. A book-entry system (the "Book-Entry System") shall be employed, evidencing ownership of the Bonds in \$5,000 denominations, or multiples thereof, with transfers of beneficial ownership effected on the records of DTC and the DTC Participants, as defined in the Resolution, pursuant to rules and procedures established by DTC. So long as Cede & Co., as nominee for DTC, is the registered owner of the Bonds, the City, KUB and the Registration Agent shall treat Cede & Co., as the only owner of the Bonds for all purposes under the Resolution, including receipt of all principal of, premium, if any, and interest on the Bonds, receipt of notices, voting and requesting or taking or not taking, or consenting to, certain actions hereunder. Payments of principal, maturity amounts, interest, and redemption premium, if any, with respect to the Bonds, so long as DTC is the only owner of the Bonds, shall be paid directly to DTC or its nominee, Cede & Co. DTC shall remit such payments to DTC Participants, and such payments thereafter shall be paid by DTC Participants to the Beneficial Owners, as defined in the Resolution. Neither the City, KUB, nor the Registration Agent shall be responsible or liable for payment by DTC or DTC Participants, for sending transaction statements or for maintaining, supervising or reviewing records maintained by DTC or DTC Participants. In the event that (1) DTC determines not to continue to act as securities depository for the Bonds or (2) to the extent permitted by the rules of DTC, the Board of Commissioners of KUB (the "Board") determines to discontinue the Book-Entry System, the Book-Entry System with DTC shall be discontinued. If the Board fails to identify another qualified securities depository to replace DTC, the Board shall cause the Registration Agent to authenticate and deliver replacement Bonds in the form of fully

registered Bonds to each Beneficial Owner. Neither the City, KUB nor the Registration Agent shall have any responsibility or obligations to any DTC Participant or any Beneficial Owner with respect to (i) the Bonds; (ii) the accuracy of any records maintained by DTC or any DTC Participant; (iii) the payment by DTC or any DTC Participant of any amount due to any Beneficial Owner in respect of the principal or maturity amounts of and interest on the Bonds; (iv) the delivery or timeliness of delivery by DTC or any DTC Participant of any notice due to any Beneficial Owner that is required or permitted under the terms of the Resolution to be given to Beneficial Owners, (v) the selection of Beneficial Owners to receive payments in the event of any partial redemption of the Bonds; or (vi) any consent given or other action taken by DTC, or its nominee, Cede & Co., as owner.

The Bonds of the issue of which this Bond is one maturing on or before March 1, 2033 shall mature without option of prior redemption. The Bonds maturing on March 1, 2034 and thereafter shall be subject to redemption prior to maturity at the option of the City, acting through the Board, on or after March 1, 2033, as a whole or in part at any time at a redemption price equal to the principal amount plus interest accrued to the redemption date.

[If less than all the Bonds shall be called for redemption, the maturities to be redeemed shall be selected by the Board in its discretion. If less than all of the Bonds within a single maturity shall be called for redemption, the interests within the maturity to be redeemed shall be selected as follows:

(i) if the Bonds are being held under a Book-Entry System by DTC, or a successor Depository, the amount of the interest of each DTC Participant in the Bonds to be redeemed shall be determined by DTC, or such successor Depository, by lot or such other manner as DTC, or such successor Depository, shall determine; or

(ii) if the Series Bonds are not being held under a Book-Entry System by DTC, or a successor Depository, the Bonds within the maturity to be redeemed shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall determine.]

[Subject to the credit hereinafter provided, the City, acting by and through KUB, shall redeem Bonds maturing on the redemption dates set forth below opposite such maturity date, in aggregate principal amounts equal to the respective dollar amounts set forth below opposite the redemption dates at a price of par plus accrued interest thereon to the date of redemption. DTC, as securities depository for the series of Bonds of which this Bond is one, or any successor Depository for the Bonds, shall determine the interest of each Participant in the Bonds to be redeemed using its procedures generally in use at that time. If DTC, or another securities depository is no longer serving as securities depository for the Bonds, the Bonds to be redeemed within a maturity shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall select. The dates of redemption and amount of Bonds to be redeemed on said dates are as follows:

<u>Maturity</u>	<u>Redemption Date</u>	<u>Principal Amount of Bonds to be Redeemed</u>
-----------------	----------------------------	---

*final maturity

At its option, to be exercised on or before the forty-fifth (45th) day next preceding any such redemption date, the City, acting through KUB, may (i) deliver to the Registration Agent for cancellation

Bonds to be redeemed, in any aggregate principal amount desired, and/or (ii) receive credit in respect of its redemption obligation under the mandatory redemption provision for any Bonds to be redeemed which prior to said date have been purchased or redeemed (otherwise than by mandatory redemption) and canceled by the Registration Agent and not theretofore applied as a credit against any redemption obligation under the mandatory redemption provision. Each Bond so delivered or previously purchased or redeemed shall be credited by the Registration Agent at 100% of the principal amount thereof on the obligation of KUB on such payment date and any excess shall be credited on future redemption obligations in chronological order, and the principal amount of the Bonds to be redeemed by operation of the mandatory redemption provision shall be accordingly reduced. KUB shall on or before the forty-fifth (45th) day next preceding each payment date furnish the Registration Agent with its certificate indicating whether or not and to what extent the provisions of clauses (i) and (ii) of this paragraph are to be availed of with respect to such payment and confirm that funds for the balance of the next succeeding prescribed payment will be paid on or before the next succeeding payment date.]

Notice of call for redemption, whether optional or mandatory, shall be given by the Registration Agent on behalf of the City, but only upon direction of the Board, not fewer than twenty (20) nor more than sixty (60) days prior to the date fixed for redemption by sending an appropriate notice to the registered owners of the Bonds to be redeemed by first-class mail, postage prepaid, at the addresses shown on the Bond registration records of the Registration Agent as of the date of the notice; but neither failure to mail such notice nor any defect in any such notice so mailed shall affect the sufficiency of the proceedings for the redemption of any of the Bonds for which proper notice was given. The notice may state that it is conditioned upon the deposit of moneys in an amount equal to the amount necessary to affect the redemption with the Registration Agent no later than the redemption date ("Conditional Redemption"). From and after any redemption date, all Bonds called for redemption shall cease to bear interest if funds are available at the office of the Registration Agent for the payment thereof and if notice has been duly given as set forth in the Resolution, as hereafter defined. In the case of a Conditional Redemption, the failure of the City or KUB to make funds available in part or in whole on or before the redemption date shall not constitute an event of default, and the Registration Agent shall give immediate notice to the Depository or the affected Bondholders that the redemption did not occur and that the Bonds called for redemption and not so paid remain outstanding.]

The Bonds of the issue of which this Bond is one are issuable only as fully registered Bonds, without coupons, in the denomination of Five Thousand Dollars (\$5,000) or any authorized integral multiple thereof. At the designated trust office of the Registration Agent, in the manner and subject to the limitations, conditions and charges provided in the Resolution, fully registered Bonds may be exchanged for an equal aggregate principal amount of fully registered Bonds of the same maturity, of authorized denominations, and bearing interest at the same rate. The Bonds shall be numbered consecutively from one upwards and will be made eligible for the Book-Entry System of DTC. Except as otherwise provided in this paragraph and the Resolution, as hereinafter defined, the Bonds shall be registered in the name of Cede & Co. as nominee of DTC. The Board may discontinue use of DTC for Bonds at any time upon determination by the Board that the use of DTC is no longer in the best interest of the beneficial owners of the Bonds. Upon such determination, registered ownership of the Bonds may be transferred on the registration books maintained by the Registration Agent, and the Bonds may be delivered in physical form to the following:

- i. any successor of DTC or its nominee;
- ii. any substitute depository to which the Registration Agent does not unreasonably object, upon (a) the resignation of DTC or its successor (or any substitute depository or its successor) from its functions as depository, or (b) a determination by the Board that DTC or its

successor (or any substitute depository or its successor) is no longer able to carry out its functions as depository; or

iii. any person, upon (a) the resignation of DTC or its successor (or substitute depository or its successor) from its functions as depository, or (b) termination by the Board of the use of DTC (or substitute depository or its successor).

In the event that this Bond is no longer held in a Book-Entry System by DTC, this Bond shall be transferable by the registered owner hereof in person or by such owner's attorney duly authorized in writing at the designated trust office of the Registration Agent set forth on the front side hereof, but only in the manner, subject to limitations and upon payment of the charges provided in the Resolution and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds of authorized denomination or denominations of the same maturity and interest rate for the same aggregate principal amount will be issued to the transferee in exchange therefor. The person in whose name this Bond is registered shall be deemed and regarded as the absolute owner thereof for all purposes and neither the City, KUB nor the Registration Agent shall be affected by any notice to the contrary whether or not any payments due on the Bond shall be overdue. Bonds, upon surrender to the Registration Agent, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of the Bonds of the same maturity in authorized denomination or denominations, upon the terms set forth in the Resolution. The Registration Agent shall not be required to transfer or exchange any Bond during the period commencing on a Regular Record Date or Special Record Date and ending on the corresponding interest payment date of such Bond, nor to transfer or exchange any Bond after the notice calling such Bond for redemption has been made, nor during a period following the receipt of instructions from the Board to call such Bond for redemption.

This Bond is one of a total authorized issue aggregating \$20,000,000 and issued by the City for the purpose of providing funds to finance the construction of extensions and improvements to the City's water distribution and treatment system (the "System"), including the payment of legal, fiscal and administrative costs incident thereto and costs incident to the issuance of the Bonds, under and in full compliance with the Constitution and statutes of the State of Tennessee, including Sections 7-34-101 et seq. and Sections 9-21-101 et seq., Tennessee Code Annotated, and pursuant to Resolution No. 2075 duly adopted by the City Council of the City on April 20, 1954, as amended and supplemented by Resolution No. 3633, Resolution No. R-26-88, Resolution No. R-8-98, Resolution No. R-151-01 and Resolution No. R-228-2018, and as supplemented by Resolution No. R-____-2024 and as otherwise supplemented prior to the date hereof (as supplemented and amended, the "Resolution").

This Bond, and interest hereon, are payable solely from and secured by a pledge of the income and revenues to be derived from the operation of the System, subject only to the payment of the reasonable and necessary costs of operating, maintaining, repairing, and insuring the System. The Bonds of the series of which this Bond is one shall enjoy complete parity and equality of lien with the City's outstanding Water System Revenue Refunding Bonds, Series BB-2015, dated May 1, 2015, maturing March 1, 2025 and thereafter, the City's outstanding Water System Revenue Bonds, Series CC-2015, dated May 20, 2015, maturing March 1, 2025 and thereafter, the City's outstanding Water System Revenue Bonds, Series DD-2016, dated August 5, 2016, maturing March 1, 2025 and thereafter, the City's outstanding Water System Revenue Refunding Bonds, Series EE-2016, dated August 5, 2016, maturing March 1, 2025 and thereafter, the City's outstanding Water System Revenue Refunding Bonds, Series FF-2017, dated April 7, 2017, maturing March 1, 2025 and thereafter, the City's outstanding Water System Revenue Bonds, Series GG-2017, dated September 15, 2017, maturing March 1, 2025 and thereafter, the City's outstanding Water System Revenue Bonds, Series HH-2018, dated September 14, 2018, maturing March 1, 2025 and thereafter, the City's outstanding Water System Revenue Bonds, Series II-2019, dated August 20, 2019, maturing March 1, 2025 and thereafter, the City's outstanding Water System Revenue Refunding Bonds,

Series JJ-2020, dated May 22, 2020, maturing March 1, 2025 and thereafter, the City's outstanding Water System Revenue Bonds, Series KK-2020, dated October 30, 2020, maturing March 1, 2025 and thereafter, the City's outstanding Water System Revenue Refunding Bonds, Series LL-2021, dated April 19, 2021, maturing March 1, 2025 and thereafter, the City's outstanding Water System Revenue Refunding Bonds, Series MM-2022, dated May 13, 2022, maturing March 1, 2025 and thereafter, and the City's outstanding Water System Revenue Bonds, Series NN-2023, dated December 8, 2023, maturing March 1, 2025 and thereafter (collectively the "Outstanding Bonds"). As provided in the Resolution, the punctual payment of principal of, premium, if any, and interest on the series of Bonds of which this Bond is one, the Outstanding Bonds and any other bonds issued on a parity therewith pursuant to the terms of the Resolution shall be secured equally and ratably by said revenues without priority by reason of series, number or time of sale or delivery. The owner of this Bond shall have no recourse to the power of taxation of the City. The Board has covenanted that it will fix and impose such rates and charges for the services rendered by the System and will collect and account for sufficient revenues to pay promptly the principal of and interest on this Bond and the issue of which it is a part, as each payment becomes due. For a more complete statement of the revenues from which and conditions under which this Bond is payable, a statement of the conditions on which obligations may hereafter be issued on a parity with this Bond, the general covenants and provisions pursuant to which this Bond is issued and the terms upon which the Resolution may be modified, reference is hereby made to the Resolution.

Under existing law, this Bond and the income therefrom are exempt from all present state, county and municipal taxation in Tennessee except (a) Tennessee excise taxes on all or a portion of the interest on this Bond during the period such Bond is held or beneficially owned by any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee, and (b) Tennessee franchise taxes by reason of the inclusion of the book value of this Bond in the Tennessee franchise tax base or any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee.

It is hereby certified, recited, and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond exist, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other indebtedness of either the City or KUB, does not exceed any limitation prescribed by the constitution and statutes of the State of Tennessee.

IN WITNESS WHEREOF, the City acting by and through the Board has caused this Bond to be signed by the Chair of the Board by his manual or facsimile signature and attested by the Secretary of the Board by his manual or facsimile signature, all as of the date hereinabove set forth.

CITY OF KNOXVILLE
by and through the
KNOXVILLE UTILITIES BOARD

By: _____
Chair

ATTESTED:

Secretary

Transferable and payable at the
designated trust office of: _____

_____, Tennessee

Date of Registration: _____

This Bond is one of the issue of Bonds issued pursuant to the Resolution hereinabove described.

Registration Agent

By: _____
Authorized Representative

FORM OF ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns, and transfers unto _____, [Please insert Federal Tax Identification Number or Social Security Number of Assignee _____] whose address is _____

_____, the within bond of the City of Knoxville, Tennessee, and does hereby irrevocably constitute and appoint _____, _____, Tennessee, attorney, to transfer the said bond on the records kept for registration thereof with full power of substitution in the premises.

Dated: _____

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears on the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

Signature guaranteed:

NOTICE: Signature(s) must be guaranteed by a member firm of a Medallion Program acceptable to the Registration Agent.

Section 7. Equality of Lien; Pledge of Net Revenues. The punctual payment of principal of, premium, if any, and interest on the Series OO-2024 Bonds, the Outstanding Bonds and any Parity Bonds shall be secured equally and ratably by the Net Revenues of the System without priority by reason of series, number or time of sale or execution or delivery, and the Net Revenues of the System are hereby irrevocably pledged to the punctual payment of such principal, premium and interest as the same become due.

Section 8. Applicability of the 1954 Resolution. The Series OO-2024 Bonds are issued in compliance with the 1954 Resolution so as to be on a parity with the Outstanding Bonds, and, when duly delivered, the Series OO-2024 Bonds shall constitute a series of bonds issued under the authority of the 1954 Resolution. All recitals, provisions, covenants and agreements contained in the 1954 Resolution, as supplemented and amended herein (except insofar as any of said recitals, provisions, covenants and

agreements necessarily relate exclusively to any series of the Outstanding Bonds) are hereby ratified and confirmed and incorporated herein by reference and, for so long as any of the Series OO-2024 Bonds shall be outstanding and unpaid either as to principal or interest, or until discharge and satisfaction of the Series OO-2024 Bonds as provided in Section 12 hereof, shall be applicable to the Series OO-2024 Bonds, shall inure to the benefit of owners of the Series OO-2024 Bonds as if set out in full herein, and shall be fully enforceable by the owner of any Series OO-2024 Bond.

All references to "holder" or "holders" in the 1954 Resolution shall be deemed to include owners of the Series OO-2024 Bonds, and all references to "Bonds" in the 1954 Resolution shall be deemed to include the Series OO-2024 Bonds.

Section 9. Sale of Series OO-2024 Bonds.

(a) The Series OO-2024 Bonds or any emission thereof may be sold at negotiated sale to the Underwriter or at public sale as determined by the President and Chief Executive Officer of KUB at a price of not less than 98.00% of par, exclusive of original issue discount, plus accrued interest, if any, provided, however, that no emission of Series OO-2024 Bonds may be sold at negotiated sale unless the Audit and Finance Committee of the Board has previously approved the sale of such emission at negotiated sale. The sale of any emission of the Series OO-2024 Bonds to the Underwriter or by public sale shall be binding on the City and KUB, and no further action of the Board with respect thereto shall be required.

(b) The President and Chief Executive Officer of KUB, as the designee of the Board, is further authorized with respect to each emission of Series OO-2024 Bonds to:

- (1) change the dated date to a date other than the date of issuance;
- (2) specify or change the series designation of the Series OO-2024 Bonds to a designation other than "Water System Revenue Bonds, Series OO-2024";
- (3) change the first interest payment date to a date other than March 1, 2025, provided that such date is not later than twelve months from the dated date of such emission of Series OO-2024 Bonds;
- (4) establish and adjust the principal and interest payment dates and determine maturity or mandatory redemption amounts of the Series OO-2024 Bonds or any emission thereof, provided that (A) the total principal amount of all emissions of the Series OO-2024 Bonds does not exceed the total amount of Series OO-2024 Bonds authorized herein, (B) the final maturity date of each emission shall be not later than March 1, 2054 and (C) the debt service payable in each fiscal year after the completion of the Project shall be approximately level;
- (5) modify or remove the optional redemption provisions contained herein, provided that the premium amount to be paid in connection with any redemption provision shall not exceed two percent (2%) of the principal amount thereof;
- (6) sell the Series OO-2024 Bonds, or any emission thereof, or any maturities thereof as term bonds with mandatory redemption requirements as determined by the Board, as it shall deem most advantageous to KUB; and
- (7) cause all or a portion of the Series OO-2024 Bonds to be insured by a bond insurance policy issued by a nationally recognized bond insurance company to achieve the purposes

set forth herein and to serve the best interests of KUB and to enter into agreements with such insurance company to the extent not inconsistent with this resolution.

(c) If any emission of Series OO-2024 Bonds is sold at negotiated sale, the President and Chief Executive Officer of KUB is authorized to execute a Bond Purchase Agreement with respect to such emission of Series OO-2024 Bonds, providing for the purchase and sale of the Series OO-2024 Bonds, or any emission thereof. Each Bond Purchase Agreement shall be in substantially the form attached hereto as Exhibit A, with such changes as the President and Chief Executive Officer deems necessary or advisable in connection with the sale of such Series OO-2024 Bonds, provided any such changes are not inconsistent with the terms of this Section 9. If the Underwriter does not intend to reoffer the Series OO-2024 Bonds to the public, then the Bond Purchase Agreement shall be conformed to reflect such intention. The form of the Series OO-2024 Bond set forth in Section 6 hereof shall be conformed to reflect any changes made pursuant to this Section 9.

(d) The President and Chief Executive Officer and the Chief Financial Officer of KUB, or either of them, are authorized to cause the Series OO-2024 Bonds, in book-entry form (except as otherwise authorized herein), to be authenticated and delivered by the Registration Agent to the purchaser(s), and to execute, publish, and deliver all certificates and documents, including an Official Statement, the Bond Purchase Agreement and closing certificates, as they shall deem necessary in connection with the sale and delivery of each emission of the Series OO-2024 Bonds.

(e) If the Series OO-2024 Bonds are sold at public sale, the Series OO-2024 Bonds shall be awarded by the President and Chief Executive Officer of KUB to the bidder that offers to purchase the Bonds for the lowest true interest cost to KUB.

(f) Each emission of Series OO-2024 Bonds shall be offered for sale as either Federally Tax-Exempt Bonds or as Federally Taxable Bonds as determined by KUB, in consultation with the Financial Advisor, by taking into account which type of Series OO-2024 Bond will result in the lowest cost to KUB with respect to such emission of Series OO-2024 Bonds taking into consideration the Direct Payment Credit projected to be received if such emission of Series OO-2024 Bonds is issued as Federally Taxable Bonds and such other factors affecting the cost of KUB, including redemption provisions relating to each such emission. KUB will cause to be filed with the transcript of proceedings for any emission of Federally Taxable Bonds, a report of the Financial Adviser as to the factors taken into account by the Financial Adviser in recommending that any emission be issued as Federally Taxable Bonds. If issued as Federally Taxable Bonds, the President and Chief Executive Officer of KUB, on behalf of the City and KUB, is directed to make any election required under applicable law to qualify such emission of Bonds for Direct Payment Credits on each interest payment date. KUB is further authorized to submit any required forms to the Internal Revenue Service or other applicable governmental agency for the purpose of receiving the Direct Payment Credit with respect to each interest payment date, or take such other actions required for receipt of the Direct Payment Credit required by the Internal Revenue Service of the United States Treasury or other governmental agency. KUB is authorized to direct the deposit of the Direct Payment Credit as KUB deems appropriate, and such Direct Payment Credits shall be deemed funds of KUB when paid. All decisions by KUB made pursuant to this subsection shall be binding on the City, and no further action of the Governing Body with respect thereto shall be required. The President and Chief Executive Officer of KUB, as the designee of the Board, is authorized to take all actions required or authorized by this subsection.

Section 10. Disposition of Series OO-2024 Bond Proceeds. The proceeds of the sale of the Series OO-2024 Bonds shall be paid to KUB and used and applied by KUB as follows:

(a) All accrued interest, if any, shall be deposited to the Debt Service Fund created under the 1954 Resolution and used to pay interest on the Series OO-2024 Bonds on the first interest payment date following delivery of the Series OO-2024 Bonds; and

(b) The remainder of the proceeds of the sale of the Series OO-2024 Bonds shall be deposited with a financial institution regulated by the Federal Deposit Insurance Corporation or similar federal agency, in the "Water System Construction Fund" (the "Construction Fund") to be kept separate and apart from all other funds of KUB. The funds in the Construction Fund shall be disbursed solely to pay the costs of constructing the Project and costs related to the issuance and sale of the Series OO-2024 Bonds, including necessary legal, accounting, and fiscal expenses, printing, engraving, advertising and similar expenses, administrative and clerical costs, rating agency fees, Registration Agent fees and other necessary miscellaneous expenses incurred in connection with the Project and the issuance and sale of the Series OO-2024 Bonds. Money in the Construction Fund shall be secured in the manner prescribed by applicable statutes relative to the securing of public or trust funds, if any, or, in the absence of such statute, by a pledge of readily marketable securities having at all times a market value of not less than the amount in said Construction Fund. Money in the Construction Fund shall be expended only for the purposes authorized by this resolution. Any funds remaining in the Construction Fund after completion of the Project and payment of authorized expenses shall be deposited to the Bond Fund and used to retire Series OO-2024 Bonds on the earliest date possible. Moneys in the Construction Fund shall be invested as directed by the Chief Financial Officer of KUB in such investments as shall be permitted by applicable law. All income derived from such investments shall be deposited to the Construction Fund.

Section 11. Discharge and Satisfaction of Series OO-2024 Bonds. If KUB, on behalf of the City, shall pay and discharge the indebtedness evidenced by any of the Series OO-2024 Bonds or Parity Bonds (referred to hereinafter, collectively, in this Section 11 as the "Bonds") in any one or more of the following ways:

(a) By paying or causing to be paid, by deposit of sufficient funds as and when required with the Registration Agent, the principal of and interest on such Bonds as and when the same become due and payable;

(b) By depositing or causing to be deposited with any financial institution which has trust powers and which is regulated by and the deposits of which are insured by the Federal Deposit Insurance Corporation or similar federal agency ("an Agent"; which Agent may be the Registration Agent), in trust or escrow, on or before the date of maturity or redemption, sufficient money or Defeasance Obligations, the principal of and interest on which, when due and payable, will provide sufficient moneys to pay or redeem such Bonds and to pay premium, if any, and interest thereon when due until the maturity or redemption date (provided, if such Bonds are to be redeemed prior to maturity thereof, proper notice of such redemption shall have been given or adequate provision shall have been made for the giving of such notice); or

(c) By delivering such Bonds to the Registration Agent, for cancellation by it;

and if KUB, on behalf of the City, shall also pay or cause to be paid all other sums payable hereunder by KUB, on behalf of the City with respect to such Bonds or make adequate provision therefor, and by resolution of the Board instruct any such Agent to pay amounts when and as required to the Registration Agent for the payment of principal of and interest and redemption premiums, if any, on such Bonds when due, then and in that case the indebtedness evidenced by such Bonds shall be discharged and satisfied and all covenants, liens, pledges, agreements and obligations entered into, created, or imposed hereunder, including the pledge of and lien on the Net Revenues of the System set forth herein, shall be fully discharged

and satisfied with respect to such Bonds and the owners thereof and shall thereupon cease, terminate and become void.

If KUB, on behalf of the City, shall pay and discharge or cause to be paid and discharged the indebtedness evidenced by any of the Bonds in the manner provided in either clause (a) or clause (b) above, then the registered owners thereof shall thereafter be entitled only to payment out of the money or Defeasance Obligations deposited as aforesaid.

Except as otherwise provided in this Section 11, neither Defeasance Obligations nor moneys deposited with the Agent pursuant to this Section 11 nor principal or interest payments on any such Defeasance Obligations shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and premium, if any, and interest on said Bonds; provided that any cash received from such principal or interest payments on such Defeasance Obligations deposited with the Agent, (A) to the extent such cash will not be required at any time for such purpose, shall be paid over to KUB as received by the Agent and (B) to the extent such cash will be required for such purpose at a later date, shall, to the extent practicable, be reinvested in Defeasance Obligations maturing at times and in amounts sufficient to pay when due the principal and premium, if any, and interest to become due on said Bonds on or prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestments, to the extent not needed for the payment of such principal, premium and interest, shall be paid over to KUB, as received by the Agent. For the purposes of this Section 11, Defeasance Obligations shall mean direct obligations of, or obligations, the principal of and interest on which are guaranteed by, the United States of America, or any agency thereof, obligations of any agency or instrumentality of the United States or any other obligations at the time of the purchase thereof are permitted investments under Tennessee Law for the purposes described in this Section 11, which bonds or other obligations shall not be subject to redemption prior to their maturity other than at the option of the registered owner thereof.

No redemption privilege shall be exercised with respect to the Series OO-2024 Bonds or any Parity Bonds except at the option and election of the Board. The right of redemption set forth herein shall not be exercised by any Registration Agent or Agent unless expressly so directed in writing by an authorized representative of the Board.

Section 12. Federal Tax Matters. The City and KUB recognize that the purchasers and owners of the Series OO-2024 Bonds that are intended to be Federally Tax-Exempt Bonds will have accepted them on, and paid therefor a price that reflects, the understanding that interest thereon will not be included in gross income for purposes of federal income taxation under laws in force on the date of delivery of the Series OO-2024 Bonds. In this connection, KUB, on behalf of the City, agrees that it shall take no action which may render the interest on any of the Series OO-2024 Bonds that are intended to be Federally Tax-Exempt Bonds includable in gross income for purposes of federal income taxation. It is the reasonable expectation of the City and KUB that the proceeds of the Series OO-2024 Bonds that are intended to be Federally Tax-Exempt Bonds will not be used in a manner which will cause the Series OO-2024 Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code, and to this end the said proceeds of the Series OO-2024 Bonds and other related funds established for the purposes herein set out, shall be used and spent expeditiously for the purposes described herein. In the event Section 148(f) of the Code shall require the payment of any investment proceeds of the Series OO-2024 Bonds that are intended to be Federally Tax-Exempt Bonds to the United States government, KUB will make such payments as and when required by said Section 148(f) and will take such other actions as shall be necessary or permitted to prevent the interest on the Series OO-2024 Bonds that are intended to be Federally Tax-Exempt Bonds from becoming taxable. The Chair of the Board, the Secretary of the Board, the President and Chief Executive Officer of KUB and Chief Financial Officer of KUB, or any of them, are authorized and directed to make such certifications in this regard in connection with the sale of the Series OO-2024 Bonds that are intended

to be Federally Tax-Exempt Bonds as any or all shall deem appropriate, and such certifications shall constitute a representation and certification of the City and KUB.

Section 13. Official Statement. The President and Chief Executive Officer of KUB, or his designee, is hereby authorized and directed to provide for the preparation and distribution of a Preliminary Official Statement describing the Series OO-2024 Bonds. After the Series OO-2024 Bonds have been awarded, the President and Chief Executive Officer of KUB, or his designee, shall make such completions, omissions, insertions and changes in the Preliminary Official Statement not inconsistent with this resolution as are necessary or desirable to complete it as a final Official Statement for purposes of Rule 15c2-12(e)(3) of the Securities and Exchange Commission. The President and Chief Executive Officer of KUB, or his designee, shall arrange for the delivery to the purchaser of the Series OO-2024 Bonds of a reasonable number of copies of the Official Statement within seven business days after the Series OO-2024 Bonds have been awarded for subsequent delivery by the purchaser, to each potential investor requesting a copy of the Official Statement and to each person to whom such purchaser and members of such purchaser's group initially sell the Series OO-2024 Bonds.

The President and Chief Executive Officer of KUB, or his designee, is authorized, on behalf of the Board, to deem the Preliminary Official Statement and the Official Statement in final form, each to be final as of its date within the meaning of Rule 15c2-12(b)(1), except for the omission in the Preliminary Official Statement of certain pricing and other information allowed to be omitted pursuant to such Rule 15c2-12(b)(1). The distribution of the Preliminary Official Statement and the Official Statement in final form shall be conclusive evidence that each has been deemed in final form as of its date by the Board except for the omission in the Preliminary Official Statement of such pricing and other information.

Section 14. Continuing Disclosure. The City hereby covenants and agrees that KUB will provide annual financial information and material event notices for the Series OO-2024 Bonds as required by Rule 15c2-12 of the Securities and Exchange Commission. The Chief Financial Officer of KUB is authorized to execute at the closing of the sale of the Series OO-2024 Bonds, an agreement for the benefit of and enforceable by the owners of the Series OO-2024 Bonds specifying the details of the financial information and material event notices to be provided and its obligations relating thereto. Failure of KUB to comply with the undertaking herein described and to be detailed in said closing agreement, shall not be a default hereunder, but any such failure shall entitle the owner or owners of any of the Bonds to take such actions and to initiate such proceedings as shall be necessary and appropriate to cause KUB to comply with its undertaking as set forth herein and in said agreement, including the remedies of mandamus and specific performance.

Section 15. Separability. 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 16. Repeal of Conflicting Resolutions and Effective Date. All other resolutions and 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.

Adopted and approved this ___ day of _____, 2024.

Mayor

ATTEST:

City Recorder

STATE OF TENNESSEE)
)
COUNTY OF KNOX)

I, Will Johnson, hereby certify that I am the duly qualified and acting City Recorder of the City of Knoxville, Tennessee, and as such official I further certify that attached hereto is a copy of excerpts from the minutes of a regular meeting of the governing body of the City Council held on Tuesday, _____, 2024; that these minutes were promptly and fully recorded and are open to public inspection; that I have compared said copy with the original minute record of said meeting in my official custody; and that said copy is a true, correct and complete transcript from said original minute record insofar as said original records relate to an amount not to exceed \$20,000,000 Water System Revenue Bonds, Series OO-2024.

WITNESS my official signature and seal of the City of Knoxville, Tennessee, this ____ day of _____, 2024.

(seal)

City Recorder

EXHIBIT A

**\$20,000,000
CITY OF KNOXVILLE, TENNESSEE
ACTING ON BEHALF OF KNOXVILLE UTILITIES BOARD
WATER SYSTEM REVENUE BONDS, SERIES OO-2024**

BOND PURCHASE AGREEMENT

_____, 2024

Knoxville Utilities Board
445 South Gay Street
Knoxville, Tennessee 37902

Ladies and Gentlemen:

The undersigned (the "Underwriter") offers to enter into this agreement with Knoxville Utilities Board ("KUB") which, upon your acceptance of this offer, will be binding upon you and upon us.

This offer is made subject to your acceptance of this agreement on or before 5:00 p.m., Eastern Standard Time, on _____, 2024.

1. Purchase Price.

Upon the terms and conditions and upon the basis of the respective representations, warranties and covenants set forth herein, the Underwriter hereby agrees to purchase from KUB, and KUB hereby agrees to sell to the Underwriter, all (but not less than all) of \$20,000,000 aggregate principal amount of KUB's Water System Revenue Bonds, Series OO-2024 (the "Bonds"). The purchase price is \$ _____ plus accrued interest and shall be paid in accordance with paragraph 6 hereof. The purchase price is equal to the par amount of the Bonds less \$ _____ original issue discount, less \$ _____ underwriter's discount and plus accrued interest. The Bonds are to be issued under and pursuant to, and are to be secured by the Resolution (the "Bond Resolution") adopted on _____, 2024, by the City Council of the City of Knoxville (the "City") at the request of KUB. The Bonds shall mature on the dates and shall bear interest at the rates all as described in the Official Statement referred to in Section 3 hereof. The maturities, rates and discount at which the Bonds are being sold are more fully described on **Schedule I** attached hereto.

The Bonds are being issued to provide funds to finance the cost of extensions and improvements to the water distribution and treatment system operated by KUB on behalf of the City (the "System"), including the payment of legal, fiscal and administrative costs incident thereto and incident to the issuance and sale of the Bonds.

2. Public Offering.

The Underwriter intends to make an initial bona fide public offering of all of the Bonds at not in excess of the public offering prices set forth on the cover of the Official Statement and may subsequently change such offering price without any requirement of prior notice. The Underwriter may offer and sell Bonds to certain dealers (including dealers depositing bonds into investment trusts) and others at prices lower than the public offering prices stated on the cover of the Official Statement. The Underwriter reserves the right (i) to over-allot or effect transactions that stabilize or maintain the market prices of the Bonds at levels above those which might otherwise prevail in the open market; and (ii) to discontinue such stabilizing, if commenced at any time without prior notice.

3. Official Statement.

(a) KUB has provided the Underwriter with information that constitutes a "deemed final" official statement for purposes of Rule 15c2-12 under the Securities Exchange Act of 1934 ("Rule 15c2-12"). Concurrently with KUB's acceptance of this Bond Purchase Agreement, KUB shall deliver or cause to be delivered to the Underwriter two copies of the Official Statement (as hereinafter defined) relating to the Bonds dated the date hereof substantially in the same form as the Preliminary Official Statement with only such changes as shall have been accepted by the Underwriter.

(b) Within seven (7) business days from the date hereof and within sufficient time to accompany any confirmation requesting payment from any customers of the Underwriter, KUB shall deliver to the Underwriter copies of the Official Statement of KUB, dated the date hereof, relating to the Bonds, in sufficient quantity as may reasonably be requested by the Underwriter in order to comply with Rule 15c2-12 and any applicable rules of the Municipal Securities Rulemaking Board, in substantially the form approved by KUB (which, together with the cover page, and all exhibits, appendices, and statements included therein or attached thereto and any amendments and supplements that may be authorized for use with respect to the Bonds is herein called the "Official Statement"), executed on behalf of KUB by a duly authorized officer of KUB. You hereby authorize and approve the Official Statement and other pertinent documents referred to in Section 6 hereof to be lawfully used in connection with the offering and sale of the Bonds. You also acknowledge and ratify the use by the Underwriter, prior to the date hereof, of the Preliminary Official Statement in connection with a public offering of the Bonds.

(c) If, prior to the Closing (as defined in Section 5 below) or within twenty-five (25) days subsequent to the end of the underwriting period as such term is used for purposes of Rule 15c2-12, any event shall occur with respect to KUB or KUB shall receive notice of the occurrence of any other event that might or would cause the information contained in the Official Statement to contain any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading, KUB shall so notify the Underwriter. KUB agrees to amend or supplement the Official Statement whenever requested by the Underwriter when in the reasonable judgment of the Underwriter such amendment or supplementation is required and to furnish the Underwriter with sufficient quantities of such amendment or supplement in order to permit the Underwriter to comply with Rule 15c2-12.

4. Representations and Warranties.

KUB hereby represents and warrants to the Underwriter that:

(a) KUB is duly existing pursuant to the Charter of the City and is authorized by such Charter to operate and manage the System. KUB has duly authorized all necessary action to be taken by it for: (i) the issuance and sale of the Bonds upon the terms set forth herein and in the Official Statement; (ii) the approval of the Official Statement and the signing of the Official Statement by a duly authorized officer; (iii) the execution, delivery and receipt of this Bond Purchase Agreement, the Bonds and any and all such other agreements and documents as may be required to be executed, delivered and received by KUB in order to carry out, give effect to, and consummate the transactions contemplated hereby, by the Bonds, the Official Statement and the Bond Resolution;

(b) When executed by the respective parties thereto, this Bond Purchase Agreement will constitute a legal, valid and binding obligation of KUB enforceable in accordance with its terms;

(c) The information and statements contained in the Preliminary Official Statement, as of its date and as of the date hereof, did not and do not contain any untrue statement of a material fact or omit to state any material fact which was necessary in order to make such information and statements, in the light of the circumstances under which they were made, not misleading;

(d) The information and statements contained in the Official Statement, as of its date and as of the Closing, are and will be correct and complete in all material respects and do not and will not contain any untrue statement of a material fact or omit to state any material fact which is necessary in order to make such information and statements, in the light of the circumstances under which they were made, not misleading;

(e) KUB has complied, and will at the Closing be in compliance, in all respects with the obligations on its part contained in the Bond Resolution and the laws of the State of Tennessee (the "State"), including the Act;

(f) The City has duly adopted the Bond Resolution, and the City and KUB have (a) duly authorized and approved the distribution of the Preliminary Official Statement, (b) duly authorized and approved the execution and delivery of the Official Statement, (c) duly authorized and approved the execution and delivery of, and the performance by KUB of the obligations on its part contained in, the Bonds, the Bond Resolution and this Bond Purchase Agreement, and (d) duly authorized and approved the consummation by it of all other transactions contemplated by this Bond Purchase Agreement and the Official Statement;

(g) KUB is not in breach of or default under any applicable law or administrative regulation of the State or the United States in any manner related to or affecting the transactions contemplated hereby or in breach of or default under any applicable judgment or decree or any loan agreement, note, resolution, ordinance, agreement or other instrument to which KUB is a party or to which it or any of its property is otherwise subject; and the execution and delivery of this Bond Purchase Agreement, the Bonds and the adoption of the Bond Resolution, and compliance with the provisions of each thereof, will not conflict with or constitute a breach of or default under any law, administrative regulation, judgment, decree, loan agreement, note, resolution, ordinance, agreement or other instrument to which KUB is a party or to which it or any of its property is otherwise subject;

(h) Except as may be required under the securities or "blue sky" laws of any state, all approvals, consents, authorizations and orders of, filings with or certifications by any governmental authority, board, agency or commission having jurisdiction, which would constitute a condition precedent to the performance by KUB of its obligations hereunder and under the Bond Resolution and the Bonds, have been obtained;

(i) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, pending or, to the knowledge of KUB, threatened against KUB or others (a) affecting KUB or the corporate existence of KUB or the titles of its officers to their respective offices, (b) seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Bonds or the collection of Net Revenues pledged to pay the principal of and interest on the Bonds, or the pledge thereof, (c) in any way contesting or affecting the transactions contemplated hereby or by the Official Statement or by the validity or enforceability of the Bonds, the Bond Resolution or this Bond Purchase Agreement, (d) contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement, or (e) contesting the powers or authority of KUB for the issuance of the Bonds, the adoption of the Bond Resolution or the execution and delivery of this Bond Purchase Agreement;

(j) KUB will not take or omit to take any action that will in any way cause the proceeds from the sale of the Bonds and other moneys of KUB to be transferred on the date of issuance of the Bonds to be applied or result in such proceeds and other moneys being applied in a manner other than as provided in or permitted by the Bond Resolution and consistent with the utilization described in the Official Statement;

(k) KUB agrees reasonably to cooperate with the Underwriter and its counsel in any endeavor to qualify the Bonds for offering and sale under the securities or "blue sky" laws of such jurisdictions of the United States as the Underwriter may request. KUB hereby consents to the use of the Official Statement and the Bond Resolution by the Underwriter in obtaining any qualification required;

(l) If at any time from the date of this Bond Purchase Agreement through 25 days following the "end of the underwriting period" (as defined in Rule 15c2-12 described below) any event shall occur that might or would cause the Official Statement to contain any untrue statement of a material fact or to omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, KUB shall notify the Underwriter and if, in the opinion of the Underwriter, such event requires the preparation and publication of a supplement or amendment to the Official Statement, KUB will supplement or amend the Official Statement in a form and in a manner approved by the Underwriter. If the Official Statement is so supplemented or amended prior to the Closing, such approval by the Underwriter of a supplement or amendment to the Official Statement shall not preclude the Underwriter from thereafter terminating this Bond Purchase Agreement, and if the Official Statement is so amended or supplemented subsequent to the date hereof and prior to the Closing, the Underwriter may terminate this Bond Purchase Agreement by notification to KUB at any time prior to the Closing if, in the judgment of the Underwriter, such amendment or supplement has or will have a material adverse effect on the marketability of the Bonds;

(m) KUB has duly authorized and approved the execution and delivery of this Bond Purchase Agreement and the performance by KUB of the obligations on its part contained herein;

(n) KUB is not, nor has it at any time, been in default in the payment of principal of or interest on any obligation issued or guaranteed by KUB;

(o) Any certificate signed by an authorized officer of KUB and delivered to the Underwriter at or prior to the Closing shall be deemed a representation and warranty by KUB in connection with this Bond Purchase Agreement to the Underwriter as to the statements made therein upon which the Underwriter shall be entitled to rely. KUB covenants that between the date hereof and the Closing, it will not take any action that will cause the representations and warranties made herein to be untrue as of the Closing;

(p) The Bonds, when issued, authenticated and delivered in accordance with the Bond Resolution and sold to the Underwriter as provided herein, will be validly issued and outstanding special obligations of KUB entitled to the benefits of the Bond Resolution;

(q) KUB has lawful authority to operate the System, to consummate the transactions contemplated by the Official Statement and collect revenues, fees and other charges in connection with the System and through its Board of Commissioners, to fix the rates, fees and other charges with respect to the System; and

(r) KUB hereby covenants and agrees to enter into a written agreement or contract, constituting an undertaking (the "Undertaking") to provide ongoing disclosure about KUB, for the benefit of the beneficial owners of the Bonds on or before the date of delivery of the Bonds as required under paragraph (b)(5) of Rule 15c2-12. The Undertaking shall be as described in the Preliminary Official Statement, with such changes as may be agreed in writing by the Underwriter. KUB represents that it has complied in all respects with its obligations to provide continuing disclosure of certain information as described in that certain Continuing Disclosure Certificate entered into in connection with the issuance of the Bonds.

5. Delivery of, and Payment for, the Bonds.

At 10:00 a.m. on or about _____, 2024, or at such other time or date as shall have been mutually agreed upon by KUB and the Underwriter, KUB will deliver, or cause to be delivered, to the Underwriter the other documents hereinafter mentioned and, subject to the conditions contained herein, the Underwriter will accept such delivery and pay the purchase price of the Bonds plus accrued interest payable to the order of KUB, in federal funds or other immediately available funds by delivering to KUB such funds by wire transfer to KUB or its designated agent except that physical delivery of the Bonds shall be made through the facilities of the Depository Trust Company.

Payment for the Bonds shall be confirmed and delivery of the documents as aforesaid shall be made at the offices of KUB, or such other place as may be agreed upon by the Underwriter and KUB. Such payment and delivery is herein called the "Closing." The Bonds will be delivered as fully registered bonds in such names and in such denominations as shall be designated in writing by the Underwriter to KUB at Closing.

6. Certain Conditions to Underwriter's Obligations.

The obligations of the Underwriter hereunder shall be subject to (i) the performance by KUB of its obligations to be performed hereunder, (ii) the accuracy in all material respects of the representations and warranties of KUB herein as of the date hereof and as of the date of the Closing, and (iii) to the following conditions:

(a) At the time of Closing, (i) the Bond Resolution shall be in full force and effect and shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Underwriter, (ii) the proceeds of the sale of the Bonds shall be applied as described in the Official Statement, and (iii) KUB shall have duly adopted and there shall be in full force and effect such other resolutions as, in the opinion of Bass Berry & Sims PLC, Knoxville, Tennessee ("Bond Counsel"), shall be necessary in connection with the transactions contemplated hereby;

(b) At or prior to the Closing, the Underwriter shall have received an executed copy of each of the following documents:

(1) the approving opinion dated the date of the Closing, of Bond Counsel addressed to KUB and the Underwriter, relating to, among other things, the validity of the Bonds [and the exclusion from gross income of the interest on the Bonds for federal and State of Tennessee income tax purposes,] in substantially the form set forth as Appendix _ to the Official Statement;

(2) a supplemental opinion, dated the date of the Closing, of Bond Counsel addressed to the Underwriter in substantially the form of Exhibit A hereto;

(3) an opinion, dated the date of the Closing, of Hodges, Doughty & Carson, Knoxville, Tennessee, counsel to KUB, addressed to KUB, Bond Counsel and the Underwriter in substantially the form of Exhibit B hereto;

(4) a certificate of KUB, dated the date of the Closing and signed by a duly authorized officer of KUB and in form and substance reasonably satisfactory to the Underwriter, to the effect that (i) since the execution of the Bond Purchase Agreement no material and adverse change has occurred in the financial position of the System or results of operations of the System; (ii) KUB has not incurred any material liabilities secured by the Net Revenues of the System other than in the ordinary course of business or as set forth in or contemplated by the Official Statement; and (iii) no event affecting KUB has occurred since the date of the Official Statement which should be disclosed in the Official Statement for the purpose for which it is to be used or which is necessary to be disclosed therein in order to make the statements and information therein not misleading as of the date of Closing;

(5) the Official Statement executed on behalf of KUB by a duly authorized officer thereof;

(6) the Bond Resolution and the Bonds;

(7) a certificate of a duly authorized officer of KUB, satisfactory to the Underwriter, dated the date of Closing, stating that such officer is charged, either alone or with others, with the responsibility for issuing the Bonds; setting forth, in the manner permitted by Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), the reasonable expectations of KUB as of such date as to the use of proceeds of the Bonds and of any other funds of KUB expected to be used to pay principal or interest on the Bonds and the facts and estimates on which such expectations are based; and stating that, to the best of the knowledge and belief of the certifying officer, KUB's expectations are reasonable;

(8) evidence indicating a rating on the Bonds of "___" by [rating agency];

(9) other certificates of KUB listed on a Closing Memorandum to be approved by counsel to KUB, Bond Counsel and counsel to the Underwriter, including any certificates or representations required in order for Bond Counsel to deliver the opinion referred to in Paragraph 6(b)(1) of this Bond Purchase Agreement; and such additional legal opinions, certificates, proceedings, instruments and other documents as the counsel to the Underwriter or Bond Counsel may reasonably request to evidence compliance by KUB with legal requirements, the truth and accuracy, as of the time of Closing, of the representations of KUB contained herein and the due performance or satisfaction by KUB at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by KUB.

All such opinions, certificates, letters, agreements and documents will be in compliance with the provisions hereof only if they are satisfactory in form and substance to the Underwriter and counsel

to the Underwriter. KUB will furnish the Underwriter with such conformed copies or photocopies of such opinions, certificates, letters, agreements and documents as the Underwriter may reasonably request.

(c) The Underwriter shall have received within seven (7) business days from the date hereof and within sufficient time to accompany any confirmation requesting payment from any customers of the Underwriter, the Official Statement in sufficient quantity as may be reasonably requested by the Underwriter in order to comply with Rule 15(c) 2-12.

7. Termination.

The Underwriter shall have the right to cancel its obligation to purchase the Bonds if (i) between the date hereof and the Closing, legislation shall be enacted or recommended to the Congress or otherwise endorsed for passage (by press release, other form of notice or otherwise) by the President of the United States, the Treasury Department of the United States, the Internal Revenue Service or the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives or favorably reported for passage to either House of the Congress by any committee of such House to which such legislation has been referred for consideration, or a bill to amend the Internal Revenue Code (which, if enacted, would take effect in whole or in part prior to the Closing) shall be filed in either house, or recommended for passage by the Congress by any joint or conference committee thereof, or a decision by a court of the United States or the United States Tax Court shall be rendered, or a ruling, regulation or statement by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or other governmental agency shall be made or proposed to be made, with respect to the federal taxation upon interest on obligations of the general character of the Bonds, or other action or events shall have transpired which may have the purpose or effect, directly or indirectly of changing the federal income tax consequences of any of the transactions contemplated in connection herewith, including the tax-exempt status of KUB and, in the opinion of the Underwriter, materially adversely affects the market price of the Bonds, or the market price generally of obligations of the general character of the Bonds, or (ii) there shall exist any event which in the Underwriter's judgment either (a) makes untrue or incorrect in any material respect any statement or information contained in the Official Statement or (b) is not reflected in the Official Statement but should be reflected therein in order to make the statements and information contained therein not misleading in any material respect, or (iii) there shall have occurred any outbreak of hostilities or any national or international calamity or crisis including financial crisis, or a financial crisis or a default with respect to the debt obligations of, or the institution of proceedings under the federal or the state bankruptcy laws by or against the State of Tennessee or any subdivision, agency or instrumentality of such State, the effect of which on the financial markets of the United States being such as, in the reasonable judgment of the Underwriter, would make it impracticable for the Underwriter to market the Bonds or to enforce contracts for the sale of the Bonds, or (iv) there shall be in force a general suspension of trading on the New York Stock Exchange, or (v) a general banking moratorium shall have been declared by either federal, Tennessee or New York authorities, or (vi) there shall have occurred since the date of this Bond Purchase Agreement any material adverse change in the financial position of the System, except for changes which the Official Statement discloses have occurred or may occur, or (vii) legislation shall be enacted or any action shall be taken by the Securities and Exchange Commission which, in the opinion of counsel for the Underwriter, has the effect of requiring the contemplated distribution of the Bonds to be registered under the Securities Act of 1933, as amended, or the Bond Resolution or any other document executed in connection with the transactions contemplated hereof to be qualified under the Trust Indenture Act of 1939, as amended, or (viii) a stop order, ruling, regulation or official statement by or on behalf of the Securities and Exchange Commission shall be issued or made to the effect that the issuance, offering or sale of the Bonds, or of obligations of the general character of the Bonds as contemplated hereby, or the offering of any other obligation which may be represented by the Bonds is in violation of any provision of the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, or the Trust Indenture Act of 1939,

as amended, or (ix) any state blue sky or securities commission shall have withheld registration, exemption or clearance of the offering, and in the reasonable judgment of the Underwriter the market for the Bonds is materially affected thereby.

If KUB shall be unable to satisfy any of the conditions to the obligations of the Underwriter contained in this Bond Purchase Agreement and such condition is not waived by the Underwriter, or if the obligations of the Underwriter to purchase and accept delivery of the Bonds shall be terminated or canceled for any reason permitted by this Bond Purchase Agreement, this Bond Purchase Agreement shall terminate and neither the Underwriter nor KUB shall be under further obligation hereunder; except that the respective obligations to pay expenses, as provided in Section 10 hereof, shall continue in full force and effect.

8. Particular Covenants.

KUB covenants and agrees with the Underwriter as follows:

(a) KUB shall use its best efforts to furnish or cause to be furnished to the Underwriter, without charge, as many copies of the Official Statement as the Underwriter may reasonably request;

(b) Before revising, amending or supplementing the Official Statement, KUB shall furnish a copy of the revised Official Statement or such amendment or supplement to the Underwriter. If in the opinion of KUB and the Underwriter a supplement or amendment to the Official Statement is required, KUB will supplement or amend the Official Statement in a form and in a manner approved by the Underwriter and its counsel.

9. Survival of Representations.

All representations, warranties and agreements of KUB hereunder shall remain operative and in full force and effect, regardless of any investigation made by or on behalf of the Underwriter and shall survive the delivery of the Bonds.

10. Payment of Expenses.

Whether or not the Bonds are sold to the Underwriter by KUB, KUB shall pay, but only out of the proceeds of the sale of the Bonds or other funds made available by KUB, any expenses incident to the performance of its obligations hereunder, including but not limited to: (i) the cost of the preparation and printing of the Official Statement and any supplements thereto, together with a number of copies which the Underwriter deems reasonable; (ii) the cost of the preparation and printing of the definitive Bonds; (iii) the rating agency fees; and (iv) the fees and disbursements of Counsel to KUB and Bond Counsel and any other experts or consultants retained by KUB.

Whether or not the Bonds are sold to the Underwriter, the Underwriter shall pay (i) all advertising expenses in connection with the public offering of the Bonds; (ii) the cost of preparing and printing the blue sky memorandum, if any, and filing fees in connection with the aforesaid blue sky memorandum other than the costs of preparation of the Preliminary Official Statement and the Official Statement; and (iii) all other expenses incurred by the Underwriter in connection with its public offering and distribution of the Bonds, including the fees and expenses of the Underwriter's counsel.

11. No Advisory or Fiduciary Role.

KUB acknowledges and agrees that (i) the purchase and sale of the Bonds pursuant to this Bond Purchase Agreement is an arm's-length commercial transaction between KUB and the Underwriter,

(ii) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriter is and has been acting solely as principal and is not acting as the agent, advisor or fiduciary of KUB, (iii) the Underwriter has not assumed an advisory or fiduciary responsibility in favor of KUB with respect to the offering contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter, or any affiliates of the Underwriter, has provided other services or are currently providing other services to KUB on other matters) and the Underwriter has no obligation to KUB with respect to the offering contemplated hereby except the obligations expressly set forth in this Bond Purchase Agreement, (iv) the Underwriter has financial and other interests that differ from those of KUB and (v) KUB has consulted its own legal, financial and other advisors to the extent it has deemed appropriate.

KUB and the Underwriter represent and warrant that no finder or other agent has been employed by either KUB or the Underwriter in connection with this transaction.

12. Notices.

Any notice or other communication to be given to KUB under this Bond Purchase Agreement may be given by delivering the same in writing at its address set forth above, and any notice or other communication to be given to the Underwriter under this Bond Purchase Agreement may be given by delivering the same in writing to _____, _____, _____, _____.

13. Parties.

This Bond Purchase Agreement is made solely for the benefit of KUB and the Underwriter (including the successors or assigns of the Underwriter) and no other person shall acquire or have any right hereunder or by virtue hereof.

14. Governing Law.

This Bond Purchase Agreement shall be governed by and construed in accordance with the laws of the State of Tennessee.

15. General.

This Bond Purchase Agreement may be executed in several counterparts, each of which shall be regarded as an original and all of which will constitute one and the same instrument. The section headings of this Bond Purchase Agreement are for convenience of reference only and shall not affect its interpretation. This Bond Purchase Agreement shall become effective upon your acceptance hereof.

Very truly yours,

By: _____
Its: _____

Accepted and agreed to as of
the date first above written:

KNOXVILLE UTILITIES BOARD

By: _____
President and Chief Executive Officer

EXHIBIT A TO BOND PURCHASE AGREEMENT

[LETTERHEAD OF BASS BERRY & SIMS PLC]

[Closing Date]

Ladies and Gentlemen:

This opinion is being rendered to you pursuant to Paragraph 6(b)(2) of the Bond Purchase Agreement, dated _____, 2024 (the "Bond Purchase Agreement"), between _____ (the "Underwriter"), and Knoxville Utilities Board ("KUB"), relating to the sale by KUB of its Water System Revenue Bonds, Series OO-2024, in the aggregate principal amount of \$20,000,000 (the "Bonds"). Terms which are used herein and not otherwise defined shall have the meanings assigned to them in the Bond Purchase Agreement.

Of even date herewith, we have delivered our approving opinion in connection with the issuance of the Bonds. In our capacity as Bond Counsel, we have reviewed a record of proceedings in connection with the issuance of the Bonds and we have participated in conferences from time to time with counsel to KUB, representatives of the Underwriter and counsel to the Underwriter, relative to the Official Statement, dated _____, 2024, relating to the Bonds, and the related documents described below. We have also examined such other agreements, documents and certificates, and have made such investigations of law, as we have deemed necessary or appropriate in rendering the opinions set forth below.

Based on the foregoing, we are of the opinion that, as of the date hereof:

1. The offer and sale of the Bonds to the public do not require any registration under the Securities Act of 1933, as amended, and, in connection therewith, the Bond Resolution does not need to be qualified under the Trust Indenture Act of 1939, as amended.
2. The statements contained in the Official Statement under the captions "Introduction" to the extent the narrative thereunder purports to describe the terms of the Bonds and the legal authority by which they are issued, "The Bonds," and in Appendix A to the Official Statement, insofar as such statements purport to summarize certain provisions of the Bonds and the Bond Resolution, fairly summarize such provisions. The statements contained in the Official Statement under the caption "Opinion of Bond Counsel" are correct as to matters of law.

This opinion may be relied upon only by the Underwriter and by other persons to whom written permission to rely hereon is granted by us.

Very truly yours,

EXHIBIT B TO BOND PURCHASE AGREEMENT

_____, 2024

Bass Berry & Sims PLC
900 South Gay Street, Suite 1700
Knoxville, Tennessee 37902

**Re: City of Knoxville, Tennessee acting on behalf of the Knoxville Utilities Board
\$20,000,000 Water System Revenue Bonds, Series OO-2024**

Ladies and Gentlemen:

You have requested that the undersigned, General Counsel to the Knoxville Utilities Board of the City of Knoxville, Tennessee ("KUB"), render this opinion in connection with the execution, delivery and sale of the captioned bonds (the "Bonds"), the proceeds of which will be used to finance extensions and improvements to the water distribution and treatment system described herein.

It is our opinion that KUB is duly established and validly existing pursuant to the Charter of the City of Knoxville, Tennessee (the "Municipality"), and, pursuant to said Charter and the water system of the Municipality (the "System") is under the jurisdiction, control and management of KUB.

The undersigned does hereby certify that no litigation of any nature is now pending or, to our knowledge, threatened

- (1) seeking to restrain or enjoin the issuance, sale, execution or delivery of the Bonds;
- (2) seeking to restrain or enjoin the charging of sufficient rates to pay the cost of operating, maintaining, repairing and insuring the System and to pay principal of and interest on the Bonds and all outstanding obligations payable from the revenues of the System;
- (3) in any manner questioning the proceedings or authority pursuant to which the Bonds are authorized or issued or such rates are charged;
- (4) in any manner questioning or relating to the validity of the Bonds;
- (5) contesting in any way the completeness or accuracy of the Official Statement prepared and distributed in connection with the sale of the Bonds;
- (6) in any way contesting the corporate existence or boundaries of the Municipality, except for various pending actions challenging past or present annexation efforts of the Municipality, which will have no material adverse effect on the revenues of the System;
- (7) contesting the title of the present officers of KUB to their respective offices; or

(8) contesting the powers of KUB or the authority of KUB with respect to the Bonds, or proceedings authorizing the Bonds, or any act to be done or document or certificate to be executed or delivered in connection with the issuance and delivery of the Bonds.

Neither the voters of the Municipality nor its governing body nor the Board of Commissioners of KUB have approved any special, local or private act or legislation passed by the General Assembly of the State of Tennessee at its most recent session or any amendments to the Charter of the Municipality affecting the power of the Municipality to issue the Bonds or pay the principal of, premium, if any, and interest on the Bonds when due or affecting the power of the Board of Commissioners of KUB to manage and control the System.

I hereby certify that _____ and _____ are the duly qualified, appointed and acting Chair and Secretary, respectively, of the Board of Commissioners of KUB with full power to act as such officers on behalf of KUB in connection with the execution and delivery of the Bonds.

Yours truly,

37785553.2

RESOLUTION NO. 1492

A Resolution Authorizing the Issuance of Not to Exceed Twenty Million Dollars (\$20,000,000) In Aggregate Principal Amount of Gas System Revenue Anticipation Notes (Nonrevolving Line of Credit) of the Knoxville Utilities Board in Anticipation of the Collection of Revenues of the Gas Distribution System of the City of Knoxville for the Purpose of Paying the Cost of Gas Purchases and Storage and Pipeline Capacity

Whereas, the Knoxville Utilities Board ("KUB") controls, manages, and has jurisdiction over the gas distribution system (the "System") of the City of Knoxville, Tennessee (the "City"); and

Whereas, KUB is engaged in an on-going program of purchasing natural gas for distribution to its customers, purchasing storage for purchased gas and paying pipeline capacity costs; and

Whereas, pursuant to Tenn. Code Ann. § 7-34-111(d), KUB is authorized to borrow money for the purpose of financing natural gas purchases, including the payment of storage and pipeline capacity costs, by the issuance of notes in anticipation of the collection of revenues of the System; and

Whereas, it is in the best interest of KUB to finance said natural gas purchases and capacity costs through the issuance of revenue anticipation notes and the establishment of a Nonrevolving Line of Credit with one or more local banks; and

Whereas, it is the intention of the Board of Commissioners of KUB (the "Board") to adopt this resolution for the purpose of authorizing such notes, establishing the terms thereof, and providing for the collection of revenues for the payment of principal thereof and interest thereon.

Now, Therefore, Be It Hereby Resolved by the Board of Commissioners of the Knoxville Utilities Board:

Section 1. Authority. The notes authorized by this resolution are issued pursuant to Tenn. Code Ann. § 7-34-111(d) and other applicable provisions of law.

Section 2. Definitions. The following terms shall have the following meanings in this resolution unless the text expressly or by necessary implication requires otherwise:

- (a) "Board" shall mean the Board of Commissioners of the Knoxville Utilities Board;
- (b) "Chief Financial Officer" shall mean the Chief Financial Officer of KUB;

- (c) "City" shall mean the City of Knoxville, Tennessee;
- (d) "Code" shall mean the Internal Revenue Code of 1986, as amended;
- (e) "KUB" shall mean the Knoxville Utilities Board;
- (f) "Notes" shall mean the not to exceed \$20,000,000 Gas System Revenue Anticipation Notes (Nonrevolving Line of Credit), of KUB, authorized to be issued by this resolution, to be dated the respective dates of delivery thereof or various dates certain, as shall be determined by the Chief Financial Officer;
- (g) "1988 Resolution" shall mean Resolution No. R-25-88 of the City Council of the City, adopted February 9, 1988, as supplemented and amended by Resolution No. R-22-97, Resolution No. R-421-98, Resolution No. R-150-01, Resolution No. R-333-2010 and Resolution No. R-229-2018, and as otherwise supplemented prior to the date hereof, authorizing the issuance of revenue obligations of the City or KUB payable from revenues of the System on a parity with any bonds issued pursuant to such resolutions;
- (h) "Outstanding Bonds" shall mean the City's outstanding Gas System Revenue Refunding Bonds, Series U-2015, dated May 1, 2015, maturing March 1, 2025 and thereafter, the City's outstanding Gas System Revenue Bonds, Series V-2016, dated August 5, 2016, maturing March 1, 2025 and thereafter, the City's outstanding Gas System Revenue Refunding Bonds, Series W-2017, dated April 7, 2017, maturing March 1, 2025 and thereafter, the City's outstanding Gas System Revenue Bonds, Series X-2017, dated September 15, 2017, maturing March 1, 2025 and thereafter, the City's outstanding Gas System Revenue Bonds, Series Y-2018, dated September 14, 2018, maturing March 1, 2025 and thereafter, the City's outstanding Gas System Revenue Refunding Bonds, Series Z-2020, dated May 22, 2020, maturing March 1, 2025 and thereafter, and the City's outstanding Gas System Revenue Refunding Bonds, Series AA-2021, dated April 19, 2021, maturing March 1, 2025 and thereafter; and
- (i) "System" shall mean the complete gas distribution system of KUB located within and without the corporate limits of the City, together with all additions, extensions and improvements hereafter made thereto.

Section 3. Authorization and Terms of the Notes. For the purpose of providing funds to finance the cost of the purchase of natural gas for distribution to the customers of the System and to purchase storage and pipeline capacity in connection therewith, and, in the Chief Financial Officer's discretion, to pay legal, fiscal and administrative costs incident thereto and incident to the issuance of the Notes, there is hereby authorized to be issued interest bearing revenue anticipation notes of KUB in an aggregate principal amount of not to exceed \$20,000,000. The Notes shall be payable

to the order of the owner thereof or issued in registered or bearer form as shall be determined by the Chief Financial Officer and shall be known as "Gas System Revenue Anticipation Notes (Nonrevolving Line of Credit)". The Notes shall be dated the respective dates of delivery thereof, or various dates certain as shall be determined by the Chief Financial Officer, shall mature not later than one (1) year from the date of delivery of the first Note delivered hereunder, and shall be issued in \$100,000 denominations or any dollar amount in excess thereof, as shall be determined by the Chief Financial Officer. The Notes shall bear interest at a rate or rates not to exceed the maximum interest rate permitted by law, which may be adjusted from time to time in accordance with an established prime rate, or the equivalent thereof, or any other established index, as determined by the Chief Financial Officer, payable semi-annually, or at such other intervals, and on such dates as shall be determined by the Chief Financial Officer.

No transfer of the Notes shall be permitted without prior written notice to the Chief Financial Officer.

The Notes shall be subject to prepayment prior to maturity at any time at a price of par plus accrued interest to the date of prepayment.

The Notes shall be signed by the Chair of the Board and shall be attested by the Secretary of the Board by their manual or facsimile signatures.

Section 4. Security and Source of Payment for the Notes. The Notes shall be payable solely from and secured by a pledge of and lien on the Net Revenues of the System, as defined in the 1988 Resolution, and subject to a prior pledge of such revenues in favor of the Outstanding Bonds and any bonds hereafter issued on a parity therewith, provided that the Chief Financial Officer and the President and Chief Executive Officer are authorized to take such actions as are necessary, in their discretion, for the Notes to be issued on a parity of lien with the Outstanding Bonds and in such case the form of the Note shall be adjusted accordingly. The punctual payment of principal of and interest on the Notes shall be secured equally and ratably by said revenues as above provided without priority by reason of series, number or time of sale and delivery. The owners of the Notes shall have no recourse to the power of taxation of the City.

Section 5. Form of Notes. The Notes shall be in substantially the following form, the omissions to be appropriately completed when the Notes are prepared and delivered, subject to such changes and modifications as shall be requested by the purchaser thereof and agreed to by the Chief Financial Officer.

(Form of Note)

REGISTERED
REGISTERED

Number _____

\$ _____

UNITED STATES OF AMERICA
STATE OF TENNESSEE
COUNTY OF KNOX
KNOXVILLE UTILITIES BOARD
GAS SYSTEM REVENUE ANTICIPATION NOTE
(NONREVOLVING LINE OF CREDIT)

KNOW ALL PERSONS BY THESE PRESENTS: That Knoxville Utilities Board ("KUB"), for value received, hereby promises to pay to the order of _____, in the manner hereinafter provided, on _____, the principal amount of _____, or so much thereof as shall be advanced hereunder, with interest on said principal amount at a rate of interest equal to _____ percent (___%) of _____, provided that at no time shall the rate of interest payable on the indebtedness evidenced hereby exceed the maximum interest rate permitted by law. Interest shall be calculated on the basis of a [360 day year of twelve 30 day months] [365-day year over the actual number of days elapsed] on said principal amount at the annual rate of interest hereinabove set forth from the date hereof until the payment in full of the principal amount hereof, said interest being payable on the _____ day of _____ and _____, of each year during the term hereof, commencing the _____ day of _____, 20____, and at maturity or earlier prepayment. This Note, both principal and interest, shall be payable to the holder hereof at _____ or such other location as shall be directed by said holder.

This Note shall be subject to prepayment without notice prior to maturity at any time at the option of KUB at a price of par plus accrued interest to the date of prepayment.

This Note is one of a total authorized issue aggregating \$20,000,000 issued by KUB to finance the cost of the purchase of natural gas for distribution to the customers of the gas distribution system (the "System") of the City of Knoxville, Tennessee (the "City"), and to purchase storage and pipeline capacity in connection therewith, and to pay legal, fiscal and administrative costs incident thereto and incident to the issuance of the Notes, under and in full compliance with the constitution and statutes of the State of Tennessee, including Section 7-34-111(d), Tennessee Code Annotated, and pursuant to a resolution duly adopted by the Board on the 16th day of May, 2024 (the "Resolution").

This Note is payable solely from and is secured by a pledge of the Net Revenues of the System as provided in the Resolution, subject to a prior pledge of said

Net Revenues in favor of the City's outstanding Gas System Revenue Refunding Bonds, Series U-2015, dated May 1, 2015, maturing March 1, 2025 and thereafter, the City's outstanding Gas System Revenue Bonds, Series V-2016, dated August 5, 2016, maturing March 1, 2025 and thereafter, the City's outstanding Gas System Revenue Refunding Bonds, Series W-2017, dated April 7, 2017, maturing March 1, 2025 and thereafter, the City's outstanding Gas System Revenue Bonds, Series X-2017, dated September 15, 2017, maturing March 1, 2025 and thereafter, the City's outstanding Gas System Revenue Bonds, Series Y-2018, dated September 14, 2018, maturing March 1, 2025 and thereafter, the City's outstanding Gas System Revenue Refunding Bonds, Series Z-2020, dated May 22, 2020, maturing March 1, 2025 and thereafter, and the City's outstanding Gas System Revenue Refunding Bonds, Series AA-2021, dated April 19, 2021, maturing March 1, 2025 and thereafter (collectively, the "Outstanding Bonds"). The punctual payment of principal of and interest on the Notes of the series of which this Note is one shall be secured equally and ratably by the Net Revenues of the System without priority by reason of series, number or time of sale and delivery. The owners of the Notes shall have no recourse to the power of taxation of the City.

[In the event the Board chooses to comply with the requirements of the resolution authorizing the Outstanding Bonds for issuance of the Notes on a parity and equality of lien with the Outstanding Bonds, the preceding paragraph shall read as follows: This Note is payable solely from and is secured by a pledge of the Net Revenues of the System as provided in the Resolution, on a complete parity and equality of lien with the City's outstanding Gas System Revenue Refunding Bonds, Series U-2015, dated May 1, 2015, maturing March 1, 2025 and thereafter, the City's outstanding Gas System Revenue Bonds, Series V-2016, dated August 5, 2016, maturing March 1, 2025 and thereafter, the City's outstanding Gas System Revenue Refunding Bonds, Series W-2017, dated April 7, 2017, maturing March 1, 2025 and thereafter, the City's outstanding Gas System Revenue Bonds, Series X-2017, dated September 15, 2017, maturing March 1, 2025 and thereafter, the City's outstanding Gas System Revenue Bonds, Series Y-2018, dated September 14, 2018, maturing March 1, 2025 and thereafter, the City's outstanding Gas System Revenue Refunding Bonds, Series Z-2020, dated May 22, 2020, maturing March 1, 2025 and thereafter, and the City's outstanding Gas System Revenue Refunding Bonds, Series AA-2021, dated April 19, 2021, maturing March 1, 2025 and thereafter (collectively, the "Outstanding Bonds"). The punctual payment of principal of and interest on the Notes of the series of which this Note is one shall be secured equally and ratably by the Net Revenues of the System without priority by reason of series, number or time of sale and delivery. The owners of the Notes shall have no recourse to the power of taxation of the City.]

Under existing law, this Note and the income therefrom are exempt from all present state, county and municipal taxation in Tennessee except (a) Tennessee excise taxes on all or a portion of the interest on this Note during the period such Note is held or beneficially owned by any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee, and (b) Tennessee franchise taxes by reason of the inclusion of the book value of this Note in the Tennessee franchise tax base for any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee.

This Note shall be deemed to be a registered obligation for purposes of Section 149 of the Internal Revenue Code of 1986. KUB shall cause to be kept records relating to the holder and owner of the Note by and through its Chief Financial Officer, who shall be deemed to be the registration agent hereunder. This Note shall be transferable only upon notice to the Chief Financial Officer and notation on the records of the Chief Financial Officer of the name and address of the transferee of the Note.

It is hereby certified, recited, and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Note exist, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Note, together with all other indebtedness of the City, does not exceed any limitation prescribed by the constitution and statutes of the State of Tennessee.

IN WITNESS WHEREOF, the Board has caused this Note to be signed by its Chair and attested by its Secretary, all as of the ____ day of _____, 2024.

KNOXVILLE UTILITIES BOARD

By: _____
Chair

ATTESTED:

Board Secretary

Section 6. Applicability of the 1988 Resolution. In the event the Notes are issued on a parity with the Outstanding Bonds, all recitals, provisions, covenants and agreements contained in the 1988 Resolution are hereby ratified and confirmed and incorporated herein by reference and, for so long as any of the Notes shall be outstanding and unpaid either as principal or interest, shall be applicable to the Notes, shall inure to the benefit of the owners of the Notes as if set out in full herein, and shall be fully enforceable by the owner of any of the Notes.

Section 7. Certain Covenants Regarding the Notes. So long as any of the Notes are outstanding and unpaid, the Board will comply with all covenants set forth in the 1988 Resolution, including the covenant to charge rates for the services of the System and collect therefrom revenues sufficient to pay principal of and interest on all obligations of the City and KUB payable from the revenues of the System, which obligations shall include the Notes.

Section 8. Issuance of Notes. The Chief Financial Officer is hereby authorized to sell the Notes by negotiated sale to one or more banks, and in connection with such negotiated sale, the Chief Financial Officer is authorized, but not required, to request proposals from prospective purchasers of the Notes. In connection with such sale of the Notes, the Chief Financial Officer is authorized to negotiate with the purchaser(s) of the Notes as he shall deem appropriate the terms of the Notes and in connection therewith is further authorized to agree to such terms, covenants and documents with the purchasers of the Notes as the Chief Financial Officer deems necessary in connection with the sale of the Notes in order to achieve the most favorable financing terms for KUB. The terms as so negotiated shall be ratified, confirmed and approved by the President and Chief Executive Officer. The issuance of any Notes under this Resolution shall be contingent upon KUB receiving written approval from the Office of the Comptroller of the State of Tennessee to issue the Notes pursuant to Tenn. Code Ann. § 7-34-111(d). The Notes may be issued in one or more series at one or more times with one or more banks, but shall mature not later than one (1) year from the dated date of the initial series of Notes. The Chief Financial Officer at his discretion may renew or remarket all or any of the Notes at any time following the initial delivery of the Notes but prior to one (1) year thereafter, pursuant to the terms hereof and upon such rates and terms as shall be acceptable to the Chief Financial Officer, so long as the final maturity date of the Notes so renewed or remarketed is not later than one (1) year after the date of delivery of the initial series of Notes, the aggregate principal balance of all the Notes at any time issued does not exceed \$20,000,000, and any such renewal and remarketing are subject to Board approval. Upon the initial sale or upon any renewal or remarketing of the Notes, the Chair and Secretary of the Board are authorized to cause the Notes to be executed and delivered to the purchaser(s) thereof, and the Chair and Secretary of the Board, the Chief Financial Officer and the President and Chief Executive Officer of KUB, or any of them, are authorized to execute, publish, and deliver all certificates and documents as they shall deem necessary in connection with Notes and line or lines of credit.

Section 9. Disposition of Note Proceeds. The proceeds of the Notes may either be drawn as needed for the purposes described herein and, in the Chief Financial Officer's discretion, to pay the costs of issuance of the Notes, or, at the discretion of the Chief Financial Officer, drawn in their entirety and deposited with a bank or trust company regulated by the Federal Deposit Insurance Corporation in a special fund known as the "Natural Gas Purchase Fund" to be kept separate and apart from all other funds of the City and KUB. The funds in the Natural Gas Purchase Fund shall be disbursed solely for the purposes set forth herein and, in the Chief Financial Officer's discretion, to pay the costs of issuance of the Notes, including necessary legal,

accounting and fiscal expenses, printing, advertising and similar expenses, administrative and clerical costs and other necessary miscellaneous expenses incurred in connection with the issuance and sale of the Notes. Money in the Natural Gas Purchase Fund shall be secured in the manner prescribed by applicable statutes relative to the securing of public or trust funds, if any, or, in the absence of such a statute, by a pledge of readily marketable securities having at all times a market value of not less than the amount in said Natural Gas Purchase Fund. Monies in the Natural Gas Purchase Fund shall be expended only for the purposes authorized by this resolution. Moneys in the Natural Gas Purchase Fund shall be invested as directed by the Chief Financial Officer in such investments as shall be permitted by applicable law.

Section 10. Federal Tax Matters. KUB recognizes that the purchasers and owners of the Notes will have accepted them on, and paid therefor a price that reflects, the understanding that interest thereon will not be included in gross income for purposes of federal income taxation under laws in force on the date of delivery of the Notes. In this connection, KUB agrees that it shall take no action which may render the interest on any of the Notes includable in gross income for purposes of federal income taxation. It is the reasonable expectation of KUB that the proceeds of the Notes will not be used in a manner which will cause the Notes to be "arbitrage bonds" within the meaning of Section 148 of the Code, and to this end the said proceeds of the Notes and other related funds established for the purposes herein set out, shall be used and spent expeditiously for the purposes described herein. In the event Section 148(f) of the Code shall require the payment of any investment proceeds of the Notes to the United States government, KUB will make such payments as and when required by said Section 148(f) and will take such other actions as shall be necessary or permitted to prevent the interest on the Notes from becoming taxable. The Chair and Secretary of the Board, the President and Chief Executive Officer and Chief Financial Officer of KUB, or any of them, are authorized and directed to make such certifications in this regard in connection with the sale of the Notes as either or both shall deem appropriate, and such certifications shall constitute a representation and certification of KUB.

Section 11. Resolution a Contract. The provisions of this resolution shall constitute a contract between KUB and the registered owners of the Notes, and after the issuance of the Notes, no change, variation or alteration of any kind in the provisions of this resolution shall be made in any manner until such time as the Notes and interest due thereon shall have been paid in full.

Section 12. Separability. 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. Repeal of Conflicting Resolutions and Effective Date. All other resolutions and 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. Effective Date. This Resolution shall take effect immediately upon its passage.

Adrienne Simpson-Brown/s

Adrienne Simpson-Brown, Chair

Mark Walker/s

Mark Walker, Board Secretary

APPROVED ON 1st

& FINAL READING: 5-16-24

EFFECTIVE DATE: 5-16-24

MINUTE BOOK 47 PAGE 12272-12280

RESOLUTION NO. 1493

A Resolution Replacing the Existing Rate Schedules of the Electric Division, Gas Division, Water Division, and Wastewater Division as Previously Established by Resolution 1060 as Heretofore Amended

This Resolution Will Replace the Existing Rate Schedules of the Electric Division By Amending Section 1 of Resolution No. 1060, Providing for an Increase in Electric Rates Effective April 1, 2025, an Increase in Electric Rates Effective April 1, 2026, and an Increase in Electric Rates Effective April 1, 2027

This Resolution Will Replace the Existing Rate Schedules of the Gas Division By Amending Section 2 of Resolution No. 1060, Providing for an Increase in Gas Rates Effective October 1, 2024, an Increase in Gas Rates Effective October 1, 2025, and an Increase in Gas Rates Effective October 1, 2026

This Resolution Will Replace the Existing Rate Schedules of the Water Division By Amending Section 3 of Resolution No. 1060, Providing for an Increase in Water Rates Effective July 1, 2025, an Increase in Water Rates Effective July 1, 2026, and an Increase in Water Rates Effective July 1, 2027

This Resolution Will Replace the Existing Rate Schedules of the Wastewater Division By Amending Section 4 of Resolution No. 1060, Providing for an Increase in Wastewater Rates Effective July 1, 2025, an Increase in Wastewater Rates Effective July 1, 2026, and an Increase in Wastewater Rates Effective July 1, 2027

Whereas, by the provisions of the Charter of the City of Knoxville, Tennessee (the "City"), the management and operation of the City's electrical system, the City's gas distribution system, the City's water distribution and treatment system, and the City's wastewater collection and treatment system have been placed under the jurisdiction of the Board of Commissioners (the "Board") of the Knoxville Utilities Board ("KUB"); and

Whereas, the Board previously adopted Resolution 1060, as heretofore amended, providing rate schedules for the Electric, Gas, Water, and Wastewater Divisions of KUB; and

Whereas, the Board previously recognized the need for a strategic long-term solution to the issue of aging infrastructure and supported the establishment of the Century II programs in the best interests of KUB and its customers; and

Whereas, the Board previously endorsed long-term funding plans for all divisions, providing financial support for Century II in support of safe, reliable, and affordable utility services for current and future generations of KUB customers; and

Whereas, in response to inflationary pressures and after a comprehensive assessment of KUB's Century II infrastructure programs, KUB staff developed an Inflation Response Plan, which was presented to the Board at a financial workshop in November 2023; and

Whereas, KUB staff presented multiple funding scenarios at the financial workshop for the Electric, Gas, Water, and Wastewater Divisions to fund approximately \$475 million in additional expenditures, reflecting inflationary impacts and the cost of resuming the historical pace of investment in the Century II infrastructure programs; and

Whereas, based on feedback received from the Board at the November 2023 financial workshop, staff presented preliminary funding recommendations to the Board in January 2024, including a series of three annual rate increases for electric, gas, water, and wastewater services; and

Whereas, the proposed rate increases for water and wastewater services are consistent with the long-range plan presented to the Board in 2022, while the proposed electric and gas rate increases represent shifts from the previous long-range plan; and

Whereas, staff presented final funding recommendations to the Board at its fiscal year 2025 budget and long-range plan workshop in April 2024; and

Whereas, the Board has determined the rate increase recommendations for the electric, gas, water, and wastewater services are necessary to help fund inflationary impacts and the proposed level of Century II infrastructure investments; and

Whereas, in accordance with Section 1107 (D) of the Charter of the City of Knoxville ("Charter"), the Board is required to charge sufficient rates for electric and gas service to pay all obligations of the Electric Division and Gas Division respectively; and

Whereas, in accordance with Section 1107 (F) of the Charter, the Board is required to charge sufficient rates for water service to pay all obligations of the Water Division; and

Whereas, in accordance with Section 1107 (H) of the Charter, the Board is required to charge sufficient rates for wastewater service to pay all obligations of the Wastewater Division; and

Whereas, in accordance with Section 1107 (L) of the Charter, KUB has provided the required public notice of not less than five (5) days prior to a meeting of the Board when a rate change is to be considered.

Now, Therefore, Be it Hereby Resolved by the Board of Commissioners of the Knoxville Utilities Board:

Section 1. Effective April 1, 2025, all existing rate schedules of the Electric Division as set forth in Section 1 of Resolution No. 1060, as heretofore amended, are hereby deleted in their entirety, and replaced with the rate schedules of the Electric Division, as set forth in Exhibit A to this Resolution.

Section 2. Effective April 1, 2026, all existing rate schedules of the Electric Division as set forth in Section 1 of Resolution No. 1060, as heretofore amended, are hereby deleted in their entirety, and replaced with the rate schedules of the Electric Division, as set forth in Exhibit B to this Resolution.

Section 3. Effective April 1, 2027, all existing rate schedules of the Electric Division as set forth in Section 1 of Resolution No. 1060, as heretofore amended, are hereby deleted in their entirety, and replaced with the rate schedules of the Electric Division, as set forth in Exhibit C to this Resolution.

Section 4. Effective October 1, 2024, all existing rate schedules of the Gas Division as set forth in Section 2 of Resolution No. 1060, as heretofore amended, are hereby deleted in their entirety, and replaced with the rate schedules of the Gas Division, as set forth in Exhibit D to this Resolution.

Section 5. Effective October 1, 2025, all existing rate schedules of the Gas Division as set forth in Section 2 of Resolution No. 1060, as heretofore amended, are hereby deleted in their entirety, and replaced with the rate schedules of the Gas Division, as set forth in Exhibit E to this Resolution.

Section 6. Effective October 1, 2026, all existing rate schedules of the Gas Division as set forth in Section 2 of Resolution No. 1060, as heretofore amended, are hereby deleted in their entirety, and replaced with the rate schedules of the Gas Division, as set forth in Exhibit F to this Resolution.

Section 7. Effective July 1, 2025, all existing rate schedules of the Water Division as set forth in Section 3 of Resolution No. 1060, as heretofore amended, are hereby deleted in their entirety, and replaced with the rate schedules of the Water Division, as set forth in Exhibit G to this Resolution.

Section 8. Effective July 1, 2026, all existing rate schedules of the Water Division as set forth in Section 3 of Resolution No. 1060, as heretofore amended, are hereby deleted in their entirety, and replaced with the rate schedules of the Water Division, as set forth in Exhibit H to this Resolution.

Section 9. Effective July 1, 2027, all existing rate schedules of the Water Division as set forth in Section 3 of Resolution No. 1060, as heretofore amended, are hereby deleted in their entirety, and replaced with the rate schedules of the Water Division, as set forth in Exhibit I to this Resolution.

Section 10. Effective July 1, 2025, all existing rate schedules of the Wastewater Division as set forth in Section 4 of Resolution No. 1060, as heretofore amended, are hereby deleted in their entirety, and replaced with the rate schedules of the Wastewater Division, as set forth in Exhibit J to this Resolution.

Section 11. Effective July 1, 2026, all existing rate schedules of the Wastewater Division as set forth in Section 4 of Resolution No. 1060, as heretofore amended, are hereby deleted in their entirety, and replaced with the rate schedules of the Wastewater Division, as set forth in Exhibit K to this Resolution.

Section 12. Effective July 1, 2027, all existing rate schedules of the Wastewater Division as set forth in Section 4 of Resolution No. 1060, as heretofore amended, are hereby deleted in their entirety, and replaced with the rate schedules of the Wastewater Division, as set forth in Exhibit L to this Resolution.

Adrienne Simpson-Brown, Chair

Mark Walker, Board Secretary

APPROVED ON 1st
READING: 5-16-24
APPROVED ON 2nd
READING: _____
EFFECTIVE DATE: _____
MINUTE BOOK 47 PAGE 12281-12665

**RESOLUTION 1493
EXHIBIT A
RATE SCHEDULES OF THE ELECTRIC DIVISION
EFFECTIVE APRIL 1, 2025**

RESIDENTIAL POWER RATE - SCHEDULE RS

Availability

Service under this rate schedule shall be available only to residential customers served individually through a separate meter or through a KUB-approved multiple meter configuration designed as a single billing point.

Character of Service

Alternating current, single-phase, 60 hertz. Power shall be delivered at a service voltage available in the vicinity or agreed to by KUB. Multi-phase service shall be supplied in accordance with KUB's standard policy.

Rates

Basic Service Charge:	\$20.50 per month
Monthly Energy Charge:	Summer Period \$0.10687 per kWh
	Winter Period \$0.10646 per kWh
	Transition Period \$0.10646 per kWh

Adjustment

Charges under this rate schedule may be increased or decreased to reflect changes in purchased power costs as determined by any purchased power adjustment adopted by the Board. Rates shown above are inclusive of the Purchased Power Adjustment for the current month.

Determination of Seasonal Periods

Summer Period shall mean the June, July, August, and September billing months.
Winter Period shall mean the December, January, February, and March billing months.
Transition Period shall mean the April, May, October, and November billing months.

Minimum Bill

The basic service charge constitutes the minimum monthly bill for all customers served under this rate schedule except those customers for which a higher minimum monthly bill is required under KUB's standard policy because of special circumstances affecting the cost of rendering service.

Single Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery and at a single voltage.

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

GENERAL POWER RATE - SCHEDULE GSA

Availability

This rate shall be available for the firm power requirements for electric service to non-residential customers, where a customer's contract demand is 5,000 kW or less. This rate shall also apply to customers to whom service is not available under any other resale rate schedule.

Character of Service

Alternating current, single or three-phase, 60 hertz. Power shall be delivered at a service voltage available in the vicinity or agreed to by KUB.

Rates

1. If (a) the higher of (i) the customer's currently effective contract demand, if any, or (ii) its highest billing demand during the latest 12-month period is not more than 50 kW and (b) the customer's monthly energy takings for any month during such period do not exceed 15,000 kWh:

Customer Charge: \$33.00 per month

Monthly Demand Charge:

Summer Period	\$0.50 per kW of billing demand
Winter Period	\$0.50 per kW of billing demand
Transition Period	\$0.50 per kW of billing demand

Monthly Energy Charge:

Summer Period	\$0.12658 per kWh
Winter Period	\$0.12617 per kWh
Transition Period	\$0.12617 per kWh

2. If (a) the higher of (i) the customer's currently effective contract demand or (ii) its highest billing demand during the latest 12-month period is greater than 50 kW but not more than 1,000 kW or (b) the customer's billing demand is less than 50 kW and its energy takings for any month during such period exceed 15,000 kWh:

Customer Charge: \$125.00 per month

Monthly Demand Charge:

Summer Period	First 50 kW of billing demand	\$0.50 per kW
	Over 50 kW of billing demand	\$17.40 per kW
Winter Period	First 50 kW of billing demand	\$0.50 per kW
	Over 50 kW of billing demand	\$16.61 per kW
Transition Period	First 50 kW of billing demand	\$0.50 per kW
	Over 50 kW of billing demand	\$16.61 per kW

Monthly Energy Charge:

Summer Period	First 15,000 kWh	\$0.15961 per kWh
	Additional kWh	\$0.07051 per kWh
Winter Period	First 15,000 kWh	\$0.15920 per kWh
	Additional kWh	\$0.07051 per kWh
Transition Period	First 15,000 kWh	\$0.15920 per kWh
	Additional kWh	\$0.07051 per kWh

3. If the higher of (a) the customer's currently effective contract demand or (b) its highest billing demand during the latest 12-month period is greater than 1,000 kW:

Customer Charge: \$313.00 per month

Monthly Demand Charge:

Summer Period	First 1,000 kW of billing demand	\$18.28 per kW
	Over 1,000 kW of billing demand	\$19.02 per kW
	Excess kW of billing demand	\$19.02 per kW
Winter Period	First 1,000 kW of billing demand	\$17.52 per kW
	Over 1,000 kW of billing demand	\$18.26 per kW
	Excess kW of billing demand	\$18.26 per kW
Transition Period	First 1,000 kW of billing demand	\$17.52 per kW
	Over 1,000 kW of billing demand	\$18.26 per kW
	Excess kW of billing demand	\$18.26 per kW

Monthly Excess Demand Charges are applicable to the amount by which the customer's billing demand exceeds the higher of 2,500 kW or its contract demand.

Monthly Energy Charge:

Summer Period	\$0.08198 per kWh
Winter Period	\$0.08198 per kWh
Transition Period	\$0.08198 per kWh

Adjustment

Charges under this rate schedule may be increased or decreased to reflect changes in purchased power costs as determined by any purchased power adjustment adopted by the Board. Rates shown above are inclusive of the Purchased Power Adjustment for the current month.

Determination of Seasonal Periods

Summer Period shall mean the June, July, August, and September billing months.
Winter Period shall mean the December, January, February, and March billing months.
Transition Period shall mean the April, May, October, and November billing months.

Determination of Demand

KUB shall meter the demands in kW of all GSA customers. The metered demand for any month shall be the highest average during any 30-consecutive-minute period of the month of the load metered in kW. The measured demand for any month shall be the higher of the highest average during any 30-consecutive-minute period of the month of (a) the load metered in kW or (b) 85 percent of the load in kVA plus an additional 10 percent for that part of the load over 5,000 kVA, and such measured demand shall be used as the billing demand, except that the billing demand for any month shall in no case be less than 30 percent of the higher of the currently effective contract demand or the highest billing demand established during the preceding 12 months.

Minimum Bill

The monthly bill under this rate schedule shall not be less than the sum of (a) the base customer charge, (b) the base demand charge, as adjusted, applied to the customer's billing demand, and (c) the base energy charge, as adjusted, applied to the customer's energy takings; provided, however, that, under (2.) of the Base Charges, the monthly bill shall in no event be less than the sum (a) the base customer charge and (b) 20 percent of the portion of the base demand charge, as adjusted, applicable to the second block (excess over 50kW) of billing demand, multiplied by the higher of the customer's currently effective contract demand or its highest billing demand established during the preceding 12 months.

KUB may require minimum bills higher than those stated above.

Contract Requirements

KUB shall require contracts for service provided under this rate schedule to customers whose demand requirements exceed 1,000 kW and such contracts shall be for an initial term of at least one year. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and KUB shall not be obligated to supply power in greater amount at any time than the

customer's currently effective contract demand. If the customer uses any power other than that supplied by KUB under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract shall be subject to adjustment, modification, change, or replacement from time to time as approved by the Board.

Single – Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery point at each different voltage shall be separately metered and billed.

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

OUTDOOR LIGHTING POWER RATE - SCHEDULE LS

Availability

Available for service to street and park lighting systems, traffic signal systems, athletic field lighting installations, and outdoor lighting for individual customers.

Determination of Seasonal Periods

Summer Period shall mean the June, July, August, and September billing months.
Winter Period shall mean the December, January, February, and March billing months.
Transition Period shall mean the April, May, October, and November billing months.

PART A

CHARGES FOR STREET AND PARK LIGHTING SYSTEMS, TRAFFIC SIGNAL SYSTEMS, AND ATHLETIC FIELD LIGHTING INSTALLATIONS

I. Monthly Energy Charge:	
Summer Period	\$0.09628 per kWh
Winter Period	\$0.09628 per kWh
Transition Period	\$0.09628 per kWh

II. Facility Charge

The annual facility charge shall be **13.00** percent of the installed cost to KUB's electric system of the facilities devoted to street and park lighting service specified in this Part A. Such installed cost shall be recomputed on July 1 of each year, or more often if substantial changes in the facilities are made. Each month, one-twelfth of the then total annual facility charge shall be billed to the customer. If any part of the facilities has not been provided at the electric system's expense or if the installed cost of any portion thereof is reflected on the books of another municipality or agency or department, the annual facility charge shall be adjusted to reflect properly the remaining cost to be borne by the electric system.

Traffic signal systems and athletic field lighting installations shall be provided, owned, and maintained by and at the expense of the customer, except as KUB may agree otherwise in accordance with the provisions of the paragraph next following in this Section II. The facilities necessary to provide service to such systems and installations shall be provided by and at the expense of KUB's electric system, and the annual facility charge provided for first above in this Section II shall apply to the installed cost of such facilities.

When so authorized by policy duly adopted by the Board, traffic signal systems and athletic field lighting installations may be provided, owned, and maintained by KUB's electric system for the customer's benefit. In such cases KUB may require reimbursement from the customer for a portion of the initial installed cost of any such system or installation and shall require payment by the customer of a facility charge sufficient to cover all of KUB's costs (except reimbursed costs), including appropriate overheads, of providing, owning, and maintaining such system or installation; provided that, for athletic field lighting installations, such facility charge shall be **12.00** percent per year of such costs. Said facility charge shall be in addition to the annual facility charge on the facilities necessary to provide service to such system or installation as provided for in the preceding paragraph. Replacement of lamps and related glassware for traffic signal systems and athletic field lighting installations provided under this paragraph shall be paid for under the provisions of paragraph A in section IV.

III. Customer Charge – Traffic Signal Systems and Athletic Field Lighting Installations.

KUB shall apply a uniform **monthly customer charge of \$2.50** for service to each traffic signal system or athletic field lighting installation.

IV. Replacement of Lamps and Related Glassware – Street and Park Lighting

Customer shall be billed and shall pay for replacements as provided in paragraph A below, which shall be applied to all service for street and park lighting.

- A. KUB shall bill the customer monthly for such replacements during each month at KUB's cost of materials, including appropriate storeroom expense.
- B. KUB shall bill the customer monthly for one-twelfth of the amount by which KUB's cost of materials, including appropriate storeroom expenses, exceeds the products of 3 mills multiplied by the number of kilowatt-hours used for street and park lighting during the fiscal year immediately preceding the fiscal year in which such month occurs.

Metering

For any billing month or part of such month in which the energy is not metered or for which a meter reading is found to be in error or a meter is found to have failed, the energy for billing purposes for that billing month or part of such month shall be computed from the rated capacity of the lamps (including ballast) plus 3 percent of such capacity to reflect secondary circuit losses, multiplied by the number of hours of use.

Revenue and Cost Review

KUB's costs of providing service under Part A of this rate schedule are subject to review at any time to determine if KUB's revenues from the charges being applied are sufficient to cover its costs. (Such costs, including applicable overheads, include, but are not limited to, those incurred in the operation and maintenance of the systems provided and those resulting from depreciation and payments for taxes, tax equivalents and interest). If any such review discloses that revenues are either less or more than sufficient to cover said costs, the Board shall revise the above facility charges so that revenues will be sufficient to cover said costs.

PART B

Outdoor Lighting for Individual Customers

Type of Fixture	Monthly Charges by Lamp Type			
	Lamp Size	Rated kWh	Facility Charge	Total Lamp Charge
Light-Emitting Diode (LED)	100WE	21	\$ 6.62	\$ 8.65
	250WE	58	\$ 8.20	\$13.78
	400WE	79	\$11.26	\$18.86
High Pressure Sodium (HPS)	100W	42	\$5.76	\$ 9.80
	250W	105	\$6.83	\$16.94
	400W	165	\$8.04	\$23.93
	1,000W*	385	\$12.87	\$49.94
Decorative	100W	42	\$6.57	\$10.61

* 1,000 watt fixtures not offered for new service.

Monthly Energy Charge for each lamp size above:

Summer Period	\$0.09628 per kWh
Winter Period	\$0.09628 per kWh
Transition Period	\$0.09628 per kWh

Additional Facilities

The above charges in this Part B are limited to service from a photoelectrically controlled standard lighting fixture installed on a pole already in place. If the customer wishes to have the fixture installed at a location other than on a pole already in place, the customer shall pay an **additional monthly charge of \$5.80 per pole** for additional poles required to serve the fixture from KUB's nearest available source. (This section does not apply to Decorative Lighting Fixtures).

Adjustment

Charges under this rate schedule may be increased or decreased to reflect changes in purchased power costs as determined by any purchased power adjustment adopted by the Board. Rates shown above are inclusive of the Purchased Power Adjustment for the current month.

Lamp Replacements

Replacements of lamps and related glassware will be made in accordance with replacement policies of KUB.

Special Outdoor Lighting Installations

When so authorized by policy duly adopted by the Board, special outdoor lighting installations (other than as provided for under Parts A and B above) may be provided, owned, and maintained by KUB's electric system. In such cases, KUB may require reimbursement from the customer for a portion of the initial installed cost of any such installation and shall require payment by the customer of monthly charges sufficient to cover all of KUB's costs (except reimbursed costs), including appropriate overheads of providing, owning, and maintaining such installations, and making lamp replacements.

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

GENERAL POWER RATE - SCHEDULE TDGSA

Availability

This rate, subject to availability from TVA, shall be available for firm electric power requirements where the higher of a customer's currently effective onpeak or offpeak contract demand is greater than 1,000 kW but not more than 5,000 kW for electric service to commercial, industrial, and governmental customers, and to institutional customers, including, without limitation, churches, clubs, fraternities, orphanages, nursing homes, rooming or boarding houses, and like customers, provided that the other conditions of this section are met.

For a customer requesting that its onpeak contract demand be different from its offpeak contract demand, this rate schedule shall be available only for (1) a new contract, (2) a replacement or renewal contract following expiration of the existing contract, or (3) a replacement or renewal contract or an amended existing contract in which the customer is increasing its demand requirements above the existing contract demand level, but under this item (3) neither the new onpeak nor the new offpeak contract demand shall be lower than the customer's existing contract demand.

Prior to participation in this rate, contract amendments may be required for continued participation in certain other programs and rate overlays as determined at KUB's sole discretion.

Character of Service

Alternating current, single or three-phase, 60 hertz. Power shall be delivered at a transmission voltage of 161 kV or, if such transmission voltage is not available, at the highest voltage available in the vicinity, unless at the customer's request a lower standard voltage is agreed upon.

Rates

Customer Charge: \$1,500 per delivery point per month.

Administrative Charge: \$700 per delivery point per month.

Demand Charge:

Summer Period:

Onpeak Demand \$11.44 per kW per month of the customer's onpeak billing demand

Maximum Demand	\$8.44 per kW per month of the customer's maximum billing demand
Excess Demand	\$19.88 per kW per month for each kW of the amount, if any, by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher
Winter Period:	
Onpeak Demand	\$10.44 per kW per month of the customer's onpeak billing demand
Maximum Demand	\$8.44 per kW per month of the customer's maximum billing demand
Excess Demand	\$18.88 per kW per month for each kW of the amount, if any, by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher
Transition Period:	
Onpeak Demand	\$10.44 per kW per month of the customer's onpeak billing demand
Maximum Demand	\$8.44 per kW per month of the customer's maximum billing demand
Excess Demand	\$18.88 per kW per month for each kW of the amount, if any, by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher
Energy Charge:	
Summer Period:	
Onpeak	\$0.12373 per kWh per month for all metered onpeak kWh
Offpeak	
Block 1	\$0.08873 per kWh per month for the first 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy

Block 2	\$0.04436 per kWh per month for the next 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy
Block 3	\$0.04120 per kWh per month for the hours use of onpeak metered demand in excess of 400 hours multiplied by the ratio of offpeak energy to total energy
Winter Period:	
Onpeak	\$0.10776 per kWh per month for all metered onpeak kWh
Offpeak	
Block 1	\$0.09183 per kWh per month for the first 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy
Block 2	\$0.04436 per kWh per month for the next 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy
Block 3	\$0.04120 per kWh per month for the hours use of onpeak metered demand in excess of 400 hours multiplied by the ratio of offpeak energy to total energy
Transition Period:	
Onpeak	\$0.09308 per kWh per month for all metered onpeak kWh
Offpeak	
Block 1	\$0.09308 per kWh per month for the first 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy
Block 2	\$0.04436 per kWh per month for the next 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy
Block 3	\$0.04120 per kWh per month for the hours use of onpeak metered demand in excess of 400 hours multiplied by the ratio of offpeak energy to total energy

For the Summer Period, Winter Period, and Transition Period, Offpeak Block 1 energy rates less fuel rate of \$0.01851 per kWh per month shall be applied to the portion, if any, of the minimum offpeak energy takings amount that is greater than the metered energy.

Facilities Rental Charge

There shall be no facilities rental charge under this rate schedule for delivery at bulk transmission voltage levels of 161kV or higher. For delivery at less than 161kV, there shall be added to the customer's bill a facilities rental charge. This charge shall be 37 cents per kW per month except for delivery at voltages below 46 kV, in which case the charge shall be 97 cents per kW per month for the first 10,000 kW and 76 cents per kW per month for the excess over 10,000 kW. Such charge shall be applied to the higher of (1) the highest billing demand established during the latest 12-consecutive-month period or (2) the higher of the customer's currently effective onpeak or offpeak contract demand and shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Reactive Demand Charge

If the reactive demand (in kVAR) is lagging during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's highest metered demand occurs, there shall be added to the customer's bill a reactive charge of \$1.46 per kVAR of the amount, if any, by which the reactive demand exceeds 33 percent of such metered demand. If the reactive demand (in kVAR) is leading during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's lowest metered demand (excluding any metered demands which are less than 25 percent of the highest metered demand) occurs, there shall be added to the customer's bill a reactive charge of \$1.14 per kVAR of the amount of reactive demand. Such charges shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Adjustment

Charges under this rate schedule may be increased or decreased to reflect changes in purchased power costs as determined by any purchased power adjustment adopted by the Board. Rates shown above are inclusive of the Purchased Power Adjustment for the current month.

Determination of Seasonal Periods

Summer Period shall mean the June, July, August, and September billing months. Winter Period shall mean the December, January, February, and March billing months. Transition Period shall mean the April, May, October, and November billing months. The Seasonal Periods under this rate schedule are subject to change by KUB. In the event KUB determines that changed Seasonal Periods are appropriate, such decision shall be made at least 11 months prior to the effective date of such changed periods, and KUB shall promptly notify customer.

Determination of Onpeak and Offpeak Hours

Except for Saturdays, Sundays, November 1, and the weekdays that are observed as Federal holidays for New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day, onpeak hours for each day shall for purposes of this rate schedule be 1 p.m. to 7 p.m. during the months of April, May, June, July, August, September and October and from 4 a.m. to 10 a.m. during the months of January, February, March, November, and December. All other hours of each day that are not otherwise defined as onpeak hours and all hours of such excepted days shall be offpeak hours. Such times shall be Central Standard Time or Central Daylight Time, whichever is then in effect. Said onpeak and offpeak hours are subject to change by KUB. In the event KUB determines that such changed onpeak and offpeak hours are appropriate, such decision shall be made at least 11 months prior to the effective date of such changed hours, and KUB shall promptly notify customer.

Determination of Onpeak and Offpeak Demands, Maximum Metered Demand, and Energy Amounts

The onpeak and offpeak kWh for any month shall be the energy amounts taken during the respective hours of the month designated under this rate schedule as onpeak and offpeak hours; provided, however, that notwithstanding the metered energy amount, the offpeak energy for any month shall in no case be less than the product of (1) the offpeak billing demand as calculated in the last sentence of the paragraph below and (2) 110 hours (reflecting a 15 percent load factor applied to the average number of hours in a month).

KUB shall meter the onpeak and offpeak demands in kW of all customers taking service under this rate schedule. The onpeak metered demand and offpeak metered demand for any month shall be determined separately for the respective hours of the month designated under this rate schedule as onpeak and offpeak hours and in each case shall be the highest average during any 30-consecutive-minute period beginning or ending on a clock hour of the month of the load metered in kW, and, except as provided below in this section, such amounts shall be used as the onpeak and offpeak billing demands.

The maximum billing demand for any month shall be the higher of (1) the highest onpeak billing demand in the month or (2) the highest offpeak billing demand in the month. The onpeak billing demand shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW and (2) 40 percent of any kW in excess of 5,000 kW of the higher of the currently effective onpeak contract demand or the highest onpeak billing demand established during the preceding 12 months. The offpeak billing demand shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW and (2) 40 percent of any kW in excess of 5,000 kW of the higher of the currently effective offpeak contract demand or the highest offpeak billing demand established during the preceding 12 months.

Minimum Bill

The monthly bill under this rate schedule, excluding any facilities rental charges and any reactive charges, shall not be less than the sum of (1) the base customer charge and administrative charge, (2) the portion of the base demand charge, as adjusted (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applicable to onpeak billing demand applied to the customer's onpeak billing demand, (3) the portion of the base demand charge, as adjusted, (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applicable to maximum billing demand applied to the customer's maximum billing demand, (4) the base onpeak energy charge, as adjusted, applied to the customer's onpeak energy takings, and (5) the base offpeak energy charge, as adjusted, applied to the higher of customer's actual offpeak energy takings or the minimum offpeak energy takings amount provided for in the first paragraph of the section of this rate schedule entitled "Determination of Onpeak and Offpeak Demands, Maximum Metered Demand, and Energy Amounts". Notwithstanding the foregoing, any fuel cost that is included in ***any purchased power adjustment adopted by the Board*** shall not be applied to any billed offpeak energy that exceeds the metered offpeak energy.

KUB may require minimum bills higher than those stated above.

Contract Requirement

KUB shall require contracts for all service provided under this rate schedule. The contract shall be for an initial term of at least five years and any renewals or extensions of the initial contract shall be for a term of at least one year; after ten years of service, any such contract for the renewal or extension of service may provide for termination upon not less than four months notice. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and KUB shall not be obligated to supply power in greater amount at any time than the customer's currently effective onpeak or offpeak contract demand. If the customer uses any power other than that supplied by KUB under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract shall be subject to adjustment, modification, change, or replacement from time to time as approved by the Board.

Single Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery point and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery point and at each different voltage shall be separately metered and billed.

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

GENERAL POWER RATE - SCHEDULE GSB

Availability

This rate, subject to availability from TVA, shall be available for firm electric power requirements where the higher of a customer's currently effective onpeak or offpeak contract demand is greater than 5,000 kW but not more than 15,000 kW; provided that the other conditions of this section are met.

For a customer requesting that its onpeak contract demand be different from its offpeak contract demand, this rate schedule shall be available only for (1) a new contract, (2) a replacement or renewal contract following expiration of the existing contract, or (3) a replacement or renewal contract or an amended existing contract in which the customer is increasing its demand requirements above the existing contract demand level, but under this item (3) neither the new onpeak nor the new offpeak contract demand shall be lower than the customer's existing contract demand.

Prior to participation in this rate, contract amendments may be required for continued participation in certain other programs and rate overlays as determined at KUB's sole discretion.

Character of Service

Alternating current, single or three-phase, 60 hertz. Power shall be delivered at a transmission voltage of 161 kV or, if such transmission voltage is not available, at the highest voltage available in the vicinity, unless at the customer's request a lower standard voltage is agreed upon.

Rates

Customer Charge: \$1,500 per delivery point per month.

Administrative Charge: \$700 per delivery point per month.

Demand Charge:

Summer Period:

Onpeak Demand \$11.23 per kW per month of the customer's onpeak billing demand

Maximum Demand \$6.67 per kW per month of the customer's maximum billing demand

Excess Demand \$17.90 per kW per month for each kW of the amount, if any, by which (1) the customer's onpeak billing demand

exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher

Winter Period:

Onpeak Demand \$10.23 per kW per month of the customer's onpeak billing demand

Maximum Demand \$6.67 per kW per month of the customer's maximum billing demand

Excess Demand \$16.90 per kW per month for each kW of the amount, if any, by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher

Transition Period:

Onpeak Demand \$10.23 per kW per month of the customer's onpeak billing demand

Maximum Demand \$6.67 per kW per month of the customer's maximum billing demand

Excess Demand \$16.90 per kW per month for each kW of the amount, if any, by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher

Energy Charge:

Summer Period:

Onpeak \$0.09172 per kWh per month for all metered onpeak kWh

Offpeak

Block 1 \$0.06595 per kWh per month for the first 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy

Block 2 \$0.03020 per kWh per month for the next 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy

Block 3 \$0.02667 per kWh per month for the hours use of onpeak metered demand in excess of 400 hours multiplied by the ratio of offpeak energy to total energy

Winter Period:	
Onpeak	\$0.07997 per kWh per month for all metered onpeak kWh
Offpeak	
Block 1	\$0.06825 per kWh per month for the first 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy
Block 2	\$0.03020 per kWh per month for the next 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy
Block 3	\$0.02667 per kWh per month for the hours use of onpeak metered demand in excess of 400 hours multiplied by the ratio of offpeak energy to total energy
Transition Period:	
Onpeak	\$0.06562 per kWh per month for all metered onpeak kWh
Offpeak	
Block 1	\$0.06562 per kWh per month for the first 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy
Block 2	\$0.03020 per kWh per month for the next 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy
Block 3	\$0.02667 per kWh per month for the hours use of onpeak metered demand in excess of 400 hours multiplied by the ratio of offpeak energy to total energy

For the Summer Period, Winter Period, and Transition Period, Offpeak Block 1 energy rates less fuel rate of \$0.01851 per kWh per month shall be applied to the portion, if any, of the minimum offpeak energy takings amount that is greater than the metered energy.

Facilities Rental Charge

There shall be no facilities rental charge under this rate schedule for delivery at bulk transmission voltage levels of 161kV or higher. For delivery at less than 161kV, there shall be added to the customer's bill a facilities rental charge. This charge shall be 37 cents per kW per month except for delivery at voltages below 46 kV, in which case the charge shall be 97 cents per kW per month for the first 10,000 kW and 76 cents per kW

per month for the excess over 10,000 kW. Such charge shall be applied to the higher of (1) the highest billing demand established during the latest 12-consecutive-month period or (2) the higher of the customer's currently effective onpeak or offpeak contract demand and shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Reactive Demand Charge

If the reactive demand (in kVAR) is lagging during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's highest metered demand occurs, there shall be added to the customer's bill a reactive charge of \$1.46 per kVAR of the amount, if any, by which the reactive demand exceeds 33 percent of such metered demand. If the reactive demand (in kVAR) is leading during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's lowest metered demand (excluding any metered demands which are less than 25 percent of the highest metered demand) occurs, there shall be added to the customer's bill a reactive charge of \$1.14 per kVAR of the amount of reactive demand. Such charges shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Adjustment

Charges under this rate schedule may be increased or decreased to reflect changes in purchased power costs as determined by any purchased power adjustment adopted by the Board. Rates shown above are inclusive of the Purchased Power Adjustment for the current month.

Determination of Seasonal Periods

Summer Period shall mean the June, July, August, and September billing months. Winter Period shall mean the December, January, February, and March billing months. Transition Period shall mean the April, May, October, and November billing months. The Seasonal Periods under this rate schedule are subject to change by KUB. In the event KUB determines that changed Seasonal Periods are appropriate, such decision shall be made at least 11 months prior to the effective date of such changed periods, and KUB shall promptly notify customer.

Determination of Onpeak and Offpeak Hours

Except for Saturdays, Sundays, November 1, and the weekdays that are observed as Federal holidays for New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day, onpeak hours for each day shall for purposes of this rate schedule be 1 p.m. to 7 p.m. during the months of April, May, June, July, August, September and October and from 4 a.m. to 10 a.m. during the months of January, February, March, November, and December. All other hours of each day that are not otherwise defined as onpeak hours and all hours of such excepted days shall be offpeak

hours. Such times shall be Central Standard Time or Central Daylight Time, whichever is then in effect. Said onpeak and offpeak hours are subject to change by KUB. In the event KUB determines that such changed onpeak and offpeak hours are appropriate, such decision shall be made at least 11 months prior to the effective date of such changed hours, and KUB shall promptly notify customer.

Determination of Onpeak and Offpeak Demands,
Maximum Metered Demand, and Energy Amounts

The onpeak and offpeak kWh for any month shall be the energy amounts taken during the respective hours of the month designated under this rate schedule as onpeak and offpeak hours; provided, however, that notwithstanding the metered energy amount, the offpeak energy for any month shall in no case be less than the product of (1) the offpeak billing demand as calculated in the last sentence of the paragraph below and (2) 110 hours (reflecting a 15 percent load factor applied to the average number of hours in a month).

KUB shall meter the onpeak and offpeak demands in kW of all customers taking service under this rate schedule. The onpeak metered demand and offpeak metered demand for any month shall be determined separately for the respective hours of the month designated under this rate schedule as onpeak and offpeak hours and in each case shall be the highest average during any 30-consecutive-minute period beginning or ending on a clock hour of the month of the load metered in kW, and, except as provided below in this section, such amounts shall be used as the onpeak and offpeak billing demands.

The maximum billing demand for any month shall be the higher of (1) the highest onpeak billing demand in the month or (2) the highest offpeak billing demand in the month. The onpeak billing demand shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW and (2) 40 percent of any kW in excess of 5,000 kW of the higher of the currently effective onpeak contract demand or the highest onpeak billing demand established during the preceding 12 months. The offpeak billing demand shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW and (2) 40 percent of any kW in excess of 5,000 kW of the higher of the currently effective offpeak contract demand or the highest offpeak billing demand established during the preceding 12 months.

Minimum Bill

The monthly bill under this rate schedule, excluding any facilities rental charges and any reactive charges, shall not be less than the sum of (1) the base customer charge and administrative charge, (2) the portion of the base demand charge, as adjusted (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applicable to onpeak billing demand applied to the customer's onpeak billing demand, (3) the portion of the base demand charge, as adjusted, (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applicable to maximum billing demand applied to the customer's maximum billing demand, (4) the base onpeak energy charge, as adjusted, applied to the

customer's onpeak energy takings, and (5) the base offpeak energy charge, as adjusted, applied to the higher of customer's actual offpeak energy takings or the minimum offpeak energy takings amount provided for in the first paragraph of the section of this rate schedule entitled "Determination of Onpeak and Offpeak Demands, Maximum Metered Demand, and Energy Amounts". Notwithstanding the foregoing, any fuel cost that is included in ***any purchased power adjustment adopted by the Board*** shall not be applied to any billed offpeak energy that exceeds the metered offpeak energy.

KUB may require minimum bills higher than those stated above.

Contract Requirement

KUB shall require contracts for all service provided under this rate schedule. The contract shall be for an initial term of at least five years and any renewals or extensions of the initial contract shall be for a term of at least one year; after ten years of service, any such contract for the renewal or extension of service may provide for termination upon not less than four months notice. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and KUB shall not be obligated to supply power in greater amount at any time than the customer's currently effective onpeak or offpeak contract demand. If the customer uses any power other than that supplied by KUB under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract shall be subject to adjustment, modification, change, or replacement from time to time as approved by the Board.

Single Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery point and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery point and at each different voltage shall be separately metered and billed.

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

GENERAL POWER RATE - SCHEDULE GSC

Availability

This rate, subject to availability from TVA, shall be available for firm electric power requirements where the higher of a customer's currently effective onpeak or offpeak contract demand is greater than 15,000 kW but not more than 25,000 kW; provided that the other conditions of this section are met.

For a customer requesting that its onpeak contract demand be different from its offpeak contract demand, this rate schedule shall be available only for (1) a new contract, (2) a replacement or renewal contract following expiration of the existing contract, or (3) a replacement or renewal contract or an amended existing contract in which the customer is increasing its demand requirements above the existing contract demand level, but under this item (3) neither the new onpeak nor the new offpeak contract demand shall be lower than the customer's existing contract demand.

Prior to participation in this rate, contract amendments may be required for continued participation in certain other programs and rate overlays as determined at KUB's sole discretion.

Character of Service

Alternating current, single or three-phase, 60 hertz. Power shall be delivered at a transmission voltage of 161 kV or, if such transmission voltage is not available, at the highest voltage available in the vicinity, unless at the customer's request a lower standard voltage is agreed upon.

Rates

Customer Charge: \$1,500 per delivery point per month.

Administrative Charge: \$700 per delivery point per month.

Demand Charge:

Summer Period:

Onpeak Demand \$11.23 per kW per month of the customer's onpeak billing demand

Maximum Demand \$6.51 per kW per month of the customer's maximum billing demand

Excess Demand \$17.74 per kW per month for each kW of the amount, if any, by which (1) the customer's onpeak billing demand

exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher

Winter Period:

Onpeak Demand \$10.23 per kW per month of the customer's onpeak billing demand

Maximum Demand \$6.51 per kW per month of the customer's maximum billing demand

Excess Demand \$16.74 per kW per month for each kW of the amount, if any, by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher

Transition Period:

Onpeak Demand \$10.23 per kW per month of the customer's onpeak billing demand

Maximum Demand \$6.51 per kW per month of the customer's maximum billing demand

Excess Demand \$16.74 per kW per month for each kW of the amount, if any, by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher

Energy Charge:

Summer Period:

Onpeak \$0.09170 per kWh per month for all metered onpeak kWh

Offpeak

Block 1 \$0.06593 per kWh per month for the first 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy

Block 2 \$0.03018 per kWh per month for the next 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy

Block 3 \$0.02665 per kWh per month for the hours use of onpeak metered demand in excess of 400 hours multiplied by the ratio of offpeak energy to total energy

Winter Period:	
Onpeak	\$0.07995 per kWh per month for all metered onpeak kWh
Offpeak	
Block 1	\$0.06823 per kWh per month for the first 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy
Block 2	\$0.03018 per kWh per month for the next 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy
Block 3	\$0.02665 per kWh per month for the hours use of onpeak metered demand in excess of 400 hours multiplied by the ratio of offpeak energy to total energy
Transition Period:	
Onpeak	\$0.06560 per kWh per month for all metered onpeak kWh
Offpeak	
Block 1	\$0.06560 per kWh per month for the first 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy
Block 2	\$0.03018 per kWh per month for the next 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy
Block 3	\$0.02665 per kWh per month for the hours use of onpeak metered demand in excess of 400 hours multiplied by the ratio of offpeak energy to total energy

For the Summer Period, Winter Period, and Transition Period, Offpeak Block 1 energy rates less fuel rate of \$0.01851 per kWh per month shall be applied to the portion, if any, of the minimum offpeak energy takings amount that is greater than the metered energy.

Facilities Rental Charge

There shall be no facilities rental charge under this rate schedule for delivery at bulk transmission voltage levels of 161kV or higher. For delivery at less than 161kV, there shall be added to the customer's bill a facilities rental charge. This charge shall be 37 cents per kW per month except for delivery at voltages below 46 kV, in which case the charge shall be 97 cents per kW per month for the first 10,000 kW and 76 cents per kW

per month for the excess over 10,000 kW. Such charge shall be applied to the higher of (1) the highest billing demand established during the latest 12-consecutive-month period or (2) the higher of the customer's currently effective onpeak or offpeak contract demand and shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Reactive Demand Charge

If the reactive demand (in kVAR) is lagging during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's highest metered demand occurs, there shall be added to the customer's bill a reactive charge of \$1.46 per kVAR of the amount, if any, by which the reactive demand exceeds 33 percent of such metered demand. If the reactive demand (in kVAR) is leading during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's lowest metered demand (excluding any metered demands which are less than 25 percent of the highest metered demand) occurs, there shall be added to the customer's bill a reactive charge of \$1.14 per kVAR of the amount of reactive demand. Such charges shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Adjustment

Charges under this rate schedule may be increased or decreased to reflect changes in purchased power costs as determined by any purchased power adjustment adopted by the Board. Rates shown above are inclusive of the Purchased Power Adjustment for the current month.

Determination of Seasonal Periods

Summer Period shall mean the June, July, August, and September billing months. Winter Period shall mean the December, January, February, and March billing months. Transition Period shall mean the April, May, October, and November billing months. The Seasonal Periods under this rate schedule are subject to change by KUB. In the event KUB determines that changed Seasonal Periods are appropriate, such decision shall be made at least 11 months prior to the effective date of such changed periods, and KUB shall promptly notify customer.

Determination of Onpeak and Offpeak Hours

Except for Saturdays, Sundays, November 1, and the weekdays that are observed as Federal holidays for New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day, onpeak hours for each day shall for purposes of this rate schedule be 1 p.m. to 7 p.m. during the months of April, May, June, July, August, September and October and from 4 a.m. to 10 a.m. during the months of January, February, March, November, and December. All other hours of each day that are not otherwise defined as onpeak hours and all hours of such excepted days shall be offpeak

hours. Such times shall be Central Standard Time or Central Daylight Time, whichever is then in effect. Said onpeak and offpeak hours are subject to change by KUB. In the event KUB determines that such changed onpeak and offpeak hours are appropriate, such decision shall be made at least 11 months prior to the effective date of such changed hours, and KUB shall promptly notify customer.

Determination of Onpeak and Offpeak Demands,
Maximum Metered Demand, and Energy Amounts

The onpeak and offpeak kWh for any month shall be the energy amounts taken during the respective hours of the month designated under this rate schedule as onpeak and offpeak hours; provided, however, that notwithstanding the metered energy amount, the offpeak energy for any month shall in no case be less than the product of (1) the offpeak billing demand as calculated in the last sentence of the paragraph below and (2) 110 hours (reflecting a 15 percent load factor applied to the average number of hours in a month).

KUB shall meter the onpeak and offpeak demands in kW of all customers taking service under this rate schedule. The onpeak metered demand and offpeak metered demand for any month shall be determined separately for the respective hours of the month designated under this rate schedule as onpeak and offpeak hours and in each case shall be the highest average during any 30-consecutive-minute period beginning or ending on a clock hour of the month of the load metered in kW, and, except as provided below in this section, such amounts shall be used as the onpeak and offpeak billing demands.

The maximum billing demand for any month shall be the higher of (1) the highest onpeak billing demand in the month or (2) the highest offpeak billing demand in the month. The onpeak billing demand shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW, (2) 40 percent of the next 20,000 kW, and (3) 50 percent of any kW in excess of 25,000 kW of the higher of the currently effective onpeak contract demand or the highest onpeak billing demand established during the preceding 12 months. The offpeak billing demand shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW, (2) 40 percent of the next 20,000 kW, and (3) 50 percent of any kW in excess of 25,000 kW of the higher of the currently effective offpeak contract demand or the highest offpeak billing demand established during the preceding 12 months.

Minimum Bill

The monthly bill under this rate schedule, excluding any facilities rental charges and any reactive charges, shall not be less than the sum of (1) the base customer charge and administrative charge, (2) the portion of the base demand charge, as adjusted (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applicable to onpeak billing demand applied to the customer's onpeak billing demand, (3) the portion of the base demand charge, as adjusted, (but excluding

the additional portion thereof applicable to excess of billing demand over contract demand) applicable to maximum billing demand applied to the customer's maximum billing demand, (4) the base onpeak energy charge, as adjusted, applied to the customer's onpeak energy takings, and (5) the base offpeak energy charge, as adjusted, applied to the higher of customer's actual offpeak energy takings or the minimum offpeak energy takings amount provided for in the first paragraph of the section of this rate schedule entitled "Determination of Onpeak and Offpeak Demands, Maximum Metered Demand, and Energy Amounts". Notwithstanding the foregoing, any fuel cost that is included in **any purchased power adjustment adopted by the Board** shall not be applied to any billed offpeak energy that exceeds the metered offpeak energy.

KUB may require minimum bills higher than those stated above.

Contract Requirement

KUB shall require contracts for all service provided under this rate schedule. The contract shall be for an initial term of at least five years and any renewals or extensions of the initial contract shall be for a term of at least one year; after ten years of service, any such contract for the renewal or extension of service may provide for termination upon not less than four months notice. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and KUB shall not be obligated to supply power in greater amount at any time than the customer's currently effective onpeak or offpeak contract demand. If the customer uses any power other than that supplied by KUB under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract shall be subject to adjustment, modification, change, or replacement from time to time as approved by the Board.

Single Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery point and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery point and at each different voltage shall be separately metered and billed.

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

GENERAL POWER RATE - SCHEDULE GSD

Availability

This rate, subject to availability from TVA, shall be available for firm electric power requirements where the higher of a customer's currently effective onpeak or offpeak contract demand is greater than 25,000 kW; provided that the other conditions of this section are met.

For a customer requesting that its onpeak contract demand be different from its offpeak contract demand, this rate schedule shall be available only for (1) a new contract, (2) a replacement or renewal contract following expiration of the existing contract, or (3) a replacement or renewal contract or an amended existing contract in which the customer is increasing its demand requirements above the existing contract demand level, but under this item (3) neither the new onpeak nor the new offpeak contract demand shall be lower than the customer's existing contract demand.

Prior to participation in this rate, contract amendments may be required for continued participation in certain other programs and rate overlays as determined at KUB's sole discretion.

Character of Service

Alternating current, single or three-phase, 60 hertz. Power shall be delivered at a transmission voltage of 161 kV or, if such transmission voltage is not available, at the highest voltage available in the vicinity, unless at the customer's request a lower standard voltage is agreed upon.

Rates

Customer Charge: \$1,500 per delivery point per month.

Administrative Charge: \$700 per delivery point per month.

Demand Charge:

Summer Period:

Onpeak Demand \$11.23 per kW per month of the customer's onpeak billing demand

Maximum Demand \$6.38 per kW per month of the customer's maximum billing demand

Excess Demand \$17.61 per kW per month for each kW of the amount, if any, by which (1) the customer's onpeak billing demand

exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher

Winter Period:

Onpeak Demand \$10.23 per kW per month of the customer's onpeak billing demand

Maximum Demand \$6.38 per kW per month of the customer's maximum billing demand

Excess Demand \$16.61 per kW per month for each kW of the amount, if any, by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher

Transition Period:

Onpeak Demand \$10.23 per kW per month of the customer's onpeak billing demand

Maximum Demand \$6.38 per kW per month of the customer's maximum billing demand

Excess Demand \$16.61 per kW per month for each kW of the amount, if any, by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher

Energy Charge:

Summer Period:

Onpeak \$0.09170 per kWh per month for all metered onpeak kWh

Offpeak

Block 1 \$0.06593 per kWh per month for the first 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy

Block 2 \$0.02899 per kWh per month for the next 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy

Block 3 \$0.02665 per kWh per month for the hours use of onpeak metered demand in excess of 400 hours multiplied by the ratio of offpeak energy to total energy

Winter Period:	
Onpeak	\$0.07995 per kWh per month for all metered onpeak kWh
Offpeak	
Block 1	\$0.06823 per kWh per month for the first 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy
Block 2	\$0.02899 per kWh per month for the next 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy
Block 3	\$0.02665 per kWh per month for the hours use of onpeak metered demand in excess of 400 hours multiplied by the ratio of offpeak energy to total energy
Transition Period:	
Onpeak	\$0.06560 per kWh per month for all metered onpeak kWh
Offpeak	
Block 1	\$0.06560 per kWh per month for the first 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy
Block 2	\$0.02899 per kWh per month for the next 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy
Block 3	\$0.02665 per kWh per month for the hours use of onpeak metered demand in excess of 400 hours multiplied by the ratio of offpeak energy to total energy

For the Summer Period, Winter Period, and Transition Period, Offpeak Block 1 energy rates less fuel rate of \$0.01851 per kWh per month shall be applied to the portion, if any, of the minimum offpeak energy takings amount that is greater than the metered energy.

Facilities Rental Charge

There shall be no facilities rental charge under this rate schedule for delivery at bulk transmission voltage levels of 161kV or higher. For delivery at less than 161kV, there shall be added to the customer's bill a facilities rental charge. This charge shall be 37 cents per kW per month except for delivery at voltages below 46 kV, in which case the

charge shall be 97 cents per kW per month for the first 10,000 kW and 76 cents per kW per month for the excess over 10,000 kW. Such charge shall be applied to the higher of (1) the highest billing demand established during the latest 12-consecutive-month period or (2) the higher of the customer's currently effective onpeak or offpeak contract demand and shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Reactive Demand Charge

If the reactive demand (in kVAR) is lagging during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's highest metered demand occurs, there shall be added to the customer's bill a reactive charge of \$1.46 per kVAR of the amount, if any, by which the reactive demand exceeds 33 percent of such metered demand. If the reactive demand (in kVAR) is leading during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's lowest metered demand (excluding any metered demands which are less than 25 percent of the highest metered demand) occurs, there shall be added to the customer's bill a reactive charge of \$1.14 per kVAR of the amount of reactive demand. Such charges shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Adjustment

Charges under this rate schedule may be increased or decreased to reflect changes in purchased power costs as determined by any purchased power adjustment adopted by the Board. Rates shown above are inclusive of the Purchased Power Adjustment for the current month.

Determination of Seasonal Periods

Summer Period shall mean the June, July, August, and September billing months. Winter Period shall mean the December, January, February, and March billing months. Transition Period shall mean the April, May, October, and November billing months. The Seasonal Periods under this rate schedule are subject to change by KUB. In the event KUB determines that changed Seasonal Periods are appropriate, such decision shall be made at least 11 months prior to the effective date of such changed periods, and KUB shall promptly notify customer.

Determination of Onpeak and Offpeak Hours

Except for Saturdays, Sundays, November 1, and the weekdays that are observed as Federal holidays for New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day, onpeak hours for each day shall for purposes of this rate schedule be 1 p.m. to 7 p.m. during the months of April, May, June, July, August, September and October and from 4 a.m. to 10 a.m. during the months of January,

February, March, November, and December. All other hours of each day that are not otherwise defined as onpeak hours and all hours of such excepted days shall be offpeak hours. Such times shall be Central Standard Time or Central Daylight Time, whichever is then in effect. Said onpeak and offpeak hours are subject to change by KUB. In the event KUB determines that such changed onpeak and offpeak hours are appropriate, such decision shall be made at least 11 months prior to the effective date of such changed hours, and KUB shall promptly notify customer.

Determination of Onpeak and Offpeak Demands,
Maximum Metered Demand, and Energy Amounts

The onpeak and offpeak kWh for any month shall be the energy amounts taken during the respective hours of the month designated under this rate schedule as onpeak and offpeak hours; provided, however, that notwithstanding the metered energy amount, the offpeak energy for any month shall in no case be less than the product of (1) the offpeak billing demand as calculated in the last sentence of the paragraph below and (2) 110 hours (reflecting a 15 percent load factor applied to the average number of hours in a month).

KUB shall meter the onpeak and offpeak demands in kW of all customers taking service under this rate schedule. The onpeak metered demand and offpeak metered demand for any month shall be determined separately for the respective hours of the month designated under this rate schedule as onpeak and offpeak hours and in each case shall be the highest average during any 30-consecutive-minute period beginning or ending on a clock hour of the month of the load metered in kW, and, except as provided below in this section, such amounts shall be used as the onpeak and offpeak billing demands.

The maximum billing demand for any month shall be the higher of (1) the highest onpeak billing demand in the month or (2) the highest offpeak billing demand in the month. The onpeak billing demand shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW, (2) 40 percent of the next 20,000 kW; (3) 50 percent of the next 25,000 kW, (4) 60 percent of the next 50,000 kW, (5) 70 percent of the next 100,000 kW, (6) 80 percent of the next 150,000 kW, and (7) 85 percent of all kW in excess of 350,000 kW of the higher of the currently effective onpeak contract demand or the highest onpeak billing demand established during the preceding 12 months. The offpeak billing demand shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW, (2) 40 percent of the next 20,000 kW, (3) 50 percent of the next 25,000 kW, (4) 60 percent of the next 50,000 kW, (5) 70 percent of the next 100,000 kW, (6) 80 percent of the next 150,000 kW, and (7) 85 percent of all kW in excess of 350,000 kW of the higher of the currently effective offpeak contract demand or the highest offpeak billing demand established during the preceding 12 months.

Minimum Bill

The monthly bill under this rate schedule, excluding any facilities rental charges and any reactive charges, shall not be less than the sum of (1) the base customer charge and administrative charge, (2) the portion of the base demand charge, as adjusted (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applicable to onpeak billing demand applied to the customer's onpeak billing demand, (3) the portion of the base demand charge, as adjusted, (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applicable to maximum billing demand applied to the customer's maximum billing demand, (4) the base onpeak energy charge, as adjusted, applied to the customer's onpeak energy takings, and (5) the base offpeak energy charge, as adjusted, applied to the higher of customer's actual offpeak energy takings or the minimum offpeak energy takings amount provided for in the first paragraph of the section of this rate schedule entitled "Determination of Onpeak and Offpeak Demands, Maximum Metered Demand, and Energy Amounts". Notwithstanding the foregoing, any fuel cost that is included in **any purchased power adjustment adopted by the Board** shall not be applied to any billed offpeak energy that exceeds the metered offpeak energy.

KUB may require minimum bills higher than those stated above.

Contract Requirement

KUB shall require contracts for all service provided under this rate schedule. The contract shall be for an initial term of at least five years and any renewals or extensions of the initial contract shall be for a term of at least five years; after ten years of service, any such contract for the renewal or extension of service may provide for termination upon not less than sixteen months notice. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and KUB shall not be obligated to supply power in greater amount at any time than the customer's currently effective onpeak or offpeak contract demand. If the customer uses any power other than that supplied by KUB under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract shall be subject to adjustment, modification, change, or replacement from time to time as approved by the Board.

Single Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery point and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery point and at each different voltage shall be separately metered and billed.

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

MANUFACTURING SERVICE POWER RATE - SCHEDULE TDMSA

Availability

This rate, subject to availability from TVA, shall be available for firm electric power requirements where (a) a customer's currently effective onpeak or offpeak contract demand, whichever is higher, is greater than 1,000 kW but not more than 5,000 kW, and (b) the major use of electricity is for activities conducted at the delivery point serving that customer which are classified with a 2-digit Standard Industrial Classification Code between 20 and 39, inclusive, or classified with 2002 North American Industry Classification System (NAICS) code 5181, or 2007 NAICS codes 5182, 522320, and 541214.

Prior to initially taking any service under this schedule, and from time to time thereafter as may be required by KUB, a customer shall certify to KUB that it meets the requirements set forth in condition (b) above. The certification form to be used shall be furnished by KUB to the customer, and signed and promptly returned by the customer to KUB. Further, such customer shall promptly certify any change in the status of any of the information contained in the certification form.

Service during any period for which a customer does not meet the eligibility requirements set forth in condition (b) above will be made available by KUB under, and billed in accordance with, the applicable General Power schedule.

For a customer requesting that its onpeak contract demand be different from its offpeak contract demand, this rate schedule shall be available only for (1) a new contract, (2) a replacement or renewal contract following expiration of the existing contract, or (3) a replacement or renewal contract or an amended existing contract in which the customer is increasing its demand requirements above the existing contract demand level, but under this item (3) neither the new onpeak nor the new offpeak contract demand shall be lower than the customer's existing contract demand.

Prior to participation in this rate, contract amendments may be required for continued participation in certain other programs and rate overlays as determined at KUB's sole discretion.

Character of Service

Alternating current, single or three-phase, 60 hertz. Power shall be delivered at a transmission voltage of 161 kV or, if such transmission voltage is not available, at the highest voltage available in the vicinity, unless at the customer's request a lower standard voltage is agreed upon.

Rates

Customer Charge:	\$1,500 per delivery point per month.
Administrative Charge:	\$700 per delivery point per month.
Demand Charge:	
Summer Period:	
Onpeak Demand	\$10.70 per kW per month of the customer's onpeak billing demand
Maximum Demand	\$6.53 per kW per month of the customer's maximum billing demand
Excess Demand	\$17.23 per kW per month for each kW of the amount, if any, by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher
Winter Period:	
Onpeak Demand	\$9.69 per kW per month of the customer's onpeak billing demand
Maximum Demand	\$6.53 per kW per month of the customer's maximum billing demand
Excess Demand	\$16.22 per kW per month for each kW of the amount, if any, by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher
Transition Period:	
Onpeak Demand	\$9.69 per kW per month of the customer's onpeak billing demand
Maximum Demand	\$6.53 per kW per month of the customer's maximum billing demand
Excess Demand	\$16.22 per kW per month for each kW of the amount, if any, by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher

Energy Charge:

Summer Period:

Onpeak \$0.09709 per kWh per month for all metered onpeak kWh

Offpeak

Block 1 \$0.07097 per kWh per month for the first 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy

Block 2 \$0.04232 per kWh per month for the next 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy

Block 3 \$0.03966 per kWh per month for the hours use of onpeak metered demand in excess of 400 hours multiplied by the ratio of offpeak energy to total energy

Winter Period:

Onpeak \$0.08516 per kWh per month for all metered onpeak kWh

Offpeak

Block 1 \$0.07329 per kWh per month for the first 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy

Block 2 \$0.04232 per kWh per month for the next 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy

Block 3 \$0.03966 per kWh per month for the hours use of onpeak metered demand in excess of 400 hours multiplied by the ratio of offpeak energy to total energy

Transition Period:

Onpeak \$0.07422 per kWh per month for all metered onpeak kWh

Offpeak

Block 1 \$0.07422 per kWh per month for the first 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy

Block 2 \$0.04232 per kWh per month for the next 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy

Block 3 \$0.03966 per kWh per month for the hours use of onpeak metered demand in excess of 400 hours multiplied by the ratio of offpeak energy to total energy

For the Summer Period, Winter Period, and Transition Period, Offpeak Block 1 energy rates less fuel rate of \$0.01851 per kWh per month shall be applied to the portion, if any, of the minimum offpeak energy takings amount that is greater than the metered energy.

Facilities Rental Charge

There shall be no facilities rental charge under this rate schedule for delivery at bulk transmission voltage levels of 161kV or higher. For delivery at less than 161kV, there shall be added to the customer's bill a facilities rental charge. This charge shall be 37 cents per kW per month except for delivery at voltages below 46 kV, in which case the charge shall be 97 cents per kW per month for the first 10,000 kW and 76 cents per kW per month for the excess over 10,000 kW. Such charge shall be applied to the higher of (1) the highest billing demand established during the latest 12-consecutive-month period or (2) the higher of the customer's currently effective onpeak or offpeak contract demand and shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Reactive Demand Charge

If the reactive demand (in kVAR) is lagging during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's highest metered demand occurs, there shall be added to the customer's bill a reactive charge of \$1.46 per kVAR of the amount, if any, by which the reactive demand exceeds 33 percent of such metered demand. If the reactive demand (in kVAR) is leading during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's lowest metered demand (excluding any metered demands which are less than 25 percent of the highest metered demand) occurs, there shall be added to the customer's bill a reactive charge of \$1.14 per kVAR of the amount of reactive demand. Such charges shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Adjustment

Charges under this rate schedule may be increased or decreased to reflect changes in purchased power costs as determined by any purchased power adjustment adopted by the Board. Rates shown above are inclusive of the Purchased Power Adjustment for the current month.

Determination of Seasonal Periods

Summer Period shall mean the June, July, August, and September billing months. Winter Period shall mean the December, January, February, and March billing months. Transition Period shall mean the April, May, October, and November billing months. The Seasonal Periods under this rate schedule are subject to change by KUB. In the event KUB determines that changed Seasonal Periods are appropriate, such decision shall be made at least 11 months prior to the effective date of such changed periods, and KUB shall promptly notify customer.

Determination of Onpeak and Offpeak Hours

Except for Saturdays, Sundays, November 1, and the weekdays that are observed as Federal holidays for New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day, onpeak hours for each day shall for purposes of this rate schedule be 1 p.m. to 7 p.m. during the months of April, May, June, July, August, September and October and from 4 a.m. to 10 a.m. during the months of January, February, March, November, and December. All other hours of each day that are not otherwise defined as onpeak hours and all hours of such excepted days shall be offpeak hours. Such times shall be Central Standard Time or Central Daylight Time, whichever is then in effect. Said onpeak and offpeak hours are subject to change by KUB. In the event KUB determines that such changed onpeak and offpeak hours are appropriate, such decision shall be made at least 11 months prior to the effective date of such changed hours, and KUB shall promptly notify customer.

Determination of Onpeak and Offpeak Demands, Maximum Metered Demand, and Energy Amounts

The onpeak and offpeak kWh for any month shall be the energy amounts taken during the respective hours of the month designated under this rate schedule as onpeak and offpeak hours; provided, however, that notwithstanding the metered energy amount, the offpeak energy for any month shall in no case be less than the product of (1) the offpeak billing demand as calculated in the last sentence of the paragraph below and (2) 110 hours (reflecting a 15 percent load factor applied to the average number of hours in a month).

KUB shall meter the onpeak and offpeak demands in kW of all customers taking service under this rate schedule. The onpeak metered demand and offpeak metered demand for any month shall be determined separately for the respective hours of the month designated under this rate schedule as onpeak and offpeak hours and in each case shall be the highest average during any 30-consecutive-minute period beginning or ending on a clock hour of the month of the load metered in kW, and, except as provided below in this section, such amounts shall be used as the onpeak and offpeak billing demands.

The maximum billing demand for any month shall be the higher of (1) the highest onpeak billing demand in the month or (2) the highest offpeak billing demand in the month. The onpeak billing demand shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW and (2) 40 percent of any kW in excess of 5,000 kW of the higher of the currently effective onpeak contract demand or the highest onpeak billing demand established during the preceding 12 months. The offpeak billing demand shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW and (2) 40 percent of any kW in excess of 5,000 kW of the higher of the currently effective offpeak contract demand or the highest offpeak billing demand established during the preceding 12 months.

Minimum Bill

The monthly bill under this rate schedule, excluding any facilities rental charges and any reactive charges, shall not be less than the sum of (1) the base customer charge and administrative charge, (2) the portion of the base demand charge, as adjusted (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applicable to onpeak billing demand applied to the customer's onpeak billing demand, (3) the portion of the base demand charge, as adjusted, (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applicable to maximum billing demand applied to the customer's maximum billing demand, (4) the base onpeak energy charge, as adjusted, applied to the customer's onpeak energy takings, and (5) the base offpeak energy charge, as adjusted, applied to the higher of customer's actual offpeak energy takings or the minimum offpeak energy takings amount provided for in the first paragraph of the section of this rate schedule entitled "Determination of Onpeak and Offpeak Demands, Maximum Metered Demand, and Energy Amounts". Notwithstanding the foregoing, any fuel cost that is included in ***any purchased power adjustment adopted by the Board*** shall not be applied to any billed offpeak energy that exceeds the metered offpeak energy.

KUB may require minimum bills higher than those stated above.

Contract Requirement

KUB shall require contracts for all service provided under this rate schedule. The contract shall be for an initial term of at least five years and any renewals or extensions of the initial contract shall be for a term of at least one year; after ten years of service, any such contract for the renewal or extension of service may provide for termination upon not less than four months notice. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and KUB shall not be obligated to supply power in greater amount at any time than the customer's currently effective onpeak or offpeak contract demand. If the customer uses any power other than that supplied by KUB under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract shall be subject to adjustment, modification, change, or replacement from time to time as approved by the Board.

Single Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery point and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery point and at each different voltage shall be separately metered and billed.

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

MANUFACTURING SERVICE POWER RATE - SCHEDULE MSB

Availability

This rate, subject to availability from TVA, shall be available for firm electric power requirements where (a) a customer's currently effective onpeak or offpeak contract demand, whichever is higher, is greater than 5,000 kW but not more than 15,000 kW, and (b) the major use of electricity is for activities conducted at the delivery point serving that customer which are classified with a 2-digit Standard Industrial Classification Code between 20 and 39, inclusive, or classified with 2002 North American Industry Classification System (NAICS) code 5181, or 2007 NAICS codes 5182, 522320, and 541214.

Prior to initially taking any service under this schedule, and from time to time thereafter as may be required by KUB, a customer shall certify to KUB that it meets the requirements set forth in condition (b) above. The certification form to be used shall be furnished by KUB to the customer, and signed and promptly returned by the customer to KUB. Further, such customer shall promptly certify any change in the status of any of the information contained in the certification form.

Service during any period for which a customer does not meet the eligibility requirements set forth in condition (b) above will be made available by KUB under, and billed in accordance with, the applicable General Power schedule.

For a customer requesting that its onpeak contract demand be different from its offpeak contract demand, this rate schedule shall be available only for (1) a new contract, (2) a replacement or renewal contract following expiration of the existing contract, or (3) a replacement or renewal contract or an amended existing contract in which the customer is increasing its demand requirements above the existing contract demand level, but under this item (3) neither the new onpeak nor the new offpeak contract demand shall be lower than the customer's existing contract demand.

Prior to participation in this rate, contract amendments may be required for continued participation in certain other programs and rate overlays as determined at KUB's sole discretion.

Character of Service

Alternating current, single or three-phase, 60 hertz. Power shall be delivered at a transmission voltage of 161 kV or, if such transmission voltage is not available, at the highest voltage available in the vicinity, unless at the customer's request a lower standard voltage is agreed upon.

Rates

Customer Charge: \$1,500 per delivery point per month.

Administrative Charge: \$700 per delivery point per month.

Demand Charge:

Summer Period:

Onpeak Demand \$10.59 per kW per month of the customer's onpeak billing demand

Maximum Demand \$3.41 per kW per month of the customer's maximum billing demand

Excess Demand \$14.00 per kW per month for each kW of the amount, if any, by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher

Winter Period:

Onpeak Demand \$9.59 per kW per month of the customer's onpeak billing demand

Maximum Demand \$3.41 per kW per month of the customer's maximum billing demand

Excess Demand \$13.00 per kW per month for each kW of the amount, if any, by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher

Transition Period:

Onpeak Demand \$9.59 per kW per month of the customer's onpeak billing demand

Maximum Demand \$3.41 per kW per month of the customer's maximum billing demand

Excess Demand \$13.00 per kW per month for each kW of the amount, if any, by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher

Energy Charge:

Summer Period:

Onpeak	\$0.08341 per kWh per month for all metered onpeak kWh
Offpeak	
Block 1	\$0.05755 per kWh per month for the first 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy
Block 2	\$0.02685 per kWh per month for the next 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy
Block 3	\$0.02422 per kWh per month for the hours use of onpeak metered demand in excess of 400 hours multiplied by the ratio of offpeak energy to total energy

Winter Period:

Onpeak	\$0.07161 per kWh per month for all metered onpeak kWh
Offpeak	
Block 1	\$0.05986 per kWh per month for the first 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy
Block 2	\$0.02685 per kWh per month for the next 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy
Block 3	\$0.02422 per kWh per month for the hours use of onpeak metered demand in excess of 400 hours multiplied by the ratio of offpeak energy to total energy

Transition Period:

Onpeak	\$0.06076 per kWh per month for all metered onpeak kWh
Offpeak	
Block 1	\$0.06076 per kWh per month for the first 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy
Block 2	\$0.02685 per kWh per month for the next 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy

Block 3 \$0.02422 per kWh per month for the hours use of onpeak metered demand in excess of 400 hours multiplied by the ratio of offpeak energy to total energy

For the Summer Period, Winter Period, and Transition Period, Offpeak Block 1 energy rates less fuel rate of \$0.01851 per kWh per month shall be applied to the portion, if any, of the minimum offpeak energy takings amount that is greater than the metered energy.

Facilities Rental Charge

There shall be no facilities rental charge under this rate schedule for delivery at bulk transmission voltage levels of 161kV or higher. For delivery at less than 161kV, there shall be added to the customer's bill a facilities rental charge. This charge shall be 37 cents per kW per month except for delivery at voltages below 46 kV, in which case the charge shall be 97 cents per kW per month for the first 10,000 kW and 76 cents per kW per month for the excess over 10,000 kW. Such charge shall be applied to the higher of (1) the highest billing demand established during the latest 12-consecutive-month period or (2) the higher of the customer's currently effective onpeak or offpeak contract demand and shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Reactive Demand Charge

If the reactive demand (in kVAR) is lagging during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's highest metered demand occurs, there shall be added to the customer's bill a reactive charge of \$1.46 per kVAR of the amount, if any, by which the reactive demand exceeds 33 percent of such metered demand. If the reactive demand (in kVAR) is leading during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's lowest metered demand (excluding any metered demands which are less than 25 percent of the highest metered demand) occurs, there shall be added to the customer's bill a reactive charge of \$1.14 per kVAR of the amount of reactive demand. Such charges shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Adjustment

Charges under this rate schedule may be increased or decreased to reflect changes in purchased power costs as determined by any purchased power adjustment adopted by the Board. Rates shown above are inclusive of the Purchased Power Adjustment for the current month.

Determination of Seasonal Periods

Summer Period shall mean the June, July, August, and September billing months. Winter Period shall mean the December, January, February, and March billing months. Transition Period shall mean the April, May, October, and November billing months. The Seasonal Periods under this rate schedule are subject to change by KUB. In the event KUB determines that changed Seasonal Periods are appropriate, such decision shall be made at least 11 months prior to the effective date of such changed periods, and KUB shall promptly notify customer.

Determination of Onpeak and Offpeak Hours

Except for Saturdays, Sundays, November 1, and the weekdays that are observed as Federal holidays for New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day, onpeak hours for each day shall for purposes of this rate schedule be 1 p.m. to 7 p.m. during the months of April, May, June, July, August, September and October and from 4 a.m. to 10 a.m. during the months of January, February, March, November, and December. All other hours of each day that are not otherwise defined as onpeak hours and all hours of such excepted days shall be offpeak hours. Such times shall be Central Standard Time or Central Daylight Time, whichever is then in effect. Said onpeak and offpeak hours are subject to change by KUB. In the event KUB determines that such changed onpeak and offpeak hours are appropriate, such decision shall be made at least 11 months prior to the effective date of such changed hours, and KUB shall promptly notify customer.

Determination of Onpeak and Offpeak Demands, Maximum Metered Demand, and Energy Amounts

The onpeak and offpeak kWh for any month shall be the energy amounts taken during the respective hours of the month designated under this rate schedule as onpeak and offpeak hours; provided, however, that notwithstanding the metered energy amount, the offpeak energy for any month shall in no case be less than the product of (1) the offpeak billing demand as calculated in the last sentence of the paragraph below and (2) 110 hours (reflecting a 15 percent load factor applied to the average number of hours in a month).

KUB shall meter the onpeak and offpeak demands in kW of all customers taking service under this rate schedule. The onpeak metered demand and offpeak metered demand for any month shall be determined separately for the respective hours of the month designated under this rate schedule as onpeak and offpeak hours and in each case shall be the highest average during any 30-consecutive-minute period beginning or ending on a clock hour of the month of the load metered in kW, and, except as provided below in this section, such amounts shall be used as the onpeak and offpeak billing demands.

The maximum billing demand for any month shall be the higher of (1) the highest onpeak billing demand in the month or (2) the highest offpeak billing demand in the month. The onpeak billing demand shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW and (2) 40 percent of any kW in excess of 5,000 kW of the higher of the currently effective onpeak contract demand or the highest onpeak billing demand established during the preceding 12 months. The offpeak billing demand shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW and (2) 40 percent of any kW in excess of 5,000 kW of the higher of the currently effective offpeak contract demand or the highest offpeak billing demand established during the preceding 12 months.

Minimum Bill

The monthly bill under this rate schedule, excluding any facilities rental charges and any reactive charges, shall not be less than the sum of (1) the base customer charge and administrative charge, (2) the portion of the base demand charge, as adjusted (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applicable to onpeak billing demand applied to the customer's onpeak billing demand, (3) the portion of the base demand charge, as adjusted, (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applicable to maximum billing demand applied to the customer's maximum billing demand, (4) the base onpeak energy charge, as adjusted, applied to the customer's onpeak energy takings, and (5) the base offpeak energy charge, as adjusted, applied to the higher of customer's actual offpeak energy takings or the minimum offpeak energy takings amount provided for in the first paragraph of the section of this rate schedule entitled "Determination of Onpeak and Offpeak Demands, Maximum Metered Demand, and Energy Amounts". Notwithstanding the foregoing, any fuel cost that is included in **any purchased power adjustment adopted by the Board** shall not be applied to any billed offpeak energy that exceeds the metered offpeak energy.

KUB may require minimum bills higher than those stated above.

Contract Requirement

KUB shall require contracts for all service provided under this rate schedule. The contract shall be for an initial term of at least five years and any renewals or extensions of the initial contract shall be for a term of at least one year; after ten years of service, any such contract for the renewal or extension of service may provide for termination upon not less than four months notice. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and KUB shall not be obligated to supply power in greater amount at any time than the customer's currently effective onpeak or offpeak contract demand. If the customer uses any power other than that supplied by KUB under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract shall be subject to adjustment, modification, change, or replacement from time to time as approved by the Board.

Single Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery point and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery point and at each different voltage shall be separately metered and billed.

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

MANUFACTURING SERVICE POWER RATE - SCHEDULE MSC

Availability

This rate, subject to availability from TVA, shall be available for firm electric power requirements where (a) a customer's currently effective onpeak or offpeak contract demand, whichever is higher, is greater than 15,000 kW but not more than 25,000 kW, and (b) the major use of electricity is for activities conducted at the delivery point serving that customer which are classified with a 2-digit Standard Industrial Classification Code between 20 and 39, inclusive, or classified with 2002 North American Industry Classification System (NAICS) code 5181, or 2007 NAICS codes 5182, 522320, and 541214.

Prior to initially taking any service under this schedule, and from time to time thereafter as may be required by KUB, a customer shall certify to KUB that it meets the requirements set forth in condition (b) above. The certification form to be used shall be furnished by KUB to the customer, and signed and promptly returned by the customer to KUB. Further, such customer shall promptly certify any change in the status of any of the information contained in the certification form.

Service during any period for which a customer does not meet the eligibility requirements set forth in condition (b) above will be made available by KUB under, and billed in accordance with, the applicable General Power schedule.

For a customer requesting that its onpeak contract demand be different from its offpeak contract demand, this rate schedule shall be available only for (1) a new contract, (2) a replacement or renewal contract following expiration of the existing contract, or (3) a replacement or renewal contract or an amended existing contract in which the customer is increasing its demand requirements above the existing contract demand level, but under this item (3) neither the new onpeak nor the new offpeak contract demand shall be lower than the customer's existing contract demand.

Prior to participation in this rate, contract amendments may be required for continued participation in certain other programs and rate overlays as determined at KUB's sole discretion.

Character of Service

Alternating current, single or three-phase, 60 hertz. Power shall be delivered at a transmission voltage of 161 kV or, if such transmission voltage is not available, at the highest voltage available in the vicinity, unless at the customer's request a lower standard voltage is agreed upon.

Rates

Customer Charge: \$1,500 per delivery point per month.

Administrative Charge: \$700 per delivery point per month.

Demand Charge:

Summer Period:

Onpeak Demand \$10.59 per kW per month of the customer's onpeak billing demand

Maximum Demand \$3.29 per kW per month of the customer's maximum billing demand

Excess Demand \$13.88 per kW per month for each kW of the amount, if any, by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher

Winter Period:

Onpeak Demand \$9.59 per kW per month of the customer's onpeak billing demand

Maximum Demand \$3.29 per kW per month of the customer's maximum billing demand

Excess Demand \$12.88 per kW per month for each kW of the amount, if any, by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher

Transition Period:

Onpeak Demand \$9.59 per kW per month of the customer's onpeak billing demand

Maximum Demand \$3.29 per kW per month of the customer's maximum billing demand

Excess Demand \$12.88 per kW per month for each kW of the amount, if any, by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher

Energy Charge:

Summer Period:

Onpeak \$0.08268 per kWh per month for all metered onpeak kWh

Offpeak

Block 1 \$0.05681 per kWh per month for the first 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy

Block 2 \$0.02873 per kWh per month for the next 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy

Block 3 \$0.02873 per kWh per month for the hours use of onpeak metered demand in excess of 400 hours multiplied by the ratio of offpeak energy to total energy

Winter Period:

Onpeak \$0.07087 per kWh per month for all metered onpeak kWh

Offpeak

Block 1 \$0.05911 per kWh per month for the first 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy

Block 2 \$0.02873 per kWh per month for the next 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy

Block 3 \$0.02873 per kWh per month for the hours use of onpeak metered demand in excess of 400 hours multiplied by the ratio of offpeak energy to total energy

Transition Period:

Onpeak \$0.06002 per kWh per month for all metered onpeak kWh

Offpeak

Block 1 \$0.06002 per kWh per month for the first 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy

Block 2 \$0.02873 per kWh per month for the next 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy

Block 3 \$0.02873 per kWh per month for the hours use of onpeak metered demand in excess of 400 hours multiplied by the ratio of offpeak energy to total energy

For the Summer Period, Winter Period, and Transition Period, Offpeak Block 1 energy rates less fuel rate of \$0.01851 per kWh per month shall be applied to the portion, if any, of the minimum offpeak energy takings amount that is greater than the metered energy.

Facilities Rental Charge

There shall be no facilities rental charge under this rate schedule for delivery at bulk transmission voltage levels of 161kV or higher. For delivery at less than 161kV, there shall be added to the customer's bill a facilities rental charge. This charge shall be 37 cents per kW per month except for delivery at voltages below 46 kV, in which case the charge shall be 97 cents per kW per month for the first 10,000 kW and 76 cents per kW per month for the excess over 10,000 kW. Such charge shall be applied to the higher of (1) the highest billing demand established during the latest 12-consecutive-month period or (2) the higher of the customer's currently effective onpeak or offpeak contract demand and shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Reactive Demand Charge

If the reactive demand (in kVAR) is lagging during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's highest metered demand occurs, there shall be added to the customer's bill a reactive charge of \$1.46 per kVAR of the amount, if any, by which the reactive demand exceeds 33 percent of such metered demand. If the reactive demand (in kVAR) is leading during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's lowest metered demand (excluding any metered demands which are less than 25 percent of the highest metered demand) occurs, there shall be added to the customer's bill a reactive charge of \$1.14 per kVAR of the amount of reactive demand. Such charges shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Adjustment

Charges under this rate schedule may be increased or decreased to reflect changes in purchased power costs as determined by any purchased power adjustment adopted by the Board. Rates shown above are inclusive of the Purchased Power Adjustment for the current month.

Determination of Seasonal Periods

Summer Period shall mean the June, July, August, and September billing months. Winter Period shall mean the December, January, February, and March billing months. Transition Period shall mean the April, May, October, and November billing months. The Seasonal Periods under this rate schedule are subject to change by KUB. In the event KUB determines that changed Seasonal Periods are appropriate, such decision shall be made at least 11 months prior to the effective date of such changed periods, and KUB shall promptly notify customer.

Determination of Onpeak and Offpeak Hours

Except for Saturdays, Sundays, November 1, and the weekdays that are observed as Federal holidays for New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day, onpeak hours for each day shall for purposes of this rate schedule be 1 p.m. to 7 p.m. during the months of April, May, June, July, August, September and October and from 4 a.m. to 10 a.m. during the months of January, February, March, November, and December. All other hours of each day that are not otherwise defined as onpeak hours and all hours of such excepted days shall be offpeak hours. Such times shall be Central Standard Time or Central Daylight Time, whichever is then in effect. Said onpeak and offpeak hours are subject to change by KUB. In the event KUB determines that such changed onpeak and offpeak hours are appropriate, such decision shall be made at least 11 months prior to the effective date of such changed hours, and KUB shall promptly notify customer.

Determination of Onpeak and Offpeak Demands, Maximum Metered Demand, and Energy Amounts

The onpeak and offpeak kWh for any month shall be the energy amounts taken during the respective hours of the month designated under this rate schedule as onpeak and offpeak hours; provided, however, that notwithstanding the metered energy amount, the offpeak energy for any month shall in no case be less than the product of (1) the offpeak billing demand as calculated in the last sentence of the paragraph below and (2) 110 hours (reflecting a 15 percent load factor applied to the average number of hours in a month).

KUB shall meter the onpeak and offpeak demands in kW of all customers taking service under this rate schedule. The onpeak metered demand and offpeak metered demand for any month shall be determined separately for the respective hours of the month designated under this rate schedule as onpeak and offpeak hours and in each case shall be the highest average during any 30-consecutive-minute period beginning or ending on a clock hour of the month of the load metered in kW, and, except as provided below in this section, such amounts shall be used as the onpeak and offpeak billing demands.

The maximum billing demand for any month shall be the higher of (1) the highest onpeak billing demand in the month or (2) the highest offpeak billing demand in the month. The onpeak billing demand shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW, (2) 40 percent of the next 20,000 kW, and (3) 50 percent of any kW in excess of 25,000 kW of the higher of the currently effective onpeak contract demand or the highest onpeak billing demand established during the preceding 12 months. The offpeak billing demand shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW, (2) 40 percent of the next 20,000 kW, and (3) 50 percent of any kW in excess of 25,000 kW of the higher of the currently effective offpeak contract demand or the highest offpeak billing demand established during the preceding 12 months.

Minimum Bill

The monthly bill under this rate schedule, excluding any facilities rental charges and any reactive charges, shall not be less than the sum of (1) the base customer charge and administrative charge, (2) the portion of the base demand charge, as adjusted (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applicable to onpeak billing demand applied to the customer's onpeak billing demand, (3) the portion of the base demand charge, as adjusted, (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applicable to maximum billing demand applied to the customer's maximum billing demand, (4) the base onpeak energy charge, as adjusted, applied to the customer's onpeak energy takings, and (5) the base offpeak energy charge, as adjusted, applied to the higher of customer's actual offpeak energy takings or the minimum offpeak energy takings amount provided for in the first paragraph of the section of this rate schedule entitled "Determination of Onpeak and Offpeak Demands, Maximum Metered Demand, and Energy Amounts". Notwithstanding the foregoing, any fuel cost that is included in **any purchased power adjustment adopted by the Board** shall not be applied to any billed offpeak energy that exceeds the metered offpeak energy.

KUB may require minimum bills higher than those stated above.

Contract Requirement

KUB shall require contracts for all service provided under this rate schedule. The contract shall be for an initial term of at least five years and any renewals or extensions of the initial contract shall be for a term of at least one year; after ten years of service, any such contract for the renewal or extension of service may provide for termination upon not less than four months notice. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and KUB shall not be obligated to supply power in greater amount at any time than the customer's currently effective onpeak or offpeak contract demand. If the customer uses any power other than that supplied by KUB under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract shall be subject to adjustment, modification, change, or replacement from time to time as approved by the Board.

Single Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery point and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery point and at each different voltage shall be separately metered and billed.

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

MANUFACTURING SERVICE POWER RATE - SCHEDULE MSD

Availability

This rate, subject to availability from TVA, shall be available for firm electric power requirements where (a) a customer's currently effective onpeak or offpeak contract demand, whichever is higher, is greater than 25,000 kW, and (b) the major use of electricity is for activities conducted at the delivery point serving that customer which are classified with a 2-digit Standard Industrial Classification Code between 20 and 39, inclusive, or classified with 2002 North American Industry Classification System (NAICS) code 5181, or 2007 NAICS codes 5182, 522320, and 541214.

Prior to initially taking any service under this schedule, and from time to time thereafter as may be required by KUB, a customer shall certify to KUB that it meets the requirements set forth in condition (b) above. The certification form to be used shall be furnished by KUB to the customer, and signed and promptly returned by the customer to KUB. Further, such customer shall promptly certify any change in the status of any of the information contained in the certification form.

Service during any period for which a customer does not meet the eligibility requirements set forth in condition (b) above will be made available by KUB under, and billed in accordance with, the applicable General Power schedule.

For a customer requesting that its onpeak contract demand be different from its offpeak contract demand, this rate schedule shall be available only for (1) a new contract, (2) a replacement or renewal contract following expiration of the existing contract, or (3) a replacement or renewal contract or an amended existing contract in which the customer is increasing its demand requirements above the existing contract demand level, but under this item (3) neither the new onpeak nor the new offpeak contract demand shall be lower than the customer's existing contract demand.

Prior to participation in this rate, contract amendments may be required for continued participation in certain other programs and rate overlays as determined at KUB's sole discretion.

Character of Service

Alternating current, single or three-phase, 60 hertz. Power shall be delivered at a transmission voltage of 161 kV or, if such transmission voltage is not available, at the highest voltage available in the vicinity, unless at the customer's request a lower standard voltage is agreed upon.

Rates

Customer Charge: \$1,500 per delivery point per month.

Administrative Charge: \$700 per delivery point per month.

Demand Charge:

Summer Period:

Onpeak Demand \$10.59 per kW per month of the customer's onpeak billing demand

Maximum Demand \$2.85 per kW per month of the customer's maximum billing demand

Excess Demand \$13.44 per kW per month for each kW of the amount, if any, by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher

Winter Period:

Onpeak Demand \$9.59 per kW per month of the customer's onpeak billing demand

Maximum Demand \$2.85 per kW per month of the customer's maximum billing demand

Excess Demand \$12.44 per kW per month for each kW of the amount, if any, by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher

Transition Period:

Onpeak Demand \$9.59 per kW per month of the customer's onpeak billing demand

Maximum Demand \$2.85 per kW per month of the customer's maximum billing demand

Excess Demand \$12.44 per kW per month for each kW of the amount, if any, by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher

Energy Charge:

Summer Period:

Onpeak	\$0.07903 per kWh per month for all metered onpeak kWh
Offpeak	
Block 1	\$0.05318 per kWh per month for the first 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy
Block 2	\$0.02569 per kWh per month for the next 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy
Block 3	\$0.02509 per kWh per month for the hours use of onpeak metered demand in excess of 400 hours multiplied by the ratio of offpeak energy to total energy

Winter Period:

Onpeak	\$0.06723 per kWh per month for all metered onpeak kWh
Offpeak	
Block 1	\$0.05546 per kWh per month for the first 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy
Block 2	\$0.02569 per kWh per month for the next 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy
Block 3	\$0.02509 per kWh per month for the hours use of onpeak metered demand in excess of 400 hours multiplied by the ratio of offpeak energy to total energy

Transition Period:

Onpeak	\$0.05637 per kWh per month for all metered onpeak kWh
Offpeak	
Block 1	\$0.05637 per kWh per month for the first 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy
Block 2	\$0.02569 per kWh per month for the next 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy

Block 3 \$0.02509 per kWh per month for the hours use of onpeak metered demand in excess of 400 hours multiplied by the ratio of offpeak energy to total energy

For the Summer Period, Winter Period, and Transition Period, Offpeak Block 1 energy rates less fuel rate of \$0.01851 per kWh per month shall be applied to the portion, if any, of the minimum offpeak energy takings amount that is greater than the metered energy.

Facilities Rental Charge

There shall be no facilities rental charge under this rate schedule for delivery at bulk transmission voltage levels of 161kV or higher. For delivery at less than 161kV, there shall be added to the customer's bill a facilities rental charge. This charge shall be 37 cents per kW per month except for delivery at voltages below 46 kV, in which case the charge shall be 97 cents per kW per month for the first 10,000 kW and 76 cents per kW per month for the excess over 10,000 kW. Such charge shall be applied to the higher of (1) the highest billing demand established during the latest 12-consecutive-month period or (2) the higher of the customer's currently effective onpeak or offpeak contract demand and shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Reactive Demand Charge

If the reactive demand (in kVAR) is lagging during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's highest metered demand occurs, there shall be added to the customer's bill a reactive charge of \$1.46 per kVAR of the amount, if any, by which the reactive demand exceeds 33 percent of such metered demand. If the reactive demand (in kVAR) is leading during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's lowest metered demand (excluding any metered demands which are less than 25 percent of the highest metered demand) occurs, there shall be added to the customer's bill a reactive charge of \$1.14 per kVAR of the amount of reactive demand. Such charges shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Adjustment

Charges under this rate schedule may be increased or decreased to reflect changes in purchased power costs as determined by any purchased power adjustment adopted by the Board. Rates shown above are inclusive of the Purchased Power Adjustment for the current month.

Determination of Seasonal Periods

Summer Period shall mean the June, July, August, and September billing months. Winter Period shall mean the December, January, February, and March billing months. Transition Period shall mean the April, May, October, and November billing months. The Seasonal Periods under this rate schedule are subject to change by KUB. In the event KUB determines that changed Seasonal Periods are appropriate, such decision shall be made at least 11 months prior to the effective date of such changed periods, and KUB shall promptly notify customer.

Determination of Onpeak and Offpeak Hours

Except for Saturdays, Sundays, November 1, and the weekdays that are observed as Federal holidays for New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day, onpeak hours for each day shall for purposes of this rate schedule be 1 p.m. to 7 p.m. during the months of April, May, June, July, August, September and October and from 4 a.m. to 10 a.m. during the months of January, February, March, November, and December. All other hours of each day that are not otherwise defined as onpeak hours and all hours of such excepted days shall be offpeak hours. Such times shall be Central Standard Time or Central Daylight Time, whichever is then in effect. Said onpeak and offpeak hours are subject to change by KUB. In the event KUB determines that such changed onpeak and offpeak hours are appropriate, such decision shall be made at least 11 months prior to the effective date of such changed hours, and KUB shall promptly notify customer.

Determination of Onpeak and Offpeak Demands, Maximum Metered Demand, and Energy Amounts

The onpeak and offpeak kWh for any month shall be the energy amounts taken during the respective hours of the month designated under this rate schedule as onpeak and offpeak hours; provided, however, that notwithstanding the metered energy amount, the offpeak energy for any month shall in no case be less than the product of (1) the offpeak billing demand as calculated in the last sentence of the paragraph below and (2) 110 hours (reflecting a 15 percent load factor applied to the average number of hours in a month).

KUB shall meter the onpeak and offpeak demands in kW of all customers taking service under this rate schedule. The onpeak metered demand and offpeak metered demand for any month shall be determined separately for the respective hours of the month designated under this rate schedule as onpeak and offpeak hours and in each case shall be the highest average during any 30-consecutive-minute period beginning or ending on a clock hour of the month of the load metered in kW, and, except as provided below in this section, such amounts shall be used as the onpeak and offpeak billing demands.

The maximum billing demand for any month shall be the higher of (1) the highest onpeak billing demand in the month or (2) the highest offpeak billing demand in the month. The onpeak billing demand shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW and (2) 40 percent of the next 20,000 kW (3) 50 percent of the next 25,000 kW, (4) 60 percent of the next 50,000 kW, (5) 70 percent of the next 100,000 kW, (6) 80 percent of the next 150,000 kW, and (7) 85 percent of all kW in excess of 350,000 kW of the higher of the currently effective onpeak contract demand or the highest onpeak billing demand established during the preceding 12 months. The offpeak billing demand shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW, (2) 40 percent of the next 20,000 kW, (3) 50 percent of the next 25,000 kW, (4) 60 percent of the next 50,000 kW, and (5) 70 percent of the next 100,000 kW, (6) 80 percent of the next 150,000 kW, and (7) 85 percent of all kW in excess of 350,000 kW of the higher of the currently effective offpeak contract demand or the highest offpeak billing demand established during the preceding 12 months.

Minimum Bill

The monthly bill under this rate schedule, excluding any facilities rental charges and any reactive charges, shall not be less than the sum of (1) the base customer charge and administrative charge, (2) the portion of the base demand charge, as adjusted (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applicable to onpeak billing demand applied to the customer's onpeak billing demand, (3) the portion of the base demand charge, as adjusted, (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applicable to maximum billing demand applied to the customer's maximum billing demand, (4) the base onpeak energy charge, as adjusted, applied to the customer's onpeak energy takings, and (5) the base offpeak energy charge, as adjusted, applied to the higher of customer's actual offpeak energy takings or the minimum offpeak energy takings amount provided for in the first paragraph of the section of this rate schedule entitled "Determination of Onpeak and Offpeak Demands, Maximum Metered Demand, and Energy Amounts". Notwithstanding the foregoing, any fuel cost that is included in ***any purchased power adjustment adopted by the Board*** shall not be applied to any billed offpeak energy that exceeds the metered offpeak energy.

KUB may require minimum bills higher than those stated above.

Contract Requirement

KUB shall require contracts for all service provided under this rate schedule. The contract shall be for an initial term of at least five years and any renewals or extensions of the initial contract shall be for a term of at least five years; after ten years of service, any such contract for the renewal or extension of service may provide for termination upon not less than sixteen months notice. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and KUB shall not be obligated to supply power in greater amount at any time than the customer's

currently effective onpeak or offpeak contract demand. If the customer uses any power other than that supplied by KUB under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract shall be subject to adjustment, modification, change, or replacement from time to time as approved by the Board.

Single Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery point and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery point and at each different voltage shall be separately metered and billed.

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

ELECTRIC VEHICLE CHARGING POWER RATE - SCHEDULE EVC

Availability

This rate shall exclusively apply to separately metered charging stations for electric vehicles where the charging station's demand is greater than 50 kW but not more than 5,000 kW.

All customers participating under this rate schedule shall agree to a full requirements service from KUB. In addition, customers must agree that the sole use of the electric service is for the purpose of charging electric vehicles used for transportation purposes only.

Character of Service

Alternating current, single- or three-phase, 60 hertz. Power shall be delivered at a transmission voltage of 161 kV or, if such transmission voltage is not available, at the highest voltage available in the vicinity, unless at the customer's request a lower standard voltage is agreed upon.

Rates

Customer Charge: \$104.00 per delivery point per month

Monthly Energy Charge:	Onpeak	\$0.32263 per kWh for all metered onpeak kWh
	Offpeak	\$0.20526 per kWh for all metered offpeak kWh

Adjustment

Charges under this rate schedule may be increased or decreased to reflect changes in purchased power costs as determined by any purchased power adjustment adopted by the Board. Rates shown above are inclusive of the Purchased Power Adjustment for the current month.

Determination of Seasonal Periods

Summer Period shall mean the June, July, August, and September billing months. Winter Period shall mean the December, January, February, and March billing months. Transition Period shall mean the April, May, October, and November billing months. The Seasonal Periods under this rate schedule are subject to change by KUB. In the event KUB determines that changed Seasonal Periods are appropriate, such decision shall be made at least 11 months prior to the effective date of such changed periods, and KUB shall promptly notify customer.

Determination of Onpeak and Offpeak Hours

Except for Saturdays, Sundays, November 1, and the weekdays that are observed as Federal holidays for New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day, onpeak hours for each day shall for purposes of this rate schedule be from 2 p.m. to 8 p.m. during the months of April, May, June, July, August, September and October and from 5 a.m. to 11 a.m. during the months of January, February, March, November, and December. For all other hours of each day and all hours of such excepted days shall be offpeak hours. Such times shall be EST or EDT, whichever is then in effect. Said onpeak and offpeak hours are subject to change by KUB. In the event KUB determines that such changed onpeak and offpeak hours are appropriate, such decision shall be made at least 11 months prior to the effective date of such changed hours, and KUB shall promptly notify customer.

Minimum Bill

The base customer charge constitutes the minimum monthly bill for all customers served under this rate schedule except those customers for which a higher minimum monthly bill is required under KUB's standard policy because of special circumstances affecting the cost of rendering service.

Contract Requirement

At its sole discretion, KUB may require contracts for service provided under this rate schedule and such contracts shall be for an initial term of at least 90 days. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and KUB shall not be obligated to supply power in greater amount at any time than the customer's currently effective contract demand. The customer is prohibited from using any power other than that supplied by KUB under this rate schedule. All other power sources are prohibited. The contract may include other special provisions. The rate schedule in any power contract shall be subject to adjustment, modification, change, or replacement from time to time as approved by the Board.

After having received service for at least 90 days under this rate schedule, the customer, subject to 90 days prior written notice and appropriate amendments in its power contract with KUB, may receive service under the General Power Time-Of-Use Rate - Schedule GSA TOU. In such case the term of the power contract shall remain the same and the contract demand for service under the General Power Time-Of-Use Rate - Schedule GSA TOU shall not be less than the contract demand in effect when service was taken under this rate schedule.

Single-Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery and metering point, and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery and metering point and at each different voltage shall be separately metered and billed.

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

POWERFLEX

Availability

KUB provides PowerFlex to qualified power users through its wholesale power supplier, the Tennessee Valley Authority (TVA), in accordance with the power supply contract between KUB and TVA.

PowerFlex shall be made available to qualified power users pursuant to specific contractual arrangements between KUB and the customer (such contractual arrangements may be contained in one or more written instruments and are hereinafter sometimes referred to as the "Agreement").

Charges for PowerFlex

KUB Administrative Charge: \$350.00 per month

All other PowerFlex related charges including TVA Administrative Cost Charges shall be established in accordance with the Agreement.

Interruptibility

PowerFlex furnished to a customer under the Agreement shall be subject to interruption and to suspension of availability as provided for in the Agreement.

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

INTERRUPTIBLE POWER 5 (IP5)

Availability

KUB provides Interruptible Power 5 (IP5) to qualified power users through its wholesale power supplier, the Tennessee Valley Authority (TVA), in accordance with the power supply contract between KUB and TVA.

IP5 shall be made available to qualified power users pursuant to specific contractual arrangements between KUB and the customer (such contractual arrangements may be contained in one or more written instruments and are hereinafter sometimes referred to as the "Contract").

Charges for IP5

KUB Administrative Charge: \$350.00 per month

All other IP5-related charges including TVA Administrative Cost Charges shall be established in accordance with the Contract.

Interruptibility

IP5 furnished to a customer under the Contract shall be subject to interruption and to suspension of availability as provided for in the Contract.

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

INTERRUPTIBLE POWER 30 (IP30)

Availability

KUB provides Interruptible Power 30 (IP30) to qualified power users through its wholesale power supplier, the Tennessee Valley Authority (TVA), in accordance with the power supply contract between KUB and TVA.

IP30 shall be made available to qualified power users pursuant to specific contractual arrangements between KUB and the customer (such contractual arrangements may be contained in one or more written instruments and are hereinafter sometimes referred to as the "Contract").

Charges for IP30

KUB Administrative Charge: \$350.00 per month

All other IP30-related charges including TVA Administrative Cost Charges shall be established in accordance with the Contract.

Interruptibility

IP30 furnished to a customer under the Contract shall be subject to interruption and to suspension of availability as provided for in the Contract.

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

TWO-PART REAL TIME PRICING (RTP)

Availability

KUB provides Two-Part Real Time Pricing (Two-Part RTP) to qualified general power users through its wholesale power supplier, the Tennessee Valley Authority (TVA), in accordance with the power supply contract between KUB and TVA.

Two-Part RTP shall be made available to qualified general power users pursuant to specific contractual arrangements between KUB and the customer (such contractual arrangements may be contained in one or more written instruments and are hereinafter sometimes referred to as the "Contract").

Charges for Two-Part RTP

KUB Administrative Charge: \$350.00 per month

All other Two-Part RTP charges including TVA Administrative Charges shall be established in accordance with the Contract.

Interruptibility

Two-Part RTP furnished to a customer under the Contract may be subject to interruption and to suspension of availability as provided for in the Contract.

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

START-UP AND TESTING POWER (STP)

Availability

KUB provides Start-up and Testing Power (STP) to qualified power users through its wholesale power supplier, the Tennessee Valley Authority (TVA), in accordance with the power supply contract between KUB and TVA.

STP shall be made available to qualified power users pursuant to specific contractual arrangements between KUB and the customer (such contractual arrangements may be contained in one or more written instruments and are hereinafter sometimes referred to as the "Contract").

Charges for STP

KUB Administrative Charge: \$350.00 per month

All other STP-related charges including TVA Administrative Cost Charges shall be established in accordance with the Contract.

Interruptibility

STP furnished to a customer under the Contract shall be subject to interruption and to suspension of availability as provided for in the Contract.

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

RESIDENTIAL POWER TIME-OF-USE RATE - SCHEDULE RS-TOU

Availability

Service under this rate schedule shall be available only to residential customers served individually through a separate meter or through a KUB-approved multiple meter configuration designed as a single billing point.

Character of Service

Alternating current, single-phase, 60 hertz. Power shall be delivered at a service voltage available in the vicinity or agreed to by KUB. Multi-phase service shall be supplied in accordance with KUB's standard policy.

Rates

Basic Service Charge:	\$20.50 per month
Monthly Energy Charge:	Onpeak: \$0.21366 per kWh
	Offpeak: \$0.08190 per kWh

Adjustment

Charges under this rate schedule may be increased or decreased to reflect changes in purchased power costs as determined by any purchased power adjustment adopted by the Board. Rates shown above are inclusive of the Purchased Power Adjustment for the current month.

Determination of Onpeak and Offpeak Hours *All hours stated in Eastern Prevailing Time*

Weekdays (Monday - Friday)

Onpeak	2 PM to 8 PM calendar months April through October 5 AM to 11 AM calendar months November through March
Offpeak	All other hours

Weekends (Saturday – Sunday) and Holidays - all hours are Offpeak

Holidays include the weekdays that are observed as holidays:
New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day

Minimum Bill

The basic service charge constitutes the minimum monthly bill for all customers served under this rate schedule except those customers for which a higher minimum monthly bill is required under KUB's standard policy because of special circumstances affecting the cost of rendering service.

Single Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery and at a single voltage.

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

GENERAL POWER TIME-OF-USE RATE - SCHEDULE GSA-TOU

Availability

This rate shall be available for the firm power requirements for electric service to non-residential customers, where a customer's contract demand is 1,000 kW or less.

Character of Service

Alternating current, single or three-phase, 60 hertz. Power shall be delivered at a service voltage available in the vicinity or agreed to by KUB.

Rates

1. If the higher of (a) the customer's currently effective contract demand, if any, or (b) its highest billing demand during the latest 12-month period is not more than 50 kW:

Customer Charge: \$33.00 per delivery point per month

Monthly Demand Charge: \$2.27 per kW of maximum billing demand

Monthly Energy Charge: Onpeak \$0.21999 per kWh
Offpeak \$0.08768 per kWh

- 2A. If the higher of (a) the customer's currently effective contract demand or (b) its highest billing demand during the latest 12-month period is greater than 50 kW but not more than 100 kW:

Customer Charge: \$125.00 per delivery point per month

Monthly Demand Charge: \$5.16 per kW of maximum billing demand

Monthly Energy Charge: Onpeak \$0.23388 per kWh
Offpeak \$0.10157 per kWh

2B. If the higher of (a) the customer's currently effective contract demand or (b) its highest billing demand during the latest 12-month period is greater than 100 kW but not more than 1,000 kW:

Customer Charge: \$143.00 per delivery point per month

Monthly Demand Charge: \$7.58 per kW of maximum billing demand

Monthly Energy Charge: Onpeak \$0.20749 per kWh
Offpeak \$0.07518 per kWh

3. If the higher of (a) the customer's currently effective contract demand or (b) its highest billing demand during the latest 12-month period is greater than 1,000 kW, these customers are not eligible for the GSA-TOU rate schedule. The customer will be removed from this rate and billed under the default General Power Rate – Schedule GSA unless the customer qualifies and selects TDGSA or TDMSA rates.

Adjustment

Charges under this rate schedule may be increased or decreased to reflect changes in purchased power costs as determined by any purchased power adjustment adopted by the Board. Rates shown above are inclusive of the Purchased Power Adjustment for the current month.

Determination of Onpeak and Offpeak Hours *All hours stated in Eastern Prevailing Time*

Weekdays (Monday - Friday)

Onpeak 2 PM to 8 PM calendar months April through October
5 AM to 11 AM calendar months November through March

Offpeak All other hours

Weekends (Saturday – Sunday) and Holidays - all hours are Offpeak

Holidays include the weekdays that are observed as holidays:
New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day

Determination of Demand

KUB shall meter the demands in kW of all customers served under the GSA-TOU rate schedule. The Metered Demand for any month shall be the highest average during any 30-minute-consecutive period of the month of the load metered in kW. The Measured Demand for any month shall be the higher of (a) or (b) below.

The Billing Demand for any month shall be **the higher of** the following:

- (a) Metered Demand
- (b) 85 percent of the load in kVA
- (c) 30 percent of the higher of the currently effective contract demand or the highest billing demand established during the preceding 12 months.

Minimum Bill

The monthly bill under this rate schedule shall not be less than the sum of (a) the customer charge, (b) the demand charge, as adjusted, applied to the customer's billing demand, and (c) the energy charges, as adjusted, applied to the customer's energy takings.

KUB may require minimum bills higher than those stated above.

Contract Requirements

At its sole discretion, KUB may require contracts for service provided under this rate schedule and such contracts shall be for an initial term of at least one year. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and KUB shall not be obligated to supply power in greater amount at any time than the customer's currently effective contract demand. If the customer uses any power other than that supplied by KUB under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract shall be subject to adjustment, modification, change, or replacement from time to time as approved by the Board.

Single – Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery and metering point at each different voltage shall be separately metered and billed.

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

RATE SCHEDULE EVCP - Electric Vehicle Charging Pump Rate

Availability

Service under Rate Schedule EVCP is available to any vehicle served at KUB owned EV charging stations. This fuel is solely for use for charging commercial or personal vehicles.

Rate

Base Rate

\$0.42 per kWh

Plus

All applicable local, state, and federal taxes and applicable transaction fees.

Other Charges

Idle fees and any other charges can be found in the KUB Electric Service Procedures.

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

**RESOLUTION 1493
EXHIBIT B
RATE SCHEDULES OF THE ELECTRIC DIVISION
EFFECTIVE APRIL 1, 2026**

RESIDENTIAL POWER RATE - SCHEDULE RS

Availability

Service under this rate schedule shall be available only to residential customers served individually through a separate meter or through a KUB-approved multiple meter configuration designed as a single billing point.

Character of Service

Alternating current, single-phase, 60 hertz. Power shall be delivered at a service voltage available in the vicinity or agreed to by KUB. Multi-phase service shall be supplied in accordance with KUB's standard policy.

Rates

Basic Service Charge:	\$20.50 per month
Monthly Energy Charge:	Summer Period \$0.11071 per kWh
	Winter Period \$0.11030 per kWh
	Transition Period \$0.11030 per kWh

Adjustment

Charges under this rate schedule may be increased or decreased to reflect changes in purchased power costs as determined by any purchased power adjustment adopted by the Board. Rates shown above are inclusive of the Purchased Power Adjustment for the current month.

Determination of Seasonal Periods

Summer Period shall mean the June, July, August, and September billing months. Winter Period shall mean the December, January, February, and March billing months. Transition Period shall mean the April, May, October, and November billing months.

Minimum Bill

The basic service charge constitutes the minimum monthly bill for all customers served under this rate schedule except those customers for which a higher minimum monthly bill is required under KUB's standard policy because of special circumstances affecting the cost of rendering service.

Single Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery and at a single voltage.

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

GENERAL POWER RATE - SCHEDULE GSA

Availability

This rate shall be available for the firm power requirements for electric service to non-residential customers, where a customer's contract demand is 5,000 kW or less. This rate shall also apply to customers to whom service is not available under any other resale rate schedule.

Character of Service

Alternating current, single or three-phase, 60 hertz. Power shall be delivered at a service voltage available in the vicinity or agreed to by KUB.

Rates

1. If (a) the higher of (i) the customer's currently effective contract demand, if any, or (ii) its highest billing demand during the latest 12-month period is not more than 50 kW and (b) the customer's monthly energy takings for any month during such period do not exceed 15,000 kWh:

Customer Charge: \$34.00 per month

Monthly Demand Charge:

Summer Period	\$1.00 per kW of billing demand
Winter Period	\$1.00 per kW of billing demand
Transition Period	\$1.00 per kW of billing demand

Monthly Energy Charge:

Summer Period	\$0.12970 per kWh
Winter Period	\$0.12929 per kWh
Transition Period	\$0.12929 per kWh

2. If (a) the higher of (i) the customer's currently effective contract demand or (ii) its highest billing demand during the latest 12-month period is greater than 50 kW but not more than 1,000 kW or (b) the customer's billing demand is less than 50 kW and its energy takings for any month during such period exceed 15,000 kWh:

Customer Charge: \$145.00 per month

Monthly Demand Charge:

Summer Period	First 50 kW of billing demand	\$1.00 per kW
	Over 50 kW of billing demand	\$17.87 per kW
Winter Period	First 50 kW of billing demand	\$1.00 per kW
	Over 50 kW of billing demand	\$17.08 per kW
Transition Period	First 50 kW of billing demand	\$1.00 per kW
	Over 50 kW of billing demand	\$17.08 per kW

Monthly Energy Charge:

Summer Period	First 15,000 kWh	\$0.16403 per kWh
	Additional kWh	\$0.07246 per kWh
Winter Period	First 15,000 kWh	\$0.16362 per kWh
	Additional kWh	\$0.07246 per kWh
Transition Period	First 15,000 kWh	\$0.16362 per kWh
	Additional kWh	\$0.07246 per kWh

3. If the higher of (a) the customer's currently effective contract demand or (b) its highest billing demand during the latest 12-month period is greater than 1,000 kW:

Customer Charge: \$339.00 per month

Monthly Demand Charge:

Summer Period	First 1,000 kW of billing demand	\$18.81 per kW
	Over 1,000 kW of billing demand	\$19.57 per kW
	Excess kW of billing demand	\$19.57 per kW
Winter Period	First 1,000 kW of billing demand	\$18.05 per kW
	Over 1,000 kW of billing demand	\$18.81 per kW
	Excess kW of billing demand	\$18.81 per kW
Transition Period	First 1,000 kW of billing demand	\$18.05 per kW
	Over 1,000 kW of billing demand	\$18.81 per kW
	Excess kW of billing demand	\$18.81 per kW

Monthly Excess Demand Charges are applicable to the amount by which the customer's billing demand exceeds the higher of 2,500 kW or its contract demand.

Monthly Energy Charge:

Summer Period	\$0.08442 per kWh
Winter Period	\$0.08442 per kWh
Transition Period	\$0.08442 per kWh

Adjustment

Charges under this rate schedule may be increased or decreased to reflect changes in purchased power costs as determined by any purchased power adjustment adopted by the Board. Rates shown above are inclusive of the Purchased Power Adjustment for the current month.

Determination of Seasonal Periods

Summer Period shall mean the June, July, August, and September billing months. Winter Period shall mean the December, January, February, and March billing months. Transition Period shall mean the April, May, October, and November billing months.

Determination of Demand

KUB shall meter the demands in kW of all GSA customers. The metered demand for any month shall be the highest average during any 30-consecutive-minute period of the month of the load metered in kW. The measured demand for any month shall be the higher of the highest average during any 30-consecutive-minute period of the month of (a) the load metered in kW or (b) 85 percent of the load in kVA plus an additional 10 percent for that part of the load over 5,000 kVA, and such measured demand shall be used as the billing demand, except that the billing demand for any month shall in no case be less than 30 percent of the higher of the currently effective contract demand or the highest billing demand established during the preceding 12 months.

Minimum Bill

The monthly bill under this rate schedule shall not be less than the sum of (a) the base customer charge, (b) the base demand charge, as adjusted, applied to the customer's billing demand, and (c) the base energy charge, as adjusted, applied to the customer's energy takings; provided, however, that, under (2.) of the Base Charges, the monthly bill shall in no event be less than the sum (a) the base customer charge and (b) 20 percent of the portion of the base demand charge, as adjusted, applicable to the second block (excess over 50kW) of billing demand, multiplied by the higher of the customer's currently effective contract demand or its highest billing demand established during the preceding 12 months.

KUB may require minimum bills higher than those stated above.

Contract Requirements

KUB shall require contracts for service provided under this rate schedule to customers whose demand requirements exceed 1,000 kW and such contracts shall be for an initial term of at least one year. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and KUB shall not be obligated to supply power in greater amount at any time than the customer's

currently effective contract demand. If the customer uses any power other than that supplied by KUB under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract shall be subject to adjustment, modification, change, or replacement from time to time as approved by the Board.

Single – Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery point at each different voltage shall be separately metered and billed.

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

OUTDOOR LIGHTING POWER RATE - SCHEDULE LS

Availability

Available for service to street and park lighting systems, traffic signal systems, athletic field lighting installations, and outdoor lighting for individual customers.

Determination of Seasonal Periods

Summer Period shall mean the June, July, August, and September billing months. Winter Period shall mean the December, January, February, and March billing months. Transition Period shall mean the April, May, October, and November billing months.

PART A

CHARGES FOR STREET AND PARK LIGHTING SYSTEMS, TRAFFIC SIGNAL SYSTEMS, AND ATHLETIC FIELD LIGHTING INSTALLATIONS

I. Monthly Energy Charge:

Summer Period	\$0.09960 per kWh
Winter Period	\$0.09960 per kWh
Transition Period	\$0.09960 per kWh

II. Facility Charge

The annual facility charge shall be **13.00** percent of the installed cost to KUB's electric system of the facilities devoted to street and park lighting service specified in this Part A. Such installed cost shall be recomputed on July 1 of each year, or more often if substantial changes in the facilities are made. Each month, one-twelfth of the then total annual facility charge shall be billed to the customer. If any part of the facilities has not been provided at the electric system's expense or if the installed cost of any portion thereof is reflected on the books of another municipality or agency or department, the annual facility charge shall be adjusted to reflect properly the remaining cost to be borne by the electric system.

Traffic signal systems and athletic field lighting installations shall be provided, owned, and maintained by and at the expense of the customer, except as KUB may agree otherwise in accordance with the provisions of the paragraph next following in this Section II. The facilities necessary to provide service to such systems and installations shall be provided by and at the expense of KUB's electric system, and the annual facility charge provided for first above in this Section II shall apply to the installed cost of such facilities.

When so authorized by policy duly adopted by the Board, traffic signal systems and athletic field lighting installations may be provided, owned, and maintained by KUB's electric system for the customer's benefit. In such cases KUB may require reimbursement from the customer for a portion of the initial installed cost of any such system or installation and shall require payment by the customer of a facility charge sufficient to cover all of KUB's costs (except reimbursed costs), including appropriate overheads, of providing, owning, and maintaining such system or installation; provided that, for athletic field lighting installations, such facility charge shall be **12.00** percent per year of such costs. Said facility charge shall be in addition to the annual facility charge on the facilities necessary to provide service to such system or installation as provided for in the preceding paragraph. Replacement of lamps and related glassware for traffic signal systems and athletic field lighting installations provided under this paragraph shall be paid for under the provisions of paragraph A in section IV.

III. Customer Charge – Traffic Signal Systems and Athletic Field Lighting Installations.

KUB shall apply a uniform **monthly customer charge of \$2.50** for service to each traffic signal system or athletic field lighting installation.

IV. Replacement of Lamps and Related Glassware – Street and Park Lighting

Customer shall be billed and shall pay for replacements as provided in paragraph A below, which shall be applied to all service for street and park lighting.

- A. KUB shall bill the customer monthly for such replacements during each month at KUB's cost of materials, including appropriate storeroom expense.
- B. KUB shall bill the customer monthly for one-twelfth of the amount by which KUB's cost of materials, including appropriate storeroom expenses, exceeds the products of 3 mills multiplied by the number of kilowatt-hours used for street and park lighting during the fiscal year immediately preceding the fiscal year in which such month occurs.

Metering

For any billing month or part of such month in which the energy is not metered or for which a meter reading is found to be in error or a meter is found to have failed, the energy for billing purposes for that billing month or part of such month shall be computed from the rated capacity of the lamps (including ballast) plus 3 percent of such capacity to reflect secondary circuit losses, multiplied by the number of hours of use.

Revenue and Cost Review

KUB's costs of providing service under Part A of this rate schedule are subject to review at any time to determine if KUB's revenues from the charges being applied are sufficient

to cover its costs. (Such costs, including applicable overheads, include, but are not limited to, those incurred in the operation and maintenance of the systems provided and those resulting from depreciation and payments for taxes, tax equivalents and interest). If any such review discloses that revenues are either less or more than sufficient to cover said costs, the Board shall revise the above facility charges so that revenues will be sufficient to cover said costs.

PART B
Outdoor Lighting for Individual Customers

<u>Type of Fixture</u>	<u>Monthly Charges by Lamp Type</u>			
	<u>Lamp Size</u>	<u>Rated kWh</u>	<u>Facility Charge</u>	<u>Total Lamp Charge</u>
Light-Emitting Diode (LED)	100WE	21	\$ 6.85	\$ 8.95
	250WE	58	\$ 8.48	\$14.26
	400WE	79	\$11.65	\$19.52
High Pressure Sodium (HPS)	100W	42	\$5.96	\$10.14
	250W	105	\$7.07	\$17.53
	400W	165	\$8.32	\$24.75
	1,000W*	385	\$13.31	\$51.66
Decorative	100W	42	\$6.80	\$10.98

* 1,000 watt fixtures not offered for new service.

Monthly Energy Charge for each lamp size above:

Summer Period	\$0.09960 per kWh
Winter Period	\$0.09960 per kWh
Transition Period	\$0.09960 per kWh

Additional Facilities

The above charges in this Part B are limited to service from a photoelectrically controlled standard lighting fixture installed on a pole already in place. If the customer wishes to have the fixture installed at a location other than on a pole already in place, the customer shall pay an **additional monthly charge of \$6.00 per pole** for additional poles required to serve the fixture from KUB's nearest available source. (This section does not apply to Decorative Lighting Fixtures).

Adjustment

Charges under this rate schedule may be increased or decreased to reflect changes in purchased power costs as determined by any purchased power adjustment adopted by the Board. Rates shown above are inclusive of the Purchased Power Adjustment for the current month.

Lamp Replacements

Replacements of lamps and related glassware will be made in accordance with replacement policies of KUB.

Special Outdoor Lighting Installations

When so authorized by policy duly adopted by the Board, special outdoor lighting installations (other than as provided for under Parts A and B above) may be provided, owned, and maintained by KUB's electric system. In such cases, KUB may require reimbursement from the customer for a portion of the initial installed cost of any such installation and shall require payment by the customer of monthly charges sufficient to cover all of KUB's costs (except reimbursed costs), including appropriate overheads of providing, owning, and maintaining such installations, and making lamp replacements.

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

GENERAL POWER RATE - SCHEDULE TDGSA

Availability

This rate, subject to availability from TVA, shall be available for firm electric power requirements where the higher of a customer's currently effective onpeak or offpeak contract demand is greater than 1,000 kW but not more than 5,000 kW for electric service to commercial, industrial, and governmental customers, and to institutional customers, including, without limitation, churches, clubs, fraternities, orphanages, nursing homes, rooming or boarding houses, and like customers, provided that the other conditions of this section are met.

For a customer requesting that its onpeak contract demand be different from its offpeak contract demand, this rate schedule shall be available only for (1) a new contract, (2) a replacement or renewal contract following expiration of the existing contract, or (3) a replacement or renewal contract or an amended existing contract in which the customer is increasing its demand requirements above the existing contract demand level, but under this item (3) neither the new onpeak nor the new offpeak contract demand shall be lower than the customer's existing contract demand.

Prior to participation in this rate, contract amendments may be required for continued participation in certain other programs and rate overlays as determined at KUB's sole discretion.

Character of Service

Alternating current, single or three-phase, 60 hertz. Power shall be delivered at a transmission voltage of 161 kV or, if such transmission voltage is not available, at the highest voltage available in the vicinity, unless at the customer's request a lower standard voltage is agreed upon.

Rates

Customer Charge: \$1,500 per delivery point per month.

Administrative Charge: \$700 per delivery point per month.

Demand Charge:

Summer Period:

Onpeak Demand \$11.44 per kW per month of the customer's onpeak billing demand

Maximum Demand	\$8.76 per kW per month of the customer's maximum billing demand
Excess Demand	\$20.20 per kW per month for each kW of the amount, if any, by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher
Winter Period:	
Onpeak Demand	\$10.44 per kW per month of the customer's onpeak billing demand
Maximum Demand	\$8.76 per kW per month of the customer's maximum billing demand
Excess Demand	\$19.20 per kW per month for each kW of the amount, if any, by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher
Transition Period:	
Onpeak Demand	\$10.44 per kW per month of the customer's onpeak billing demand
Maximum Demand	\$8.76 per kW per month of the customer's maximum billing demand
Excess Demand	\$19.20 per kW per month for each kW of the amount, if any, by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher
Energy Charge:	
Summer Period:	
Onpeak	\$0.12636 per kWh per month for all metered onpeak kWh
Offpeak	
Block 1	\$0.09136 per kWh per month for the first 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy

Block 2	\$0.04699 per kWh per month for the next 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy
Block 3	\$0.04383 per kWh per month for the hours use of onpeak metered demand in excess of 400 hours multiplied by the ratio of offpeak energy to total energy
Winter Period:	
Onpeak	\$0.11039 per kWh per month for all metered onpeak kWh
Offpeak	
Block 1	\$0.09446 per kWh per month for the first 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy
Block 2	\$0.04699 per kWh per month for the next 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy
Block 3	\$0.04383 per kWh per month for the hours use of onpeak metered demand in excess of 400 hours multiplied by the ratio of offpeak energy to total energy
Transition Period:	
Onpeak	\$0.09571 per kWh per month for all metered onpeak kWh
Offpeak	
Block 1	\$0.09571 per kWh per month for the first 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy
Block 2	\$0.04699 per kWh per month for the next 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy
Block 3	\$0.04383 per kWh per month for the hours use of onpeak metered demand in excess of 400 hours multiplied by the ratio of offpeak energy to total energy

For the Summer Period, Winter Period, and Transition Period, Offpeak Block 1 energy rates less fuel rate of \$0.01851 per kWh per month shall be applied to the portion, if any, of the minimum offpeak energy takings amount that is greater than the metered energy.

Facilities Rental Charge

There shall be no facilities rental charge under this rate schedule for delivery at bulk transmission voltage levels of 161kV or higher. For delivery at less than 161kV, there shall be added to the customer's bill a facilities rental charge. This charge shall be 37 cents per kW per month except for delivery at voltages below 46 kV, in which case the charge shall be 97 cents per kW per month for the first 10,000 kW and 76 cents per kW per month for the excess over 10,000 kW. Such charge shall be applied to the higher of (1) the highest billing demand established during the latest 12-consecutive-month period or (2) the higher of the customer's currently effective onpeak or offpeak contract demand and shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Reactive Demand Charge

If the reactive demand (in kVAR) is lagging during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's highest metered demand occurs, there shall be added to the customer's bill a reactive charge of \$1.46 per kVAR of the amount, if any, by which the reactive demand exceeds 33 percent of such metered demand. If the reactive demand (in kVAR) is leading during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's lowest metered demand (excluding any metered demands which are less than 25 percent of the highest metered demand) occurs, there shall be added to the customer's bill a reactive charge of \$1.14 per kVAR of the amount of reactive demand. Such charges shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Adjustment

Charges under this rate schedule may be increased or decreased to reflect changes in purchased power costs as determined by any purchased power adjustment adopted by the Board. Rates shown above are inclusive of the Purchased Power Adjustment for the current month.

Determination of Seasonal Periods

Summer Period shall mean the June, July, August, and September billing months. Winter Period shall mean the December, January, February, and March billing months. Transition Period shall mean the April, May, October, and November billing months. The Seasonal Periods under this rate schedule are subject to change by KUB. In the event KUB determines that changed Seasonal Periods are appropriate, such decision shall be made at least 11 months prior to the effective date of such changed periods, and KUB shall promptly notify customer.

Determination of Onpeak and Offpeak Hours

Except for Saturdays, Sundays, November 1, and the weekdays that are observed as Federal holidays for New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day, onpeak hours for each day shall for purposes of this rate schedule be 1 p.m. to 7 p.m. during the months of April, May, June, July, August, September and October and from 4 a.m. to 10 a.m. during the months of January, February, March, November, and December. All other hours of each day that are not otherwise defined as onpeak hours and all hours of such excepted days shall be offpeak hours. Such times shall be Central Standard Time or Central Daylight Time, whichever is then in effect. Said onpeak and offpeak hours are subject to change by KUB. In the event KUB determines that such changed onpeak and offpeak hours are appropriate, such decision shall be made at least 11 months prior to the effective date of such changed hours, and KUB shall promptly notify customer.

Determination of Onpeak and Offpeak Demands, Maximum Metered Demand, and Energy Amounts

The onpeak and offpeak kWh for any month shall be the energy amounts taken during the respective hours of the month designated under this rate schedule as onpeak and offpeak hours; provided, however, that notwithstanding the metered energy amount, the offpeak energy for any month shall in no case be less than the product of (1) the offpeak billing demand as calculated in the last sentence of the paragraph below and (2) 110 hours (reflecting a 15 percent load factor applied to the average number of hours in a month).

KUB shall meter the onpeak and offpeak demands in kW of all customers taking service under this rate schedule. The onpeak metered demand and offpeak metered demand for any month shall be determined separately for the respective hours of the month designated under this rate schedule as onpeak and offpeak hours and in each case shall be the highest average during any 30-consecutive-minute period beginning or ending on a clock hour of the month of the load metered in kW, and, except as provided below in this section, such amounts shall be used as the onpeak and offpeak billing demands.

The maximum billing demand for any month shall be the higher of (1) the highest onpeak billing demand in the month or (2) the highest offpeak billing demand in the month. The onpeak billing demand shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW and (2) 40 percent of any kW in excess of 5,000 kW of the higher of the currently effective onpeak contract demand or the highest onpeak billing demand established during the preceding 12 months. The offpeak billing demand shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW and (2) 40 percent of any kW in excess of 5,000 kW of the higher of the currently effective offpeak contract demand or the highest offpeak billing demand established during the preceding 12 months.

Minimum Bill

The monthly bill under this rate schedule, excluding any facilities rental charges and any reactive charges, shall not be less than the sum of (1) the base customer charge and administrative charge, (2) the portion of the base demand charge, as adjusted (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applicable to onpeak billing demand applied to the customer's onpeak billing demand, (3) the portion of the base demand charge, as adjusted, (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applicable to maximum billing demand applied to the customer's maximum billing demand, (4) the base onpeak energy charge, as adjusted, applied to the customer's onpeak energy takings, and (5) the base offpeak energy charge, as adjusted, applied to the higher of customer's actual offpeak energy takings or the minimum offpeak energy takings amount provided for in the first paragraph of the section of this rate schedule entitled "Determination of Onpeak and Offpeak Demands, Maximum Metered Demand, and Energy Amounts". Notwithstanding the foregoing, any fuel cost that is included in ***any purchased power adjustment adopted by the Board*** shall not be applied to any billed offpeak energy that exceeds the metered offpeak energy.

KUB may require minimum bills higher than those stated above.

Contract Requirement

KUB shall require contracts for all service provided under this rate schedule. The contract shall be for an initial term of at least five years and any renewals or extensions of the initial contract shall be for a term of at least one year; after ten years of service, any such contract for the renewal or extension of service may provide for termination upon not less than four months notice. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and KUB shall not be obligated to supply power in greater amount at any time than the customer's currently effective onpeak or offpeak contract demand. If the customer uses any power other than that supplied by KUB under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract shall be subject to adjustment, modification, change, or replacement from time to time as approved by the Board.

Single Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery point and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery point and at each different voltage shall be separately metered and billed.

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

GENERAL POWER RATE - SCHEDULE GSB

Availability

This rate, subject to availability from TVA, shall be available for firm electric power requirements where the higher of a customer's currently effective onpeak or offpeak contract demand is greater than 5,000 kW but not more than 15,000 kW; provided that the other conditions of this section are met.

For a customer requesting that its onpeak contract demand be different from its offpeak contract demand, this rate schedule shall be available only for (1) a new contract, (2) a replacement or renewal contract following expiration of the existing contract, or (3) a replacement or renewal contract or an amended existing contract in which the customer is increasing its demand requirements above the existing contract demand level, but under this item (3) neither the new onpeak nor the new offpeak contract demand shall be lower than the customer's existing contract demand.

Prior to participation in this rate, contract amendments may be required for continued participation in certain other programs and rate overlays as determined at KUB's sole discretion.

Character of Service

Alternating current, single or three-phase, 60 hertz. Power shall be delivered at a transmission voltage of 161 kV or, if such transmission voltage is not available, at the highest voltage available in the vicinity, unless at the customer's request a lower standard voltage is agreed upon.

Rates

Customer Charge: \$1,500 per delivery point per month.

Administrative Charge: \$700 per delivery point per month.

Demand Charge:

Summer Period:

Onpeak Demand \$11.23 per kW per month of the customer's onpeak billing demand

Maximum Demand \$6.76 per kW per month of the customer's maximum billing demand

Excess Demand \$17.99 per kW per month for each kW of the amount, if any, by which (1) the customer's onpeak billing demand

exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher

Winter Period:

Onpeak Demand \$10.23 per kW per month of the customer's onpeak billing demand

Maximum Demand \$6.76 per kW per month of the customer's maximum billing demand

Excess Demand \$16.99 per kW per month for each kW of the amount, if any, by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher

Transition Period:

Onpeak Demand \$10.23 per kW per month of the customer's onpeak billing demand

Maximum Demand \$6.76 per kW per month of the customer's maximum billing demand

Excess Demand \$16.99 per kW per month for each kW of the amount, if any, by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher

Energy Charge:

Summer Period:

Onpeak \$0.09219 per kWh per month for all metered onpeak kWh

Offpeak

Block 1 \$0.06642 per kWh per month for the first 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy

Block 2 \$0.03067 per kWh per month for the next 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy

Block 3 \$0.02714 per kWh per month for the hours use of onpeak metered demand in excess of 400 hours multiplied by the ratio of offpeak energy to total energy

Winter Period:	
Onpeak	\$0.08044 per kWh per month for all metered onpeak kWh
Offpeak	
Block 1	\$0.06872 per kWh per month for the first 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy
Block 2	\$0.03067 per kWh per month for the next 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy
Block 3	\$0.02714 per kWh per month for the hours use of onpeak metered demand in excess of 400 hours multiplied by the ratio of offpeak energy to total energy

Transition Period:	
Onpeak	\$0.06609 per kWh per month for all metered onpeak kWh
Offpeak	
Block 1	\$0.06609 per kWh per month for the first 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy
Block 2	\$0.03067 per kWh per month for the next 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy
Block 3	\$0.02714 per kWh per month for the hours use of onpeak metered demand in excess of 400 hours multiplied by the ratio of offpeak energy to total energy

For the Summer Period, Winter Period, and Transition Period, Offpeak Block 1 energy rates less fuel rate of \$0.01851 per kWh per month shall be applied to the portion, if any, of the minimum offpeak energy takings amount that is greater than the metered energy.

Facilities Rental Charge

There shall be no facilities rental charge under this rate schedule for delivery at bulk transmission voltage levels of 161kV or higher. For delivery at less than 161kV, there shall be added to the customer's bill a facilities rental charge. This charge shall be 37 cents per kW per month except for delivery at voltages below 46 kV, in which case the charge shall be 97 cents per kW per month for the first 10,000 kW and 76 cents per kW per month for the excess over 10,000 kW. Such charge shall be applied to the higher of

(1) the highest billing demand established during the latest 12-consecutive-month period or (2) the higher of the customer's currently effective onpeak or offpeak contract demand and shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Reactive Demand Charge

If the reactive demand (in kVAR) is lagging during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's highest metered demand occurs, there shall be added to the customer's bill a reactive charge of \$1.46 per kVAR of the amount, if any, by which the reactive demand exceeds 33 percent of such metered demand. If the reactive demand (in kVAR) is leading during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's lowest metered demand (excluding any metered demands which are less than 25 percent of the highest metered demand) occurs, there shall be added to the customer's bill a reactive charge of \$1.14 per kVAR of the amount of reactive demand. Such charges shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Adjustment

Charges under this rate schedule may be increased or decreased to reflect changes in purchased power costs as determined by any purchased power adjustment adopted by the Board. Rates shown above are inclusive of the Purchased Power Adjustment for the current month.

Determination of Seasonal Periods

Summer Period shall mean the June, July, August, and September billing months. Winter Period shall mean the December, January, February, and March billing months. Transition Period shall mean the April, May, October, and November billing months. The Seasonal Periods under this rate schedule are subject to change by KUB. In the event KUB determines that changed Seasonal Periods are appropriate, such decision shall be made at least 11 months prior to the effective date of such changed periods, and KUB shall promptly notify customer.

Determination of Onpeak and Offpeak Hours

Except for Saturdays, Sundays, November 1, and the weekdays that are observed as Federal holidays for New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day, onpeak hours for each day shall for purposes of this rate schedule be 1 p.m. to 7 p.m. during the months of April, May, June, July, August, September and October and from 4 a.m. to 10 a.m. during the months of January, February, March, November, and December. All other hours of each day that are not otherwise defined as onpeak hours and all hours of such excepted days shall be offpeak hours. Such times shall be Central Standard Time or Central Daylight Time, whichever is

then in effect. Said onpeak and offpeak hours are subject to change by KUB. In the event KUB determines that such changed onpeak and offpeak hours are appropriate, such decision shall be made at least 11 months prior to the effective date of such changed hours, and KUB shall promptly notify customer.

Determination of Onpeak and Offpeak Demands,
Maximum Metered Demand, and Energy Amounts

The onpeak and offpeak kWh for any month shall be the energy amounts taken during the respective hours of the month designated under this rate schedule as onpeak and offpeak hours; provided, however, that notwithstanding the metered energy amount, the offpeak energy for any month shall in no case be less than the product of (1) the offpeak billing demand as calculated in the last sentence of the paragraph below and (2) 110 hours (reflecting a 15 percent load factor applied to the average number of hours in a month).

KUB shall meter the onpeak and offpeak demands in kW of all customers taking service under this rate schedule. The onpeak metered demand and offpeak metered demand for any month shall be determined separately for the respective hours of the month designated under this rate schedule as onpeak and offpeak hours and in each case shall be the highest average during any 30-consecutive-minute period beginning or ending on a clock hour of the month of the load metered in kW, and, except as provided below in this section, such amounts shall be used as the onpeak and offpeak billing demands.

The maximum billing demand for any month shall be the higher of (1) the highest onpeak billing demand in the month or (2) the highest offpeak billing demand in the month. The onpeak billing demand shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW and (2) 40 percent of any kW in excess of 5,000 kW of the higher of the currently effective onpeak contract demand or the highest onpeak billing demand established during the preceding 12 months. The offpeak billing demand shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW and (2) 40 percent of any kW in excess of 5,000 kW of the higher of the currently effective offpeak contract demand or the highest offpeak billing demand established during the preceding 12 months.

Minimum Bill

The monthly bill under this rate schedule, excluding any facilities rental charges and any reactive charges, shall not be less than the sum of (1) the base customer charge and administrative charge, (2) the portion of the base demand charge, as adjusted (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applicable to onpeak billing demand applied to the customer's onpeak billing demand, (3) the portion of the base demand charge, as adjusted, (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applicable to maximum billing demand applied to the customer's maximum billing demand, (4) the base onpeak energy charge, as adjusted, applied to the customer's onpeak energy takings, and (5) the base offpeak energy charge, as adjusted,

applied to the higher of customer's actual offpeak energy takings or the minimum offpeak energy takings amount provided for in the first paragraph of the section of this rate schedule entitled "Determination of Onpeak and Offpeak Demands, Maximum Metered Demand, and Energy Amounts". Notwithstanding the foregoing, any fuel cost that is included in ***any purchased power adjustment adopted by the Board*** shall not be applied to any billed offpeak energy that exceeds the metered offpeak energy.

KUB may require minimum bills higher than those stated above.

Contract Requirement

KUB shall require contracts for all service provided under this rate schedule. The contract shall be for an initial term of at least five years and any renewals or extensions of the initial contract shall be for a term of at least one year; after ten years of service, any such contract for the renewal or extension of service may provide for termination upon not less than four months notice. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and KUB shall not be obligated to supply power in greater amount at any time than the customer's currently effective onpeak or offpeak contract demand. If the customer uses any power other than that supplied by KUB under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract shall be subject to adjustment, modification, change, or replacement from time to time as approved by the Board.

Single Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery point and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery point and at each different voltage shall be separately metered and billed.

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

GENERAL POWER RATE - SCHEDULE GSC

Availability

This rate, subject to availability from TVA, shall be available for firm electric power requirements where the higher of a customer's currently effective onpeak or offpeak contract demand is greater than 15,000 kW but not more than 25,000 kW; provided that the other conditions of this section are met.

For a customer requesting that its onpeak contract demand be different from its offpeak contract demand, this rate schedule shall be available only for (1) a new contract, (2) a replacement or renewal contract following expiration of the existing contract, or (3) a replacement or renewal contract or an amended existing contract in which the customer is increasing its demand requirements above the existing contract demand level, but under this item (3) neither the new onpeak nor the new offpeak contract demand shall be lower than the customer's existing contract demand.

Prior to participation in this rate, contract amendments may be required for continued participation in certain other programs and rate overlays as determined at KUB's sole discretion.

Character of Service

Alternating current, single or three-phase, 60 hertz. Power shall be delivered at a transmission voltage of 161 kV or, if such transmission voltage is not available, at the highest voltage available in the vicinity, unless at the customer's request a lower standard voltage is agreed upon.

Rates

Customer Charge: \$1,500 per delivery point per month.

Administrative Charge: \$700 per delivery point per month.

Demand Charge:

Summer Period:

Onpeak Demand \$11.23 per kW per month of the customer's onpeak billing demand

Maximum Demand \$6.59 per kW per month of the customer's maximum billing demand

Excess Demand \$17.82 per kW per month for each kW of the amount, if any, by which (1) the customer's onpeak billing demand

exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher

Winter Period:

Onpeak Demand \$10.23 per kW per month of the customer's onpeak billing demand

Maximum Demand \$6.59 per kW per month of the customer's maximum billing demand

Excess Demand \$16.82 per kW per month for each kW of the amount, if any, by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher

Transition Period:

Onpeak Demand \$10.23 per kW per month of the customer's onpeak billing demand

Maximum Demand \$6.59 per kW per month of the customer's maximum billing demand

Excess Demand \$16.82 per kW per month for each kW of the amount, if any, by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher

Energy Charge:

Summer Period:

Onpeak \$0.09234 per kWh per month for all metered onpeak kWh

Offpeak

Block 1 \$0.06657 per kWh per month for the first 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy

Block 2 \$0.03082 per kWh per month for the next 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy

Block 3 \$0.02729 per kWh per month for the hours use of onpeak metered demand in excess of 400 hours multiplied by the ratio of offpeak energy to total energy

Winter Period:

Onpeak \$0.08059 per kWh per month for all metered onpeak kWh

Offpeak

Block 1 \$0.06887 per kWh per month for the first 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy

Block 2 \$0.03082 per kWh per month for the next 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy

Block 3 \$0.02729 per kWh per month for the hours use of onpeak metered demand in excess of 400 hours multiplied by the ratio of offpeak energy to total energy

Transition Period:

Onpeak \$0.06624 per kWh per month for all metered onpeak kWh

Offpeak

Block 1 \$0.06624 per kWh per month for the first 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy

Block 2 \$0.03082 per kWh per month for the next 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy

Block 3 \$0.02729 per kWh per month for the hours use of onpeak metered demand in excess of 400 hours multiplied by the ratio of offpeak energy to total energy

For the Summer Period, Winter Period, and Transition Period, Offpeak Block 1 energy rates less fuel rate of \$0.01851 per kWh per month shall be applied to the portion, if any, of the minimum offpeak energy takings amount that is greater than the metered energy.

Facilities Rental Charge

There shall be no facilities rental charge under this rate schedule for delivery at bulk transmission voltage levels of 161kV or higher. For delivery at less than 161kV, there shall be added to the customer's bill a facilities rental charge. This charge shall be 37 cents per kW per month except for delivery at voltages below 46 kV, in which case the charge shall be 97 cents per kW per month for the first 10,000 kW and 76 cents per kW per month for the excess over 10,000 kW. Such charge shall be applied to the higher of

(1) the highest billing demand established during the latest 12-consecutive-month period or (2) the higher of the customer's currently effective onpeak or offpeak contract demand and shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Reactive Demand Charge

If the reactive demand (in kVAR) is lagging during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's highest metered demand occurs, there shall be added to the customer's bill a reactive charge of \$1.46 per kVAR of the amount, if any, by which the reactive demand exceeds 33 percent of such metered demand. If the reactive demand (in kVAR) is leading during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's lowest metered demand (excluding any metered demands which are less than 25 percent of the highest metered demand) occurs, there shall be added to the customer's bill a reactive charge of \$1.14 per kVAR of the amount of reactive demand. Such charges shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Adjustment

Charges under this rate schedule may be increased or decreased to reflect changes in purchased power costs as determined by any purchased power adjustment adopted by the Board. Rates shown above are inclusive of the Purchased Power Adjustment for the current month.

Determination of Seasonal Periods

Summer Period shall mean the June, July, August, and September billing months. Winter Period shall mean the December, January, February, and March billing months. Transition Period shall mean the April, May, October, and November billing months. The Seasonal Periods under this rate schedule are subject to change by KUB. In the event KUB determines that changed Seasonal Periods are appropriate, such decision shall be made at least 11 months prior to the effective date of such changed periods, and KUB shall promptly notify customer.

Determination of Onpeak and Offpeak Hours

Except for Saturdays, Sundays, November 1, and the weekdays that are observed as Federal holidays for New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day, onpeak hours for each day shall for purposes of this rate schedule be 1 p.m. to 7 p.m. during the months of April, May, June, July, August, September and October and from 4 a.m. to 10 a.m. during the months of January, February, March, November, and December. All other hours of each day that are not otherwise defined as onpeak hours and all hours of such excepted days shall be offpeak hours. Such times shall be Central Standard Time or Central Daylight Time, whichever is

then in effect. Said onpeak and offpeak hours are subject to change by KUB. In the event KUB determines that such changed onpeak and offpeak hours are appropriate, such decision shall be made at least 11 months prior to the effective date of such changed hours, and KUB shall promptly notify customer.

Determination of Onpeak and Offpeak Demands,
Maximum Metered Demand, and Energy Amounts

The onpeak and offpeak kWh for any month shall be the energy amounts taken during the respective hours of the month designated under this rate schedule as onpeak and offpeak hours; provided, however, that notwithstanding the metered energy amount, the offpeak energy for any month shall in no case be less than the product of (1) the offpeak billing demand as calculated in the last sentence of the paragraph below and (2) 110 hours (reflecting a 15 percent load factor applied to the average number of hours in a month).

KUB shall meter the onpeak and offpeak demands in kW of all customers taking service under this rate schedule. The onpeak metered demand and offpeak metered demand for any month shall be determined separately for the respective hours of the month designated under this rate schedule as onpeak and offpeak hours and in each case shall be the highest average during any 30-consecutive-minute period beginning or ending on a clock hour of the month of the load metered in kW, and, except as provided below in this section, such amounts shall be used as the onpeak and offpeak billing demands.

The maximum billing demand for any month shall be the higher of (1) the highest onpeak billing demand in the month or (2) the highest offpeak billing demand in the month. The onpeak billing demand shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW, (2) 40 percent of the next 20,000 kW, and (3) 50 percent of any kW in excess of 25,000 kW of the higher of the currently effective onpeak contract demand or the highest onpeak billing demand established during the preceding 12 months. The offpeak billing demand shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW, (2) 40 percent of the next 20,000 kW, and (3) 50 percent of any kW in excess of 25,000 kW of the higher of the currently effective offpeak contract demand or the highest offpeak billing demand established during the preceding 12 months.

Minimum Bill

The monthly bill under this rate schedule, excluding any facilities rental charges and any reactive charges, shall not be less than the sum of (1) the base customer charge and administrative charge, (2) the portion of the base demand charge, as adjusted (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applicable to onpeak billing demand applied to the customer's onpeak billing demand, (3) the portion of the base demand charge, as adjusted, (but excluding the additional portion thereof applicable to excess of billing demand over contract

demand) applicable to maximum billing demand applied to the customer's maximum billing demand, (4) the base onpeak energy charge, as adjusted, applied to the customer's onpeak energy takings, and (5) the base offpeak energy charge, as adjusted, applied to the higher of customer's actual offpeak energy takings or the minimum offpeak energy takings amount provided for in the first paragraph of the section of this rate schedule entitled "Determination of Onpeak and Offpeak Demands, Maximum Metered Demand, and Energy Amounts". Notwithstanding the foregoing, any fuel cost that is included in ***any purchased power adjustment adopted by the Board*** shall not be applied to any billed offpeak energy that exceeds the metered offpeak energy.

KUB may require minimum bills higher than those stated above.

Contract Requirement

KUB shall require contracts for all service provided under this rate schedule. The contract shall be for an initial term of at least five years and any renewals or extensions of the initial contract shall be for a term of at least one year; after ten years of service, any such contract for the renewal or extension of service may provide for termination upon not less than four months notice. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and KUB shall not be obligated to supply power in greater amount at any time than the customer's currently effective onpeak or offpeak contract demand. If the customer uses any power other than that supplied by KUB under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract shall be subject to adjustment, modification, change, or replacement from time to time as approved by the Board.

Single Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery point and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery point and at each different voltage shall be separately metered and billed.

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

GENERAL POWER RATE - SCHEDULE GSD

Availability

This rate, subject to availability from TVA, shall be available for firm electric power requirements where the higher of a customer's currently effective onpeak or offpeak contract demand is greater than 25,000 kW; provided that the other conditions of this section are met.

For a customer requesting that its onpeak contract demand be different from its offpeak contract demand, this rate schedule shall be available only for (1) a new contract, (2) a replacement or renewal contract following expiration of the existing contract, or (3) a replacement or renewal contract or an amended existing contract in which the customer is increasing its demand requirements above the existing contract demand level, but under this item (3) neither the new onpeak nor the new offpeak contract demand shall be lower than the customer's existing contract demand.

Prior to participation in this rate, contract amendments may be required for continued participation in certain other programs and rate overlays as determined at KUB's sole discretion.

Character of Service

Alternating current, single or three-phase, 60 hertz. Power shall be delivered at a transmission voltage of 161 kV or, if such transmission voltage is not available, at the highest voltage available in the vicinity, unless at the customer's request a lower standard voltage is agreed upon.

Rates

Customer Charge: \$1,500 per delivery point per month.

Administrative Charge: \$700 per delivery point per month.

Demand Charge:

Summer Period:

Onpeak Demand \$11.23 per kW per month of the customer's onpeak billing demand

Maximum Demand \$6.46 per kW per month of the customer's maximum billing demand

Excess Demand \$17.69 per kW per month for each kW of the amount, if any, by which (1) the customer's onpeak billing demand

exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher

Winter Period:

Onpeak Demand \$10.23 per kW per month of the customer's onpeak billing demand

Maximum Demand \$6.46 per kW per month of the customer's maximum billing demand

Excess Demand \$16.69 per kW per month for each kW of the amount, if any, by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher

Transition Period:

Onpeak Demand \$10.23 per kW per month of the customer's onpeak billing demand

Maximum Demand \$6.46 per kW per month of the customer's maximum billing demand

Excess Demand \$16.69 per kW per month for each kW of the amount, if any, by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher

Energy Charge:

Summer Period:

Onpeak \$0.09235 per kWh per month for all metered onpeak kWh

Offpeak

Block 1 \$0.06658 per kWh per month for the first 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy

Block 2 \$0.02964 per kWh per month for the next 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy

Block 3 \$0.02730 per kWh per month for the hours use of onpeak metered demand in excess of 400 hours multiplied by the ratio of offpeak energy to total energy

Winter Period:

Onpeak	\$0.08060 per kWh per month for all metered onpeak kWh
Offpeak	
Block 1	\$0.06888 per kWh per month for the first 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy
Block 2	\$0.02964 per kWh per month for the next 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy
Block 3	\$0.02730 per kWh per month for the hours use of onpeak metered demand in excess of 400 hours multiplied by the ratio of offpeak energy to total energy

Transition Period:

Onpeak	\$0.06625 per kWh per month for all metered onpeak kWh
Offpeak	
Block 1	\$0.06625 per kWh per month for the first 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy
Block 2	\$0.02964 per kWh per month for the next 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy
Block 3	\$0.02730 per kWh per month for the hours use of onpeak metered demand in excess of 400 hours multiplied by the ratio of offpeak energy to total energy

For the Summer Period, Winter Period, and Transition Period, Offpeak Block 1 energy rates less fuel rate of \$0.01851 per kWh per month shall be applied to the portion, if any, of the minimum offpeak energy takings amount that is greater than the metered energy.

Facilities Rental Charge

There shall be no facilities rental charge under this rate schedule for delivery at bulk transmission voltage levels of 161kV or higher. For delivery at less than 161kV, there shall be added to the customer's bill a facilities rental charge. This charge shall be 37 cents per kW per month except for delivery at voltages below 46 kV, in which case the charge shall be 97 cents per kW per month for the first 10,000 kW and 76 cents per kW

per month for the excess over 10,000 kW. Such charge shall be applied to the higher of (1) the highest billing demand established during the latest 12-consecutive-month period or (2) the higher of the customer's currently effective onpeak or offpeak contract demand and shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Reactive Demand Charge

If the reactive demand (in kVAR) is lagging during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's highest metered demand occurs, there shall be added to the customer's bill a reactive charge of \$1.46 per kVAR of the amount, if any, by which the reactive demand exceeds 33 percent of such metered demand. If the reactive demand (in kVAR) is leading during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's lowest metered demand (excluding any metered demands which are less than 25 percent of the highest metered demand) occurs, there shall be added to the customer's bill a reactive charge of \$1.14 per kVAR of the amount of reactive demand. Such charges shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Adjustment

Charges under this rate schedule may be increased or decreased to reflect changes in purchased power costs as determined by any purchased power adjustment adopted by the Board. Rates shown above are inclusive of the Purchased Power Adjustment for the current month.

Determination of Seasonal Periods

Summer Period shall mean the June, July, August, and September billing months. Winter Period shall mean the December, January, February, and March billing months. Transition Period shall mean the April, May, October, and November billing months. The Seasonal Periods under this rate schedule are subject to change by KUB. In the event KUB determines that changed Seasonal Periods are appropriate, such decision shall be made at least 11 months prior to the effective date of such changed periods, and KUB shall promptly notify customer.

Determination of Onpeak and Offpeak Hours

Except for Saturdays, Sundays, November 1, and the weekdays that are observed as Federal holidays for New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day, onpeak hours for each day shall for purposes of this rate schedule be 1 p.m. to 7 p.m. during the months of April, May, June, July, August, September and October and from 4 a.m. to 10 a.m. during the months of January, February, March, November, and December. All other hours of each day that are not

otherwise defined as onpeak hours and all hours of such excepted days shall be offpeak hours. Such times shall be Central Standard Time or Central Daylight Time, whichever is then in effect. Said onpeak and offpeak hours are subject to change by KUB. In the event KUB determines that such changed onpeak and offpeak hours are appropriate, such decision shall be made at least 11 months prior to the effective date of such changed hours, and KUB shall promptly notify customer.

Determination of Onpeak and Offpeak Demands,
Maximum Metered Demand, and Energy Amounts

The onpeak and offpeak kWh for any month shall be the energy amounts taken during the respective hours of the month designated under this rate schedule as onpeak and offpeak hours; provided, however, that notwithstanding the metered energy amount, the offpeak energy for any month shall in no case be less than the product of (1) the offpeak billing demand as calculated in the last sentence of the paragraph below and (2) 110 hours (reflecting a 15 percent load factor applied to the average number of hours in a month).

KUB shall meter the onpeak and offpeak demands in kW of all customers taking service under this rate schedule. The onpeak metered demand and offpeak metered demand for any month shall be determined separately for the respective hours of the month designated under this rate schedule as onpeak and offpeak hours and in each case shall be the highest average during any 30-consecutive-minute period beginning or ending on a clock hour of the month of the load metered in kW, and, except as provided below in this section, such amounts shall be used as the onpeak and offpeak billing demands.

The maximum billing demand for any month shall be the higher of (1) the highest onpeak billing demand in the month or (2) the highest offpeak billing demand in the month. The onpeak billing demand shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW, (2) 40 percent of the next 20,000 kW; (3) 50 percent of the next 25,000 kW, (4) 60 percent of the next 50,000 kW, (5) 70 percent of the next 100,000 kW, (6) 80 percent of the next 150,000 kW, and (7) 85 percent of all kW in excess of 350,000 kW of the higher of the currently effective onpeak contract demand or the highest onpeak billing demand established during the preceding 12 months. The offpeak billing demand shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW, (2) 40 percent of the next 20,000 kW, (3) 50 percent of the next 25,000 kW, (4) 60 percent of the next 50,000 kW, (5) 70 percent of the next 100,000 kW, (6) 80 percent of the next 150,000 kW, and (7) 85 percent of all kW in excess of 350,000 kW of the higher of the currently effective offpeak contract demand or the highest offpeak billing demand established during the preceding 12 months.

Minimum Bill

The monthly bill under this rate schedule, excluding any facilities rental charges and any reactive charges, shall not be less than the sum of (1) the base customer charge and administrative charge, (2) the portion of the base demand charge, as adjusted (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applicable to onpeak billing demand applied to the customer's onpeak billing demand, (3) the portion of the base demand charge, as adjusted, (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applicable to maximum billing demand applied to the customer's maximum billing demand, (4) the base onpeak energy charge, as adjusted, applied to the customer's onpeak energy takings, and (5) the base offpeak energy charge, as adjusted, applied to the higher of customer's actual offpeak energy takings or the minimum offpeak energy takings amount provided for in the first paragraph of the section of this rate schedule entitled "Determination of Onpeak and Offpeak Demands, Maximum Metered Demand, and Energy Amounts". Notwithstanding the foregoing, any fuel cost that is included in **any purchased power adjustment adopted by the Board** shall not be applied to any billed offpeak energy that exceeds the metered offpeak energy.

KUB may require minimum bills higher than those stated above.

Contract Requirement

KUB shall require contracts for all service provided under this rate schedule. The contract shall be for an initial term of at least five years and any renewals or extensions of the initial contract shall be for a term of at least five years; after ten years of service, any such contract for the renewal or extension of service may provide for termination upon not less than sixteen months notice. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and KUB shall not be obligated to supply power in greater amount at any time than the customer's currently effective onpeak or offpeak contract demand. If the customer uses any power other than that supplied by KUB under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract shall be subject to adjustment, modification, change, or replacement from time to time as approved by the Board.

Single Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery point and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery point and at each different voltage shall be separately metered and billed.

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

MANUFACTURING SERVICE POWER RATE - SCHEDULE TDMSA

Availability

This rate, subject to availability from TVA, shall be available for firm electric power requirements where (a) a customer's currently effective onpeak or offpeak contract demand, whichever is higher, is greater than 1,000 kW but not more than 5,000 kW, and (b) the major use of electricity is for activities conducted at the delivery point serving that customer which are classified with a 2-digit Standard Industrial Classification Code between 20 and 39, inclusive, or classified with 2002 North American Industry Classification System (NAICS) code 5181, or 2007 NAICS codes 5182, 522320, and 541214.

Prior to initially taking any service under this schedule, and from time to time thereafter as may be required by KUB, a customer shall certify to KUB that it meets the requirements set forth in condition (b) above. The certification form to be used shall be furnished by KUB to the customer, and signed and promptly returned by the customer to KUB. Further, such customer shall promptly certify any change in the status of any of the information contained in the certification form.

Service during any period for which a customer does not meet the eligibility requirements set forth in condition (b) above will be made available by KUB under, and billed in accordance with, the applicable General Power schedule.

For a customer requesting that its onpeak contract demand be different from its offpeak contract demand, this rate schedule shall be available only for (1) a new contract, (2) a replacement or renewal contract following expiration of the existing contract, or (3) a replacement or renewal contract or an amended existing contract in which the customer is increasing its demand requirements above the existing contract demand level, but under this item (3) neither the new onpeak nor the new offpeak contract demand shall be lower than the customer's existing contract demand.

Prior to participation in this rate, contract amendments may be required for continued participation in certain other programs and rate overlays as determined at KUB's sole discretion.

Character of Service

Alternating current, single or three-phase, 60 hertz. Power shall be delivered at a transmission voltage of 161 kV or, if such transmission voltage is not available, at the highest voltage available in the vicinity, unless at the customer's request a lower standard voltage is agreed upon.

Rates

Customer Charge: \$1,500 per delivery point per month.

Administrative Charge: \$700 per delivery point per month.

Demand Charge:

Summer Period:

Onpeak Demand \$10.70 per kW per month of the customer's onpeak billing demand

Maximum Demand \$6.87 per kW per month of the customer's maximum billing demand

Excess Demand \$17.57 per kW per month for each kW of the amount, if any, by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher

Winter Period:

Onpeak Demand \$9.69 per kW per month of the customer's onpeak billing demand

Maximum Demand \$6.87 per kW per month of the customer's maximum billing demand

Excess Demand \$16.56 per kW per month for each kW of the amount, if any, by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher

Transition Period:

Onpeak Demand \$9.69 per kW per month of the customer's onpeak billing demand

Maximum Demand \$6.87 per kW per month of the customer's maximum billing demand

Excess Demand \$16.56 per kW per month for each kW of the amount, if any, by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher

Energy Charge:

Summer Period:

Onpeak \$0.10012 per kWh per month for all metered onpeak kWh

Offpeak

Block 1 \$0.07400 per kWh per month for the first 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy

Block 2 \$0.04535 per kWh per month for the next 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy

Block 3 \$0.04269 per kWh per month for the hours use of onpeak metered demand in excess of 400 hours multiplied by the ratio of offpeak energy to total energy

Winter Period:

Onpeak \$0.08819 per kWh per month for all metered onpeak kWh

Offpeak

Block 1 \$0.07632 per kWh per month for the first 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy

Block 2 \$0.04535 per kWh per month for the next 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy

Block 3 \$0.04269 per kWh per month for the hours use of onpeak metered demand in excess of 400 hours multiplied by the ratio of offpeak energy to total energy

Transition Period:

Onpeak \$0.07725 per kWh per month for all metered onpeak kWh

Offpeak

Block 1 \$0.07725 per kWh per month for the first 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy

Block 2 \$0.04535 per kWh per month for the next 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy

Block 3 \$0.04269 per kWh per month for the hours use of onpeak metered demand in excess of 400 hours multiplied by the ratio of offpeak energy to total energy

For the Summer Period, Winter Period, and Transition Period, Offpeak Block 1 energy rates less fuel rate of \$0.01851 per kWh per month shall be applied to the portion, if any, of the minimum offpeak energy takings amount that is greater than the metered energy.

Facilities Rental Charge

There shall be no facilities rental charge under this rate schedule for delivery at bulk transmission voltage levels of 161kV or higher. For delivery at less than 161kV, there shall be added to the customer's bill a facilities rental charge. This charge shall be 37 cents per kW per month except for delivery at voltages below 46 kV, in which case the charge shall be 97 cents per kW per month for the first 10,000 kW and 76 cents per kW per month for the excess over 10,000 kW. Such charge shall be applied to the higher of (1) the highest billing demand established during the latest 12-consecutive-month period or (2) the higher of the customer's currently effective onpeak or offpeak contract demand and shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Reactive Demand Charge

If the reactive demand (in kVAR) is lagging during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's highest metered demand occurs, there shall be added to the customer's bill a reactive charge of \$1.46 per kVAR of the amount, if any, by which the reactive demand exceeds 33 percent of such metered demand. If the reactive demand (in kVAR) is leading during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's lowest metered demand (excluding any metered demands which are less than 25 percent of the highest metered demand) occurs, there shall be added to the customer's bill a reactive charge of \$1.14 per kVAR of the amount of reactive demand. Such charges shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Adjustment

Charges under this rate schedule may be increased or decreased to reflect changes in purchased power costs as determined by any purchased power adjustment adopted by the Board. Rates shown above are inclusive of the Purchased Power Adjustment for the current month.

Determination of Seasonal Periods

Summer Period shall mean the June, July, August, and September billing months. Winter Period shall mean the December, January, February, and March billing months. Transition Period shall mean the April, May, October, and November billing months. The Seasonal Periods under this rate schedule are subject to change by KUB. In the event KUB determines that changed Seasonal Periods are appropriate, such decision shall be made at least 11 months prior to the effective date of such changed periods, and KUB shall promptly notify customer.

Determination of Onpeak and Offpeak Hours

Except for Saturdays, Sundays, November 1, and the weekdays that are observed as Federal holidays for New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day, onpeak hours for each day shall for purposes of this rate schedule be 1 p.m. to 7 p.m. during the months of April, May, June, July, August, September and October and from 4 a.m. to 10 a.m. during the months of January, February, March, November, and December. All other hours of each day that are not otherwise defined as onpeak hours and all hours of such excepted days shall be offpeak hours. Such times shall be Central Standard Time or Central Daylight Time, whichever is then in effect. Said onpeak and offpeak hours are subject to change by KUB. In the event KUB determines that such changed onpeak and offpeak hours are appropriate, such decision shall be made at least 11 months prior to the effective date of such changed hours, and KUB shall promptly notify customer.

Determination of Onpeak and Offpeak Demands, Maximum Metered Demand, and Energy Amounts

The onpeak and offpeak kWh for any month shall be the energy amounts taken during the respective hours of the month designated under this rate schedule as onpeak and offpeak hours; provided, however, that notwithstanding the metered energy amount, the offpeak energy for any month shall in no case be less than the product of (1) the offpeak billing demand as calculated in the last sentence of the paragraph below and (2) 110 hours (reflecting a 15 percent load factor applied to the average number of hours in a month).

KUB shall meter the onpeak and offpeak demands in kW of all customers taking service under this rate schedule. The onpeak metered demand and offpeak metered demand for any month shall be determined separately for the respective hours of the month designated under this rate schedule as onpeak and offpeak hours and in each case shall be the highest average during any 30-consecutive-minute period beginning or ending on a clock hour of the month of the load metered in kW, and, except as provided below in this section, such amounts shall be used as the onpeak and offpeak billing demands.

The maximum billing demand for any month shall be the higher of (1) the highest onpeak billing demand in the month or (2) the highest offpeak billing demand in the month. The onpeak billing demand shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW and (2) 40 percent of any kW in excess of 5,000 kW of the higher of the currently effective onpeak contract demand or the highest onpeak billing demand established during the preceding 12 months. The offpeak billing demand shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW and (2) 40 percent of any kW in excess of 5,000 kW of the higher of the currently effective offpeak contract demand or the highest offpeak billing demand established during the preceding 12 months.

Minimum Bill

The monthly bill under this rate schedule, excluding any facilities rental charges and any reactive charges, shall not be less than the sum of (1) the base customer charge and administrative charge, (2) the portion of the base demand charge, as adjusted (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applicable to onpeak billing demand applied to the customer's onpeak billing demand, (3) the portion of the base demand charge, as adjusted, (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applicable to maximum billing demand applied to the customer's maximum billing demand, (4) the base onpeak energy charge, as adjusted, applied to the customer's onpeak energy takings, and (5) the base offpeak energy charge, as adjusted, applied to the higher of customer's actual offpeak energy takings or the minimum offpeak energy takings amount provided for in the first paragraph of the section of this rate schedule entitled "Determination of Onpeak and Offpeak Demands, Maximum Metered Demand, and Energy Amounts". Notwithstanding the foregoing, any fuel cost that is included in **any purchased power adjustment adopted by the Board** shall not be applied to any billed offpeak energy that exceeds the metered offpeak energy.

KUB may require minimum bills higher than those stated above.

Contract Requirement

KUB shall require contracts for all service provided under this rate schedule. The contract shall be for an initial term of at least five years and any renewals or extensions of the initial contract shall be for a term of at least one year; after ten years of service, any such contract for the renewal or extension of service may provide for termination upon not less than four months notice. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and KUB shall not be obligated to supply power in greater amount at any time than the customer's currently effective onpeak or offpeak contract demand. If the customer uses any power other than that supplied by KUB under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract shall be subject to adjustment, modification, change, or replacement from time to time as approved by the Board.

Single Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery point and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery point and at each different voltage shall be separately metered and billed.

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

MANUFACTURING SERVICE POWER RATE - SCHEDULE MSB

Availability

This rate, subject to availability from TVA, shall be available for firm electric power requirements where (a) a customer's currently effective onpeak or offpeak contract demand, whichever is higher, is greater than 5,000 kW but not more than 15,000 kW, and (b) the major use of electricity is for activities conducted at the delivery point serving that customer which are classified with a 2-digit Standard Industrial Classification Code between 20 and 39, inclusive, or classified with 2002 North American Industry Classification System (NAICS) code 5181, or 2007 NAICS codes 5182, 522320, and 541214.

Prior to initially taking any service under this schedule, and from time to time thereafter as may be required by KUB, a customer shall certify to KUB that it meets the requirements set forth in condition (b) above. The certification form to be used shall be furnished by KUB to the customer, and signed and promptly returned by the customer to KUB. Further, such customer shall promptly certify any change in the status of any of the information contained in the certification form.

Service during any period for which a customer does not meet the eligibility requirements set forth in condition (b) above will be made available by KUB under, and billed in accordance with, the applicable General Power schedule.

For a customer requesting that its onpeak contract demand be different from its offpeak contract demand, this rate schedule shall be available only for (1) a new contract, (2) a replacement or renewal contract following expiration of the existing contract, or (3) a replacement or renewal contract or an amended existing contract in which the customer is increasing its demand requirements above the existing contract demand level, but under this item (3) neither the new onpeak nor the new offpeak contract demand shall be lower than the customer's existing contract demand.

Prior to participation in this rate, contract amendments may be required for continued participation in certain other programs and rate overlays as determined at KUB's sole discretion.

Character of Service

Alternating current, single or three-phase, 60 hertz. Power shall be delivered at a transmission voltage of 161 kV or, if such transmission voltage is not available, at the highest voltage available in the vicinity, unless at the customer's request a lower standard voltage is agreed upon.

Rates

Customer Charge:	\$1,500 per delivery point per month.
Administrative Charge:	\$700 per delivery point per month.
Demand Charge:	
Summer Period:	
Onpeak Demand	\$10.59 per kW per month of the customer's onpeak billing demand
Maximum Demand	\$3.45 per kW per month of the customer's maximum billing demand
Excess Demand	\$14.04 per kW per month for each kW of the amount, if any, by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher
Winter Period:	
Onpeak Demand	\$9.59 per kW per month of the customer's onpeak billing demand
Maximum Demand	\$3.45 per kW per month of the customer's maximum billing demand
Excess Demand	\$13.04 per kW per month for each kW of the amount, if any, by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher
Transition Period:	
Onpeak Demand	\$9.59 per kW per month of the customer's onpeak billing demand
Maximum Demand	\$3.45 per kW per month of the customer's maximum billing demand
Excess Demand	\$13.04 per kW per month for each kW of the amount, if any, by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher

Energy Charge:

Summer Period:

Onpeak \$0.08384 per kWh per month for all metered onpeak kWh

Offpeak

Block 1 \$0.05798 per kWh per month for the first 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy

Block 2 \$0.02728 per kWh per month for the next 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy

Block 3 \$0.02465 per kWh per month for the hours use of onpeak metered demand in excess of 400 hours multiplied by the ratio of offpeak energy to total energy

Winter Period:

Onpeak \$0.07204 per kWh per month for all metered onpeak kWh

Offpeak

Block 1 \$0.06029 per kWh per month for the first 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy

Block 2 \$0.02728 per kWh per month for the next 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy

Block 3 \$0.02465 per kWh per month for the hours use of onpeak metered demand in excess of 400 hours multiplied by the ratio of offpeak energy to total energy

Transition Period:

Onpeak \$0.06119 per kWh per month for all metered onpeak kWh

Offpeak

Block 1 \$0.06119 per kWh per month for the first 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy

Block 2 \$0.02728 per kWh per month for the next 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy

Block 3 \$0.02465 per kWh per month for the hours use of onpeak metered demand in excess of 400 hours multiplied by the ratio of offpeak energy to total energy

For the Summer Period, Winter Period, and Transition Period, Offpeak Block 1 energy rates less fuel rate of \$0.01851 per kWh per month shall be applied to the portion, if any, of the minimum offpeak energy takings amount that is greater than the metered energy.

Facilities Rental Charge

There shall be no facilities rental charge under this rate schedule for delivery at bulk transmission voltage levels of 161kV or higher. For delivery at less than 161kV, there shall be added to the customer's bill a facilities rental charge. This charge shall be 37 cents per kW per month except for delivery at voltages below 46 kV, in which case the charge shall be 97 cents per kW per month for the first 10,000 kW and 76 cents per kW per month for the excess over 10,000 kW. Such charge shall be applied to the higher of (1) the highest billing demand established during the latest 12-consecutive-month period or (2) the higher of the customer's currently effective onpeak or offpeak contract demand and shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Reactive Demand Charge

If the reactive demand (in kVAR) is lagging during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's highest metered demand occurs, there shall be added to the customer's bill a reactive charge of \$1.46 per kVAR of the amount, if any, by which the reactive demand exceeds 33 percent of such metered demand. If the reactive demand (in kVAR) is leading during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's lowest metered demand (excluding any metered demands which are less than 25 percent of the highest metered demand) occurs, there shall be added to the customer's bill a reactive charge of \$1.14 per kVAR of the amount of reactive demand. Such charges shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Adjustment

Charges under this rate schedule may be increased or decreased to reflect changes in purchased power costs as determined by any purchased power adjustment adopted by the Board. Rates shown above are inclusive of the Purchased Power Adjustment for the current month.

Determination of Seasonal Periods

Summer Period shall mean the June, July, August, and September billing months. Winter Period shall mean the December, January, February, and March billing months. Transition Period shall mean the April, May, October, and November billing months. The Seasonal Periods under this rate schedule are subject to change by KUB. In the event KUB determines that changed Seasonal Periods are appropriate, such decision shall be made at least 11 months prior to the effective date of such changed periods, and KUB shall promptly notify customer.

Determination of Onpeak and Offpeak Hours

Except for Saturdays, Sundays, November 1, and the weekdays that are observed as Federal holidays for New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day, onpeak hours for each day shall for purposes of this rate schedule be 1 p.m. to 7 p.m. during the months of April, May, June, July, August, September and October and from 4 a.m. to 10 a.m. during the months of January, February, March, November, and December. All other hours of each day that are not otherwise defined as onpeak hours and all hours of such excepted days shall be offpeak hours. Such times shall be Central Standard Time or Central Daylight Time, whichever is then in effect. Said onpeak and offpeak hours are subject to change by KUB. In the event KUB determines that such changed onpeak and offpeak hours are appropriate, such decision shall be made at least 11 months prior to the effective date of such changed hours, and KUB shall promptly notify customer.

Determination of Onpeak and Offpeak Demands, Maximum Metered Demand, and Energy Amounts

The onpeak and offpeak kWh for any month shall be the energy amounts taken during the respective hours of the month designated under this rate schedule as onpeak and offpeak hours; provided, however, that notwithstanding the metered energy amount, the offpeak energy for any month shall in no case be less than the product of (1) the offpeak billing demand as calculated in the last sentence of the paragraph below and (2) 110 hours (reflecting a 15 percent load factor applied to the average number of hours in a month).

KUB shall meter the onpeak and offpeak demands in kW of all customers taking service under this rate schedule. The onpeak metered demand and offpeak metered demand for any month shall be determined separately for the respective hours of the month designated under this rate schedule as onpeak and offpeak hours and in each case shall be the highest average during any 30-consecutive-minute period beginning or ending on a clock hour of the month of the load metered in kW, and, except as provided below in this section, such amounts shall be used as the onpeak and offpeak billing demands.

The maximum billing demand for any month shall be the higher of (1) the highest onpeak billing demand in the month or (2) the highest offpeak billing demand in the month. The onpeak billing demand shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW and (2) 40 percent of any kW in excess of 5,000 kW of the higher of the currently effective onpeak contract demand or the highest onpeak billing demand established during the preceding 12 months. The offpeak billing demand shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW and (2) 40 percent of any kW in excess of 5,000 kW of the higher of the currently effective offpeak contract demand or the highest offpeak billing demand established during the preceding 12 months.

Minimum Bill

The monthly bill under this rate schedule, excluding any facilities rental charges and any reactive charges, shall not be less than the sum of (1) the base customer charge and administrative charge, (2) the portion of the base demand charge, as adjusted (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applicable to onpeak billing demand applied to the customer's onpeak billing demand, (3) the portion of the base demand charge, as adjusted, (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applicable to maximum billing demand applied to the customer's maximum billing demand, (4) the base onpeak energy charge, as adjusted, applied to the customer's onpeak energy takings, and (5) the base offpeak energy charge, as adjusted, applied to the higher of customer's actual offpeak energy takings or the minimum offpeak energy takings amount provided for in the first paragraph of the section of this rate schedule entitled "Determination of Onpeak and Offpeak Demands, Maximum Metered Demand, and Energy Amounts". Notwithstanding the foregoing, any fuel cost that is included in ***any purchased power adjustment adopted by the Board*** shall not be applied to any billed offpeak energy that exceeds the metered offpeak energy.

KUB may require minimum bills higher than those stated above.

Contract Requirement

KUB shall require contracts for all service provided under this rate schedule. The contract shall be for an initial term of at least five years and any renewals or extensions of the initial contract shall be for a term of at least one year; after ten years of service, any such contract for the renewal or extension of service may provide for termination upon not less than four months notice. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and KUB shall not be obligated to supply power in greater amount at any time than the customer's currently effective onpeak or offpeak contract demand. If the customer uses any power other than that supplied by KUB under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract shall be subject to adjustment, modification, change, or replacement from time to time as approved by the Board.

Single Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery point and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery point and at each different voltage shall be separately metered and billed.

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

MANUFACTURING SERVICE POWER RATE - SCHEDULE MSC

Availability

This rate, subject to availability from TVA, shall be available for firm electric power requirements where (a) a customer's currently effective onpeak or offpeak contract demand, whichever is higher, is greater than 15,000 kW but not more than 25,000 kW, and (b) the major use of electricity is for activities conducted at the delivery point serving that customer which are classified with a 2-digit Standard Industrial Classification Code between 20 and 39, inclusive, or classified with 2002 North American Industry Classification System (NAICS) code 5181, or 2007 NAICS codes 5182, 522320, and 541214.

Prior to initially taking any service under this schedule, and from time to time thereafter as may be required by KUB, a customer shall certify to KUB that it meets the requirements set forth in condition (b) above. The certification form to be used shall be furnished by KUB to the customer, and signed and promptly returned by the customer to KUB. Further, such customer shall promptly certify any change in the status of any of the information contained in the certification form.

Service during any period for which a customer does not meet the eligibility requirements set forth in condition (b) above will be made available by KUB under, and billed in accordance with, the applicable General Power schedule.

For a customer requesting that its onpeak contract demand be different from its offpeak contract demand, this rate schedule shall be available only for (1) a new contract, (2) a replacement or renewal contract following expiration of the existing contract, or (3) a replacement or renewal contract or an amended existing contract in which the customer is increasing its demand requirements above the existing contract demand level, but under this item (3) neither the new onpeak nor the new offpeak contract demand shall be lower than the customer's existing contract demand.

Prior to participation in this rate, contract amendments may be required for continued participation in certain other programs and rate overlays as determined at KUB's sole discretion.

Character of Service

Alternating current, single or three-phase, 60 hertz. Power shall be delivered at a transmission voltage of 161 kV or, if such transmission voltage is not available, at the highest voltage available in the vicinity, unless at the customer's request a lower standard voltage is agreed upon.

Rates

Customer Charge: \$1,500 per delivery point per month.

Administrative Charge: \$700 per delivery point per month.

Demand Charge:

Summer Period:

Onpeak Demand \$10.59 per kW per month of the customer's onpeak billing demand

Maximum Demand \$3.33 per kW per month of the customer's maximum billing demand

Excess Demand \$13.92 per kW per month for each kW of the amount, if any, by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher

Winter Period:

Onpeak Demand \$9.59 per kW per month of the customer's onpeak billing demand

Maximum Demand \$3.33 per kW per month of the customer's maximum billing demand

Excess Demand \$12.92 per kW per month for each kW of the amount, if any, by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher

Transition Period:

Onpeak Demand \$9.59 per kW per month of the customer's onpeak billing demand

Maximum Demand \$3.33 per kW per month of the customer's maximum billing demand

Excess Demand \$12.92 per kW per month for each kW of the amount, if any, by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher

Energy Charge:

Summer Period:

Onpeak \$0.08321 per kWh per month for all metered onpeak kWh

Offpeak

Block 1 \$0.05734 per kWh per month for the first 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy

Block 2 \$0.02926 per kWh per month for the next 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy

Block 3 \$0.02926 per kWh per month for the hours use of onpeak metered demand in excess of 400 hours multiplied by the ratio of offpeak energy to total energy

Winter Period:

Onpeak \$0.07140 per kWh per month for all metered onpeak kWh

Offpeak

Block 1 \$0.05964 per kWh per month for the first 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy

Block 2 \$0.02926 per kWh per month for the next 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy

Block 3 \$0.02926 per kWh per month for the hours use of onpeak metered demand in excess of 400 hours multiplied by the ratio of offpeak energy to total energy

Transition Period:

Onpeak \$0.06055 per kWh per month for all metered onpeak kWh

Offpeak

Block 1 \$0.06055 per kWh per month for the first 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy

Block 2 \$0.02926 per kWh per month for the next 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy

Block 3 \$0.02926 per kWh per month for the hours use of onpeak metered demand in excess of 400 hours multiplied by the ratio of offpeak energy to total energy

For the Summer Period, Winter Period, and Transition Period, Offpeak Block 1 energy rates less fuel rate of \$0.01851 per kWh per month shall be applied to the portion, if any, of the minimum offpeak energy takings amount that is greater than the metered energy.

Facilities Rental Charge

There shall be no facilities rental charge under this rate schedule for delivery at bulk transmission voltage levels of 161kV or higher. For delivery at less than 161kV, there shall be added to the customer's bill a facilities rental charge. This charge shall be 37 cents per kW per month except for delivery at voltages below 46 kV, in which case the charge shall be 97 cents per kW per month for the first 10,000 kW and 76 cents per kW per month for the excess over 10,000 kW. Such charge shall be applied to the higher of (1) the highest billing demand established during the latest 12-consecutive-month period or (2) the higher of the customer's currently effective onpeak or offpeak contract demand and shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Reactive Demand Charge

If the reactive demand (in kVAR) is lagging during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's highest metered demand occurs, there shall be added to the customer's bill a reactive charge of \$1.46 per kVAR of the amount, if any, by which the reactive demand exceeds 33 percent of such metered demand. If the reactive demand (in kVAR) is leading during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's lowest metered demand (excluding any metered demands which are less than 25 percent of the highest metered demand) occurs, there shall be added to the customer's bill a reactive charge of \$1.14 per kVAR of the amount of reactive demand. Such charges shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Adjustment

Charges under this rate schedule may be increased or decreased to reflect changes in purchased power costs as determined by any purchased power adjustment adopted by the Board. Rates shown above are inclusive of the Purchased Power Adjustment for the current month.

Determination of Seasonal Periods

Summer Period shall mean the June, July, August, and September billing months. Winter Period shall mean the December, January, February, and March billing months. Transition Period shall mean the April, May, October, and November billing months. The Seasonal Periods under this rate schedule are subject to change by KUB. In the event KUB determines that changed Seasonal Periods are appropriate, such decision shall be made at least 11 months prior to the effective date of such changed periods, and KUB shall promptly notify customer.

Determination of Onpeak and Offpeak Hours

Except for Saturdays, Sundays, November 1, and the weekdays that are observed as Federal holidays for New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day, onpeak hours for each day shall for purposes of this rate schedule be 1 p.m. to 7 p.m. during the months of April, May, June, July, August, September and October and from 4 a.m. to 10 a.m. during the months of January, February, March, November, and December. All other hours of each day that are not otherwise defined as onpeak hours and all hours of such excepted days shall be offpeak hours. Such times shall be Central Standard Time or Central Daylight Time, whichever is then in effect. Said onpeak and offpeak hours are subject to change by KUB. In the event KUB determines that such changed onpeak and offpeak hours are appropriate, such decision shall be made at least 11 months prior to the effective date of such changed hours, and KUB shall promptly notify customer.

Determination of Onpeak and Offpeak Demands, Maximum Metered Demand, and Energy Amounts

The onpeak and offpeak kWh for any month shall be the energy amounts taken during the respective hours of the month designated under this rate schedule as onpeak and offpeak hours; provided, however, that notwithstanding the metered energy amount, the offpeak energy for any month shall in no case be less than the product of (1) the offpeak billing demand as calculated in the last sentence of the paragraph below and (2) 110 hours (reflecting a 15 percent load factor applied to the average number of hours in a month).

KUB shall meter the onpeak and offpeak demands in kW of all customers taking service under this rate schedule. The onpeak metered demand and offpeak metered demand for any month shall be determined separately for the respective hours of the month designated under this rate schedule as onpeak and offpeak hours and in each case shall be the highest average during any 30-consecutive-minute period beginning or ending on a clock hour of the month of the load metered in kW, and, except as provided below in this section, such amounts shall be used as the onpeak and offpeak billing demands.

The maximum billing demand for any month shall be the higher of (1) the highest onpeak billing demand in the month or (2) the highest offpeak billing demand in the month. The onpeak billing demand shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW, (2) 40 percent of the next 20,000 kW, and (3) 50 percent of any kW in excess of 25,000 kW of the higher of the currently effective onpeak contract demand or the highest onpeak billing demand established during the preceding 12 months. The offpeak billing demand shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW, (2) 40 percent of the next 20,000 kW, and (3) 50 percent of any kW in excess of 25,000 kW of the higher of the currently effective offpeak contract demand or the highest offpeak billing demand established during the preceding 12 months.

Minimum Bill

The monthly bill under this rate schedule, excluding any facilities rental charges and any reactive charges, shall not be less than the sum of (1) the base customer charge and administrative charge, (2) the portion of the base demand charge, as adjusted (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applicable to onpeak billing demand applied to the customer's onpeak billing demand, (3) the portion of the base demand charge, as adjusted, (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applicable to maximum billing demand applied to the customer's maximum billing demand, (4) the base onpeak energy charge, as adjusted, applied to the customer's onpeak energy takings, and (5) the base offpeak energy charge, as adjusted, applied to the higher of customer's actual offpeak energy takings or the minimum offpeak energy takings amount provided for in the first paragraph of the section of this rate schedule entitled "Determination of Onpeak and Offpeak Demands, Maximum Metered Demand, and Energy Amounts". Notwithstanding the foregoing, any fuel cost that is included in ***any purchased power adjustment adopted by the Board*** shall not be applied to any billed offpeak energy that exceeds the metered offpeak energy.

KUB may require minimum bills higher than those stated above.

Contract Requirement

KUB shall require contracts for all service provided under this rate schedule. The contract shall be for an initial term of at least five years and any renewals or extensions of the initial contract shall be for a term of at least one year; after ten years of service, any such contract for the renewal or extension of service may provide for termination upon not less than four months notice. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and KUB shall not be obligated to supply power in greater amount at any time than the customer's currently effective onpeak or offpeak contract demand. If the customer uses any power other than that supplied by KUB under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract shall be subject to adjustment, modification, change, or replacement from time to time as approved by the Board.

Single Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery point and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery point and at each different voltage shall be separately metered and billed.

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

MANUFACTURING SERVICE POWER RATE - SCHEDULE MSD

Availability

This rate, subject to availability from TVA, shall be available for firm electric power requirements where (a) a customer's currently effective onpeak or offpeak contract demand, whichever is higher, is greater than 25,000 kW, and (b) the major use of electricity is for activities conducted at the delivery point serving that customer which are classified with a 2-digit Standard Industrial Classification Code between 20 and 39, inclusive, or classified with 2002 North American Industry Classification System (NAICS) code 5181, or 2007 NAICS codes 5182, 522320, and 541214.

Prior to initially taking any service under this schedule, and from time to time thereafter as may be required by KUB, a customer shall certify to KUB that it meets the requirements set forth in condition (b) above. The certification form to be used shall be furnished by KUB to the customer, and signed and promptly returned by the customer to KUB. Further, such customer shall promptly certify any change in the status of any of the information contained in the certification form.

Service during any period for which a customer does not meet the eligibility requirements set forth in condition (b) above will be made available by KUB under, and billed in accordance with, the applicable General Power schedule.

For a customer requesting that its onpeak contract demand be different from its offpeak contract demand, this rate schedule shall be available only for (1) a new contract, (2) a replacement or renewal contract following expiration of the existing contract, or (3) a replacement or renewal contract or an amended existing contract in which the customer is increasing its demand requirements above the existing contract demand level, but under this item (3) neither the new onpeak nor the new offpeak contract demand shall be lower than the customer's existing contract demand.

Prior to participation in this rate, contract amendments may be required for continued participation in certain other programs and rate overlays as determined at KUB's sole discretion.

Character of Service

Alternating current, single or three-phase, 60 hertz. Power shall be delivered at a transmission voltage of 161 kV or, if such transmission voltage is not available, at the highest voltage available in the vicinity, unless at the customer's request a lower standard voltage is agreed upon.

Rates

Customer Charge: \$1,500 per delivery point per month.

Administrative Charge: \$700 per delivery point per month.

Demand Charge:

Summer Period:

Onpeak Demand	\$10.59 per kW per month of the customer's onpeak billing demand
Maximum Demand	\$2.88 per kW per month of the customer's maximum billing demand
Excess Demand	\$13.47 per kW per month for each kW of the amount, if any, by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher

Winter Period:

Onpeak Demand	\$9.59 per kW per month of the customer's onpeak billing demand
Maximum Demand	\$2.88 per kW per month of the customer's maximum billing demand
Excess Demand	\$12.47 per kW per month for each kW of the amount, if any, by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher

Transition Period:

Onpeak Demand	\$9.59 per kW per month of the customer's onpeak billing demand
Maximum Demand	\$2.88 per kW per month of the customer's maximum billing demand
Excess Demand	\$12.47 per kW per month for each kW of the amount, if any, by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher

Energy Charge:

Summer Period:

Onpeak	\$0.07951 per kWh per month for all metered onpeak kWh
--------	--

Offpeak	
Block 1	\$0.05366 per kWh per month for the first 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy
Block 2	\$0.02617 per kWh per month for the next 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy
Block 3	\$0.02557 per kWh per month for the hours use of onpeak metered demand in excess of 400 hours multiplied by the ratio of offpeak energy to total energy

Winter Period:
Onpeak \$0.06771 per kWh per month for all metered onpeak kWh

Offpeak	
Block 1	\$0.05594 per kWh per month for the first 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy
Block 2	\$0.02617 per kWh per month for the next 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy
Block 3	\$0.02557 per kWh per month for the hours use of onpeak metered demand in excess of 400 hours multiplied by the ratio of offpeak energy to total energy

Transition Period:
Onpeak \$0.05685 per kWh per month for all metered onpeak kWh

Offpeak	
Block 1	\$0.05685 per kWh per month for the first 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy
Block 2	\$0.02617 per kWh per month for the next 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy
Block 3	\$0.02557 per kWh per month for the hours use of onpeak metered demand in excess of 400 hours multiplied by the ratio of offpeak energy to total energy

For the Summer Period, Winter Period, and Transition Period, Offpeak Block 1 energy rates less fuel rate of \$0.01851 per kWh per month shall be applied to the portion, if any, of the minimum offpeak energy takings amount that is greater than the metered energy.

Facilities Rental Charge

There shall be no facilities rental charge under this rate schedule for delivery at bulk transmission voltage levels of 161kV or higher. For delivery at less than 161kV, there shall be added to the customer's bill a facilities rental charge. This charge shall be 37 cents per kW per month except for delivery at voltages below 46 kV, in which case the charge shall be 97 cents per kW per month for the first 10,000 kW and 76 cents per kW per month for the excess over 10,000 kW. Such charge shall be applied to the higher of (1) the highest billing demand established during the latest 12-consecutive-month period or (2) the higher of the customer's currently effective onpeak or offpeak contract demand and shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Reactive Demand Charge

If the reactive demand (in kVAR) is lagging during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's highest metered demand occurs, there shall be added to the customer's bill a reactive charge of \$1.46 per kVAR of the amount, if any, by which the reactive demand exceeds 33 percent of such metered demand. If the reactive demand (in kVAR) is leading during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's lowest metered demand (excluding any metered demands which are less than 25 percent of the highest metered demand) occurs, there shall be added to the customer's bill a reactive charge of \$1.14 per kVAR of the amount of reactive demand. Such charges shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Adjustment

Charges under this rate schedule may be increased or decreased to reflect changes in purchased power costs as determined by any purchased power adjustment adopted by the Board. Rates shown above are inclusive of the Purchased Power Adjustment for the current month.

Determination of Seasonal Periods

Summer Period shall mean the June, July, August, and September billing months. Winter Period shall mean the December, January, February, and March billing months. Transition Period shall mean the April, May, October, and November billing months. The Seasonal Periods under this rate schedule are subject to change by KUB. In the event KUB determines that changed Seasonal Periods are appropriate, such decision shall be

made at least 11 months prior to the effective date of such changed periods, and KUB shall promptly notify customer.

Determination of Onpeak and Offpeak Hours

Except for Saturdays, Sundays, November 1, and the weekdays that are observed as Federal holidays for New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day, onpeak hours for each day shall for purposes of this rate schedule be 1 p.m. to 7 p.m. during the months of April, May, June, July, August, September and October and from 4 a.m. to 10 a.m. during the months of January, February, March, November, and December. All other hours of each day that are not otherwise defined as onpeak hours and all hours of such excepted days shall be offpeak hours. Such times shall be Central Standard Time or Central Daylight Time, whichever is then in effect. Said onpeak and offpeak hours are subject to change by KUB. In the event KUB determines that such changed onpeak and offpeak hours are appropriate, such decision shall be made at least 11 months prior to the effective date of such changed hours, and KUB shall promptly notify customer.

Determination of Onpeak and Offpeak Demands, Maximum Metered Demand, and Energy Amounts

The onpeak and offpeak kWh for any month shall be the energy amounts taken during the respective hours of the month designated under this rate schedule as onpeak and offpeak hours; provided, however, that notwithstanding the metered energy amount, the offpeak energy for any month shall in no case be less than the product of (1) the offpeak billing demand as calculated in the last sentence of the paragraph below and (2) 110 hours (reflecting a 15 percent load factor applied to the average number of hours in a month).

KUB shall meter the onpeak and offpeak demands in kW of all customers taking service under this rate schedule. The onpeak metered demand and offpeak metered demand for any month shall be determined separately for the respective hours of the month designated under this rate schedule as onpeak and offpeak hours and in each case shall be the highest average during any 30-consecutive-minute period beginning or ending on a clock hour of the month of the load metered in kW, and, except as provided below in this section, such amounts shall be used as the onpeak and offpeak billing demands.

The maximum billing demand for any month shall be the higher of (1) the highest onpeak billing demand in the month or (2) the highest offpeak billing demand in the month. The onpeak billing demand shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW and (2) 40 percent of the next 20,000 kW (3) 50 percent of the next 25,000 kW, (4) 60 percent of the next 50,000 kW, (5) 70 percent of the next 100,000 kW, (6) 80 percent of the next 150,000 kW, and (7) 85 percent of all kW in excess of 350,000 kW of the higher of the currently effective onpeak contract demand or the highest onpeak billing

demand established during the preceding 12 months. The offpeak billing demand shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW, (2) 40 percent of the next 20,000 kW, (3) 50 percent of the next 25,000 kW, (4) 60 percent of the next 50,000 kW, and (5) 70 percent of the next 100,000 kW, (6) 80 percent of the next 150,000 kW, and (7) 85 percent of all kW in excess of 350,000 kW of the higher of the currently effective offpeak contract demand or the highest offpeak billing demand established during the preceding 12 months.

Minimum Bill

The monthly bill under this rate schedule, excluding any facilities rental charges and any reactive charges, shall not be less than the sum of (1) the base customer charge and administrative charge, (2) the portion of the base demand charge, as adjusted (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applicable to onpeak billing demand applied to the customer's onpeak billing demand, (3) the portion of the base demand charge, as adjusted, (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applicable to maximum billing demand applied to the customer's maximum billing demand, (4) the base onpeak energy charge, as adjusted, applied to the customer's onpeak energy takings, and (5) the base offpeak energy charge, as adjusted, applied to the higher of customer's actual offpeak energy takings or the minimum offpeak energy takings amount provided for in the first paragraph of the section of this rate schedule entitled "Determination of Onpeak and Offpeak Demands, Maximum Metered Demand, and Energy Amounts". Notwithstanding the foregoing, any fuel cost that is included in ***any purchased power adjustment adopted by the Board*** shall not be applied to any billed offpeak energy that exceeds the metered offpeak energy.

KUB may require minimum bills higher than those stated above.

Contract Requirement

KUB shall require contracts for all service provided under this rate schedule. The contract shall be for an initial term of at least five years and any renewals or extensions of the initial contract shall be for a term of at least five years; after ten years of service, any such contract for the renewal or extension of service may provide for termination upon not less than sixteen months notice. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and KUB shall not be obligated to supply power in greater amount at any time than the customer's currently effective onpeak or offpeak contract demand. If the customer uses any power other than that supplied by KUB under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract shall be subject to adjustment, modification, change, or replacement from time to time as approved by the Board.

Single Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery point and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery point and at each different voltage shall be separately metered and billed.

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

ELECTRIC VEHICLE CHARGING POWER RATE - SCHEDULE EVC

Availability

This rate shall exclusively apply to separately metered charging stations for electric vehicles where the charging station's demand is greater than 50 kW but not more than 5,000 kW.

All customers participating under this rate schedule shall agree to a full requirements service from KUB. In addition, customers must agree that the sole use of the electric service is for the purpose of charging electric vehicles used for transportation purposes only.

Character of Service

Alternating current, single- or three-phase, 60 hertz. Power shall be delivered at a transmission voltage of 161 kV or, if such transmission voltage is not available, at the highest voltage available in the vicinity, unless at the customer's request a lower standard voltage is agreed upon.

Rates

Customer Charge: \$107.00 per delivery point per month

Monthly Energy Charge: Onpeak \$0.33231 per kWh for all metered onpeak kWh
 Offpeak \$0.21142 per kWh for all metered offpeak kWh

Adjustment

Charges under this rate schedule may be increased or decreased to reflect changes in purchased power costs as determined by any purchased power adjustment adopted by the Board. Rates shown above are inclusive of the Purchased Power Adjustment for the current month.

Determination of Seasonal Periods

Summer Period shall mean the June, July, August, and September billing months. Winter Period shall mean the December, January, February, and March billing months. Transition Period shall mean the April, May, October, and November billing months. The Seasonal Periods under this rate schedule are subject to change by KUB. In the event KUB determines that changed Seasonal Periods are appropriate, such decision shall be made at least 11 months prior to the effective date of such changed periods, and KUB shall promptly notify customer.

Determination of Onpeak and Offpeak Hours

Except for Saturdays, Sundays, November 1, and the weekdays that are observed as Federal holidays for New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day, onpeak hours for each day shall for purposes of this rate schedule be from 2 p.m. to 8 p.m. during the months of April, May, June, July, August, September and October and from 5 a.m. to 11 a.m. during the months of January, February, March, November, and December. For all other hours of each day and all hours of such excepted days shall be offpeak hours. Such times shall be EST or EDT, whichever is then in effect. Said onpeak and offpeak hours are subject to change by KUB. In the event KUB determines that such changed onpeak and offpeak hours are appropriate, such decision shall be made at least 11 months prior to the effective date of such changed hours, and KUB shall promptly notify customer.

Minimum Bill

The base customer charge constitutes the minimum monthly bill for all customers served under this rate schedule except those customers for which a higher minimum monthly bill is required under KUB's standard policy because of special circumstances affecting the cost of rendering service.

Contract Requirement

At its sole discretion, KUB may require contracts for service provided under this rate schedule and such contracts shall be for an initial term of at least 90 days. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and KUB shall not be obligated to supply power in greater amount at any time than the customer's currently effective contract demand. The customer is prohibited from using any power other than that supplied by KUB under this rate schedule. All other power sources are prohibited. The contract may include other special provisions. The rate schedule in any power contract shall be subject to adjustment, modification, change, or replacement from time to time as approved by the Board.

After having received service for at least 90 days under this rate schedule, the customer, subject to 90 days prior written notice and appropriate amendments in its power contract with KUB, may receive service under the General Power Time-Of-Use Rate - Schedule GSA TOU. In such case the term of the power contract shall remain the same and the contract demand for service under the General Power Time-Of-Use Rate - Schedule GSA TOU shall not be less than the contract demand in effect when service was taken under this rate schedule.

Single-Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery and metering point, and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery and metering point and at each different voltage shall be separately metered and billed.

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

POWERFLEX

Availability

KUB provides PowerFlex to qualified power users through its wholesale power supplier, the Tennessee Valley Authority (TVA), in accordance with the power supply contract between KUB and TVA.

PowerFlex shall be made available to qualified power users pursuant to specific contractual arrangements between KUB and the customer (such contractual arrangements may be contained in one or more written instruments and are hereinafter sometimes referred to as the "Agreement").

Charges for PowerFlex

KUB Administrative Charge: \$350.00 per month

All other PowerFlex related charges including TVA Administrative Cost Charges shall be established in accordance with the Agreement.

Interruptibility

PowerFlex furnished to a customer under the Agreement shall be subject to interruption and to suspension of availability as provided for in the Agreement.

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

INTERRUPTIBLE POWER 5 (IP5)

Availability

KUB provides Interruptible Power 5 (IP5) to qualified power users through its wholesale power supplier, the Tennessee Valley Authority (TVA), in accordance with the power supply contract between KUB and TVA.

IP5 shall be made available to qualified power users pursuant to specific contractual arrangements between KUB and the customer (such contractual arrangements may be contained in one or more written instruments and are hereinafter sometimes referred to as the "Contract").

Charges for IP5

KUB Administrative Charge: \$350.00 per month

All other IP5-related charges including TVA Administrative Cost Charges shall be established in accordance with the Contract.

Interruptibility

IP5 furnished to a customer under the Contract shall be subject to interruption and to suspension of availability as provided for in the Contract.

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

INTERRUPTIBLE POWER 30 (IP30)

Availability

KUB provides Interruptible Power 30 (IP30) to qualified power users through its wholesale power supplier, the Tennessee Valley Authority (TVA), in accordance with the power supply contract between KUB and TVA.

IP30 shall be made available to qualified power users pursuant to specific contractual arrangements between KUB and the customer (such contractual arrangements may be contained in one or more written instruments and are hereinafter sometimes referred to as the "Contract").

Charges for IP30

KUB Administrative Charge: \$350.00 per month

All other IP30-related charges including TVA Administrative Cost Charges shall be established in accordance with the Contract.

Interruptibility

IP30 furnished to a customer under the Contract shall be subject to interruption and to suspension of availability as provided for in the Contract.

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

TWO-PART REAL TIME PRICING (RTP)

Availability

KUB provides Two-Part Real Time Pricing (Two-Part RTP) to qualified general power users through its wholesale power supplier, the Tennessee Valley Authority (TVA), in accordance with the power supply contract between KUB and TVA.

Two-Part RTP shall be made available to qualified general power users pursuant to specific contractual arrangements between KUB and the customer (such contractual arrangements may be contained in one or more written instruments and are hereinafter sometimes referred to as the "Contract").

Charges for Two-Part RTP

KUB Administrative Charge: \$350.00 per month

All other Two-Part RTP charges including TVA Administrative Charges shall be established in accordance with the Contract.

Interruptibility

Two-Part RTP furnished to a customer under the Contract may be subject to interruption and to suspension of availability as provided for in the Contract.

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

START-UP AND TESTING POWER (STP)

Availability

KUB provides Start-up and Testing Power (STP) to qualified power users through its wholesale power supplier, the Tennessee Valley Authority (TVA), in accordance with the power supply contract between KUB and TVA.

STP shall be made available to qualified power users pursuant to specific contractual arrangements between KUB and the customer (such contractual arrangements may be contained in one or more written instruments and are hereinafter sometimes referred to as the "Contract").

Charges for STP

KUB Administrative Charge: \$350.00 per month

All other STP-related charges including TVA Administrative Cost Charges shall be established in accordance with the Contract.

Interruptibility

STP furnished to a customer under the Contract shall be subject to interruption and to suspension of availability as provided for in the Contract.

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

RESIDENTIAL POWER TIME-OF-USE RATE - SCHEDULE RS-TOU

Availability

Service under this rate schedule shall be available only to residential customers served individually through a separate meter or through a KUB-approved multiple meter configuration designed as a single billing point.

Character of Service

Alternating current, single-phase, 60 hertz. Power shall be delivered at a service voltage available in the vicinity or agreed to by KUB. Multi-phase service shall be supplied in accordance with KUB's standard policy.

Rates

Basic Service Charge:	\$20.50 per month
Monthly Energy Charge:	Onpeak: \$0.21750 per kWh
	Offpeak: \$0.08574 per kWh

Adjustment

Charges under this rate schedule may be increased or decreased to reflect changes in purchased power costs as determined by any purchased power adjustment adopted by the Board. Rates shown above are inclusive of the Purchased Power Adjustment for the current month.

Determination of Onpeak and Offpeak Hours *All hours stated in Eastern Prevailing Time*

Weekdays (Monday - Friday)

Onpeak	2 PM to 8 PM calendar months April through October 5 AM to 11 AM calendar months November through March
Offpeak	All other hours

Weekends (Saturday – Sunday) and Holidays - all hours are Offpeak

Holidays include the weekdays that are observed as holidays:
New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day

Minimum Bill

The basic service charge constitutes the minimum monthly bill for all customers served under this rate schedule except those customers for which a higher minimum monthly bill is required under KUB's standard policy because of special circumstances affecting the cost of rendering service.

Single Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery and at a single voltage.

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

GENERAL POWER TIME-OF-USE RATE - SCHEDULE GSA-TOU

Availability

This rate shall be available for the firm power requirements for electric service to non-residential customers, where a customer's contract demand is 1,000 kW or less.

Character of Service

Alternating current, single or three-phase, 60 hertz. Power shall be delivered at a service voltage available in the vicinity or agreed to by KUB.

Rates

1. If the higher of (a) the customer's currently effective contract demand, if any, or (b) its highest billing demand during the latest 12-month period is not more than 50 kW:

Customer Charge: \$34.00 per delivery point per month

Monthly Demand Charge: \$2.34 per kW of maximum billing demand

Monthly Energy Charge: Onpeak \$0.22338 per kWh
Offpeak \$0.09052 per kWh

- 2A. If the higher of (a) the customer's currently effective contract demand or (b) its highest billing demand during the latest 12-month period is greater than 50 kW but not more than 100 kW:

Customer Charge: \$145.00 per delivery point per month

Monthly Demand Charge: \$5.34 per kW of maximum billing demand

Monthly Energy Charge: Onpeak \$0.23507 per kWh
Offpeak \$0.10221 per kWh

2B. If the higher of (a) the customer's currently effective contract demand or (b) its highest billing demand during the latest 12-month period is greater than 100 kW but not more than 1,000 kW:

Customer Charge: \$163.00 per delivery point per month

Monthly Demand Charge: \$7.84 per kW of maximum billing demand

Monthly Energy Charge: Onpeak \$0.20853 per kWh
Offpeak \$0.07567 per kWh

3. If the higher of (a) the customer's currently effective contract demand or (b) its highest billing demand during the latest 12-month period is greater than 1,000 kW, these customers are not eligible for the GSA-TOU rate schedule. The customer will be removed from this rate and billed under the default General Power Rate – Schedule GSA unless the customer qualifies and selects TDGSA or TDMSA rates.

Adjustment

Charges under this rate schedule may be increased or decreased to reflect changes in purchased power costs as determined by any purchased power adjustment adopted by the Board. Rates shown above are inclusive of the Purchased Power Adjustment for the current month.

Determination of Onpeak and Offpeak Hours *All hours stated in Eastern Prevailing Time*

Weekdays (Monday - Friday)

Onpeak 2 PM to 8 PM calendar months April through October
5 AM to 11 AM calendar months November through March

Offpeak All other hours

Weekends (Saturday – Sunday) and Holidays - all hours are Offpeak

Holidays include the weekdays that are observed as holidays:
New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day

Determination of Demand

KUB shall meter the demands in kW of all customers served under the GSA-TOU rate schedule. The Metered Demand for any month shall be the highest average during any 30-minute-consecutive period of the month of the load metered in kW. The Measured Demand for any month shall be the higher of (a) or (b) below.

The Billing Demand for any month shall be **the higher of** the following:

- (a) Metered Demand
- (b) 85 percent of the load in kVA
- (c) 30 percent of the higher of the currently effective contract demand or the highest billing demand established during the preceding 12 months.

Minimum Bill

The monthly bill under this rate schedule shall not be less than the sum of (a) the customer charge, (b) the demand charge, as adjusted, applied to the customer's billing demand, and (c) the energy charges, as adjusted, applied to the customer's energy takings.

KUB may require minimum bills higher than those stated above.

Contract Requirements

At its sole discretion, KUB may require contracts for service provided under this rate schedule and such contracts shall be for an initial term of at least one year. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and KUB shall not be obligated to supply power in greater amount at any time than the customer's currently effective contract demand. If the customer uses any power other than that supplied by KUB under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract shall be subject to adjustment, modification, change, or replacement from time to time as approved by the Board.

Single – Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery and metering point at each different voltage shall be separately metered and billed.

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

RATE SCHEDULE EVCP - Electric Vehicle Charging Pump Rate

Availability

Service under Rate Schedule EVCP is available to any vehicle served at KUB owned EV charging stations. This fuel is solely for use for charging commercial or personal vehicles.

Rate

Base Rate

\$0.43 per kWh

Plus

All applicable local, state, and federal taxes and applicable transaction fees.

Other Charges

Idle fees and any other charges can be found in the KUB Electric Service Procedures.

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

**RESOLUTION 1493
EXHIBIT C
RATE SCHEDULES OF THE ELECTRIC DIVISION
EFFECTIVE APRIL 1, 2027**

RESIDENTIAL POWER RATE - SCHEDULE RS

Availability

Service under this rate schedule shall be available only to residential customers served individually through a separate meter or through a KUB-approved multiple meter configuration designed as a single billing point.

Character of Service

Alternating current, single-phase, 60 hertz. Power shall be delivered at a service voltage available in the vicinity or agreed to by KUB. Multi-phase service shall be supplied in accordance with KUB's standard policy.

Rates

Basic Service Charge:	\$20.50 per month
Monthly Energy Charge:	Summer Period \$0.11341 per kWh
	Winter Period \$0.11300 per kWh
	Transition Period \$0.11300 per kWh

Adjustment

Charges under this rate schedule may be increased or decreased to reflect changes in purchased power costs as determined by any purchased power adjustment adopted by the Board. Rates shown above are inclusive of the Purchased Power Adjustment for the current month.

Determination of Seasonal Periods

Summer Period shall mean the June, July, August, and September billing months.
Winter Period shall mean the December, January, February, and March billing months.
Transition Period shall mean the April, May, October, and November billing months.

Minimum Bill

The basic service charge constitutes the minimum monthly bill for all customers served under this rate schedule except those customers for which a higher minimum monthly bill is required under KUB's standard policy because of special circumstances affecting the cost of rendering service.

Single Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery and at a single voltage.

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

GENERAL POWER RATE - SCHEDULE GSA

Availability

This rate shall be available for the firm power requirements for electric service to non-residential customers, where a customer's contract demand is 5,000 kW or less. This rate shall also apply to customers to whom service is not available under any other resale rate schedule.

Character of Service

Alternating current, single or three-phase, 60 hertz. Power shall be delivered at a service voltage available in the vicinity or agreed to by KUB.

Rates

1. If (a) the higher of (i) the customer's currently effective contract demand, if any, or (ii) its highest billing demand during the latest 12-month period is not more than 50 kW and (b) the customer's monthly energy takings for any month during such period do not exceed 15,000 kWh:

Customer Charge: \$34.00 per month

Monthly Demand Charge:

Summer Period	\$1.50 per kW of billing demand
Winter Period	\$1.50 per kW of billing demand
Transition Period	\$1.50 per kW of billing demand

Monthly Energy Charge:

Summer Period	\$0.13139 per kWh
Winter Period	\$0.13098 per kWh
Transition Period	\$0.13098 per kWh

2. If (a) the higher of (i) the customer's currently effective contract demand or (ii) its highest billing demand during the latest 12-month period is greater than 50 kW but not more than 1,000 kW or (b) the customer's billing demand is less than 50 kW and its energy takings for any month during such period exceed 15,000 kWh:

Customer Charge: \$165.00 per month

Monthly Demand Charge:

Summer Period	First 50 kW of billing demand	\$1.50 per kW
	Over 50 kW of billing demand	\$18.11 per kW
Winter Period	First 50 kW of billing demand	\$1.50 per kW
	Over 50 kW of billing demand	\$17.32 per kW
Transition Period	First 50 kW of billing demand	\$1.50 per kW
	Over 50 kW of billing demand	\$17.32 per kW

Monthly Energy Charge:

Summer Period	First 15,000 kWh	\$0.16633 per kWh
	Additional kWh	\$0.07348 per kWh
Winter Period	First 15,000 kWh	\$0.16592 per kWh
	Additional kWh	\$0.07348 per kWh
Transition Period	First 15,000 kWh	\$0.16592 per kWh
	Additional kWh	\$0.07348 per kWh

3. If the higher of (a) the customer's currently effective contract demand or (b) its highest billing demand during the latest 12-month period is greater than 1,000 kW:

Customer Charge: \$365.00 per month

Monthly Demand Charge:

Summer Period	First 1,000 kW of billing demand	\$19.17 per kW
	Over 1,000 kW of billing demand	\$19.95 per kW
	Excess kW of billing demand	\$19.95 per kW
Winter Period	First 1,000 kW of billing demand	\$18.41 per kW
	Over 1,000 kW of billing demand	\$19.19 per kW
	Excess kW of billing demand	\$19.19 per kW
Transition Period	First 1,000 kW of billing demand	\$18.41 per kW
	Over 1,000 kW of billing demand	\$19.19 per kW
	Excess kW of billing demand	\$19.19 per kW

Monthly Excess Demand Charges are applicable to the amount by which the customer's billing demand exceeds the higher of 2,500 kW or its contract demand.

Monthly Energy Charge:

Summer Period	\$0.08608 per kWh
Winter Period	\$0.08608 per kWh
Transition Period	\$0.08608 per kWh

Adjustment

Charges under this rate schedule may be increased or decreased to reflect changes in purchased power costs as determined by any purchased power adjustment adopted by the Board. Rates shown above are inclusive of the Purchased Power Adjustment for the current month.

Determination of Seasonal Periods

Summer Period shall mean the June, July, August, and September billing months. Winter Period shall mean the December, January, February, and March billing months. Transition Period shall mean the April, May, October, and November billing months.

Determination of Demand

KUB shall meter the demands in kW of all GSA customers. The metered demand for any month shall be the highest average during any 30-consecutive-minute period of the month of the load metered in kW. The measured demand for any month shall be the higher of the highest average during any 30-consecutive-minute period of the month of (a) the load metered in kW or (b) 85 percent of the load in kVA plus an additional 10 percent for that part of the load over 5,000 kVA, and such measured demand shall be used as the billing demand, except that the billing demand for any month shall in no case be less than 30 percent of the higher of the currently effective contract demand or the highest billing demand established during the preceding 12 months.

Minimum Bill

The monthly bill under this rate schedule shall not be less than the sum of (a) the base customer charge, (b) the base demand charge, as adjusted, applied to the customer's billing demand, and (c) the base energy charge, as adjusted, applied to the customer's energy takings; provided, however, that, under (2.) of the Base Charges, the monthly bill shall in no event be less than the sum (a) the base customer charge and (b) 20 percent of the portion of the base demand charge, as adjusted, applicable to the second block (excess over 50kW) of billing demand, multiplied by the higher of the customer's currently effective contract demand or its highest billing demand established during the preceding 12 months.

KUB may require minimum bills higher than those stated above.

Contract Requirements

KUB shall require contracts for service provided under this rate schedule to customers whose demand requirements exceed 1,000 kW and such contracts shall be for an initial term of at least one year. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and KUB shall not be obligated to supply power in greater amount at any time than the customer's

currently effective contract demand. If the customer uses any power other than that supplied by KUB under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract shall be subject to adjustment, modification, change, or replacement from time to time as approved by the Board.

Single – Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery point at each different voltage shall be separately metered and billed.

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

OUTDOOR LIGHTING POWER RATE - SCHEDULE LS

Availability

Available for service to street and park lighting systems, traffic signal systems, athletic field lighting installations, and outdoor lighting for individual customers.

Determination of Seasonal Periods

Summer Period shall mean the June, July, August, and September billing months. Winter Period shall mean the December, January, February, and March billing months. Transition Period shall mean the April, May, October, and November billing months.

PART A

CHARGES FOR STREET AND PARK LIGHTING SYSTEMS, TRAFFIC SIGNAL SYSTEMS, AND ATHLETIC FIELD LIGHTING INSTALLATIONS

I. Monthly Energy Charge:

Summer Period	\$0.10179 per kWh
Winter Period	\$0.10179 per kWh
Transition Period	\$0.10179 per kWh

II. Facility Charge

The annual facility charge shall be **13.00** percent of the installed cost to KUB's electric system of the facilities devoted to street and park lighting service specified in this Part A. Such installed cost shall be recomputed on July 1 of each year, or more often if substantial changes in the facilities are made. Each month, one-twelfth of the then total annual facility charge shall be billed to the customer. If any part of the facilities has not been provided at the electric system's expense or if the installed cost of any portion thereof is reflected on the books of another municipality or agency or department, the annual facility charge shall be adjusted to reflect properly the remaining cost to be borne by the electric system.

Traffic signal systems and athletic field lighting installations shall be provided, owned, and maintained by and at the expense of the customer, except as KUB may agree otherwise in accordance with the provisions of the paragraph next following in this Section II. The facilities necessary to provide service to such systems and installations shall be provided by and at the expense of KUB's electric system, and the annual facility charge provided for first above in this Section II shall apply to the installed cost of such facilities.

When so authorized by policy duly adopted by the Board, traffic signal systems and athletic field lighting installations may be provided, owned, and maintained by KUB's electric system for the customer's benefit. In such cases KUB may require reimbursement from the customer for a portion of the initial installed cost of any such system or installation and shall require payment by the customer of a facility charge sufficient to cover all of KUB's costs (except reimbursed costs), including appropriate overheads, of providing, owning, and maintaining such system or installation; provided that, for athletic field lighting installations, such facility charge shall be **12.00** percent per year of such costs. Said facility charge shall be in addition to the annual facility charge on the facilities necessary to provide service to such system or installation as provided for in the preceding paragraph. Replacement of lamps and related glassware for traffic signal systems and athletic field lighting installations provided under this paragraph shall be paid for under the provisions of paragraph A in section IV.

III. Customer Charge – Traffic Signal Systems and Athletic Field Lighting Installations.

KUB shall apply a uniform **monthly customer charge of \$2.50** for service to each traffic signal system or athletic field lighting installation.

IV. Replacement of Lamps and Related Glassware – Street and Park Lighting

Customer shall be billed and shall pay for replacements as provided in paragraph A below, which shall be applied to all service for street and park lighting.

- A. KUB shall bill the customer monthly for such replacements during each month at KUB's cost of materials, including appropriate storeroom expense.
- B. KUB shall bill the customer monthly for one-twelfth of the amount by which KUB's cost of materials, including appropriate storeroom expenses, exceeds the products of 3 mills multiplied by the number of kilowatt-hours used for street and park lighting during the fiscal year immediately preceding the fiscal year in which such month occurs.

Metering

For any billing month or part of such month in which the energy is not metered or for which a meter reading is found to be in error or a meter is found to have failed, the energy for billing purposes for that billing month or part of such month shall be computed from the rated capacity of the lamps (including ballast) plus 3 percent of such capacity to reflect secondary circuit losses, multiplied by the number of hours of use.

Revenue and Cost Review

KUB's costs of providing service under Part A of this rate schedule are subject to review at any time to determine if KUB's revenues from the charges being applied are sufficient

to cover its costs. (Such costs, including applicable overheads, include, but are not limited to, those incurred in the operation and maintenance of the systems provided and those resulting from depreciation and payments for taxes, tax equivalents and interest). If any such review discloses that revenues are either less or more than sufficient to cover said costs, the Board shall revise the above facility charges so that revenues will be sufficient to cover said costs.

PART B
Outdoor Lighting for Individual Customers

Type of Fixture	Monthly Charges by Lamp Type			
	Lamp Size	Rated kWh	Facility Charge	Total Lamp Charge
Light-Emitting Diode (LED)	100WE	21	\$ 7.00	\$ 9.14
	250WE	58	\$ 8.68	\$14.58
	400WE	79	\$11.90	\$19.94
High Pressure Sodium (HPS)	100W	42	\$6.09	\$10.37
	250W	105	\$7.23	\$17.92
	400W	165	\$8.50	\$25.30
	1,000W*	385	\$13.60	\$52.79
Decorative	100W	42	\$6.95	\$11.23

* 1,000 watt fixtures not offered for new service.

Monthly Energy Charge for each lamp size above:
 Summer Period \$0.10179 per kWh
 Winter Period \$0.10179 per kWh
 Transition Period \$0.10179 per kWh

Additional Facilities

The above charges in this Part B are limited to service from a photoelectrically controlled standard lighting fixture installed on a pole already in place. If the customer wishes to have the fixture installed at a location other than on a pole already in place, the customer shall pay an **additional monthly charge of \$6.13 per pole** for additional poles required to serve the fixture from KUB's nearest available source. (This section does not apply to Decorative Lighting Fixtures).

Adjustment

Charges under this rate schedule may be increased or decreased to reflect changes in purchased power costs as determined by any purchased power adjustment adopted by the Board. Rates shown above are inclusive of the Purchased Power Adjustment for the current month.

Lamp Replacements

Replacements of lamps and related glassware will be made in accordance with replacement policies of KUB.

Special Outdoor Lighting Installations

When so authorized by policy duly adopted by the Board, special outdoor lighting installations (other than as provided for under Parts A and B above) may be provided, owned, and maintained by KUB's electric system. In such cases, KUB may require reimbursement from the customer for a portion of the initial installed cost of any such installation and shall require payment by the customer of monthly charges sufficient to cover all of KUB's costs (except reimbursed costs), including appropriate overheads of providing, owning, and maintaining such installations, and making lamp replacements.

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

GENERAL POWER RATE - SCHEDULE TDGSA

Availability

This rate, subject to availability from TVA, shall be available for firm electric power requirements where the higher of a customer's currently effective onpeak or offpeak contract demand is greater than 1,000 kW but not more than 5,000 kW for electric service to commercial, industrial, and governmental customers, and to institutional customers, including, without limitation, churches, clubs, fraternities, orphanages, nursing homes, rooming or boarding houses, and like customers, provided that the other conditions of this section are met.

For a customer requesting that its onpeak contract demand be different from its offpeak contract demand, this rate schedule shall be available only for (1) a new contract, (2) a replacement or renewal contract following expiration of the existing contract, or (3) a replacement or renewal contract or an amended existing contract in which the customer is increasing its demand requirements above the existing contract demand level, but under this item (3) neither the new onpeak nor the new offpeak contract demand shall be lower than the customer's existing contract demand.

Prior to participation in this rate, contract amendments may be required for continued participation in certain other programs and rate overlays as determined at KUB's sole discretion.

Character of Service

Alternating current, single or three-phase, 60 hertz. Power shall be delivered at a transmission voltage of 161 kV or, if such transmission voltage is not available, at the highest voltage available in the vicinity, unless at the customer's request a lower standard voltage is agreed upon.

Rates

Customer Charge: \$1,500 per delivery point per month.

Administrative Charge: \$700 per delivery point per month.

Demand Charge:

Summer Period:

Onpeak Demand \$11.44 per kW per month of the customer's onpeak billing demand

Maximum Demand \$8.98 per kW per month of the customer's maximum billing demand

Excess Demand	\$20.42 per kW per month for each kW of the amount, if any, by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher
Winter Period:	
Onpeak Demand	\$10.44 per kW per month of the customer's onpeak billing demand
Maximum Demand	\$8.98 per kW per month of the customer's maximum billing demand
Excess Demand	\$19.42 per kW per month for each kW of the amount, if any, by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher
Transition Period:	
Onpeak Demand	\$10.44 per kW per month of the customer's onpeak billing demand
Maximum Demand	\$8.98 per kW per month of the customer's maximum billing demand
Excess Demand	\$19.42 per kW per month for each kW of the amount, if any, by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher
Energy Charge:	
Summer Period:	
Onpeak	\$0.12816 per kWh per month for all metered onpeak kWh
Offpeak	
Block 1	\$0.09316 per kWh per month for the first 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy
Block 2	\$0.04879 per kWh per month for the next 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy

Block 3	\$0.04563 per kWh per month for the hours use of onpeak metered demand in excess of 400 hours multiplied by the ratio of offpeak energy to total energy
Winter Period:	
Onpeak	\$0.11219 per kWh per month for all metered onpeak kWh
Offpeak	
Block 1	\$0.09626 per kWh per month for the first 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy
Block 2	\$0.04879 per kWh per month for the next 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy
Block 3	\$0.04563 per kWh per month for the hours use of onpeak metered demand in excess of 400 hours multiplied by the ratio of offpeak energy to total energy
Transition Period:	
Onpeak	\$0.09751 per kWh per month for all metered onpeak kWh
Offpeak	
Block 1	\$0.09751 per kWh per month for the first 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy
Block 2	\$0.04879 per kWh per month for the next 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy
Block 3	\$0.04563 per kWh per month for the hours use of onpeak metered demand in excess of 400 hours multiplied by the ratio of offpeak energy to total energy

For the Summer Period, Winter Period, and Transition Period, Offpeak Block 1 energy rates less fuel rate of \$0.01851 per kWh per month shall be applied to the portion, if any, of the minimum offpeak energy takings amount that is greater than the metered energy.

Facilities Rental Charge

There shall be no facilities rental charge under this rate schedule for delivery at bulk transmission voltage levels of 161kV or higher. For delivery at less than 161kV, there shall be added to the customer's bill a facilities rental charge. This charge shall be 37 cents per kW per month except for delivery at voltages below 46 kV, in which case the charge shall be 97 cents per kW per month for the first 10,000 kW and 76 cents per kW per month for the excess over 10,000 kW. Such charge shall be applied to the higher of (1) the highest billing demand established during the latest 12-consecutive-month period or (2) the higher of the customer's currently effective onpeak or offpeak contract demand and shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Reactive Demand Charge

If the reactive demand (in kVAR) is lagging during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's highest metered demand occurs, there shall be added to the customer's bill a reactive charge of \$1.46 per kVAR of the amount, if any, by which the reactive demand exceeds 33 percent of such metered demand. If the reactive demand (in kVAR) is leading during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's lowest metered demand (excluding any metered demands which are less than 25 percent of the highest metered demand) occurs, there shall be added to the customer's bill a reactive charge of \$1.14 per kVAR of the amount of reactive demand. Such charges shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Adjustment

Charges under this rate schedule may be increased or decreased to reflect changes in purchased power costs as determined by any purchased power adjustment adopted by the Board. Rates shown above are inclusive of the Purchased Power Adjustment for the current month.

Determination of Seasonal Periods

Summer Period shall mean the June, July, August, and September billing months. Winter Period shall mean the December, January, February, and March billing months. Transition Period shall mean the April, May, October, and November billing months. The Seasonal Periods under this rate schedule are subject to change by KUB. In the event KUB determines that changed Seasonal Periods are appropriate, such decision shall be made at least 11 months prior to the effective date of such changed periods, and KUB shall promptly notify customer.

Determination of Onpeak and Offpeak Hours

Except for Saturdays, Sundays, November 1, and the weekdays that are observed as Federal holidays for New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day, onpeak hours for each day shall for purposes of this rate schedule be 1 p.m. to 7 p.m. during the months of April, May, June, July, August, September and October and from 4 a.m. to 10 a.m. during the months of January, February, March, November, and December. All other hours of each day that are not otherwise defined as onpeak hours and all hours of such excepted days shall be offpeak hours. Such times shall be Central Standard Time or Central Daylight Time, whichever is then in effect. Said onpeak and offpeak hours are subject to change by KUB. In the event KUB determines that such changed onpeak and offpeak hours are appropriate, such decision shall be made at least 11 months prior to the effective date of such changed hours, and KUB shall promptly notify customer.

Determination of Onpeak and Offpeak Demands, Maximum Metered Demand, and Energy Amounts

The onpeak and offpeak kWh for any month shall be the energy amounts taken during the respective hours of the month designated under this rate schedule as onpeak and offpeak hours; provided, however, that notwithstanding the metered energy amount, the offpeak energy for any month shall in no case be less than the product of (1) the offpeak billing demand as calculated in the last sentence of the paragraph below and (2) 110 hours (reflecting a 15 percent load factor applied to the average number of hours in a month).

KUB shall meter the onpeak and offpeak demands in kW of all customers taking service under this rate schedule. The onpeak metered demand and offpeak metered demand for any month shall be determined separately for the respective hours of the month designated under this rate schedule as onpeak and offpeak hours and in each case shall be the highest average during any 30-consecutive-minute period beginning or ending on a clock hour of the month of the load metered in kW, and, except as provided below in this section, such amounts shall be used as the onpeak and offpeak billing demands.

The maximum billing demand for any month shall be the higher of (1) the highest onpeak billing demand in the month or (2) the highest offpeak billing demand in the month. The onpeak billing demand shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW and (2) 40 percent of any kW in excess of 5,000 kW of the higher of the currently effective onpeak contract demand or the highest onpeak billing demand established during the preceding 12 months. The offpeak billing demand shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW and (2) 40 percent of any kW in excess of 5,000 kW of the higher of the currently effective offpeak contract demand or the highest offpeak billing demand established during the preceding 12 months.

Minimum Bill

The monthly bill under this rate schedule, excluding any facilities rental charges and any reactive charges, shall not be less than the sum of (1) the base customer charge and administrative charge, (2) the portion of the base demand charge, as adjusted (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applicable to onpeak billing demand applied to the customer's onpeak billing demand, (3) the portion of the base demand charge, as adjusted, (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applicable to maximum billing demand applied to the customer's maximum billing demand, (4) the base onpeak energy charge, as adjusted, applied to the customer's onpeak energy takings, and (5) the base offpeak energy charge, as adjusted, applied to the higher of customer's actual offpeak energy takings or the minimum offpeak energy takings amount provided for in the first paragraph of the section of this rate schedule entitled "Determination of Onpeak and Offpeak Demands, Maximum Metered Demand, and Energy Amounts". Notwithstanding the foregoing, any fuel cost that is included in ***any purchased power adjustment adopted by the Board*** shall not be applied to any billed offpeak energy that exceeds the metered offpeak energy.

KUB may require minimum bills higher than those stated above.

Contract Requirement

KUB shall require contracts for all service provided under this rate schedule. The contract shall be for an initial term of at least five years and any renewals or extensions of the initial contract shall be for a term of at least one year; after ten years of service, any such contract for the renewal or extension of service may provide for termination upon not less than four months notice. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and KUB shall not be obligated to supply power in greater amount at any time than the customer's currently effective onpeak or offpeak contract demand. If the customer uses any power other than that supplied by KUB under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract shall be subject to adjustment, modification, change, or replacement from time to time as approved by the Board.

Single Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery point and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery point and at each different voltage shall be separately metered and billed.

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

GENERAL POWER RATE - SCHEDULE GSB

Availability

This rate, subject to availability from TVA, shall be available for firm electric power requirements where the higher of a customer's currently effective onpeak or offpeak contract demand is greater than 5,000 kW but not more than 15,000 kW; provided that the other conditions of this section are met.

For a customer requesting that its onpeak contract demand be different from its offpeak contract demand, this rate schedule shall be available only for (1) a new contract, (2) a replacement or renewal contract following expiration of the existing contract, or (3) a replacement or renewal contract or an amended existing contract in which the customer is increasing its demand requirements above the existing contract demand level, but under this item (3) neither the new onpeak nor the new offpeak contract demand shall be lower than the customer's existing contract demand.

Prior to participation in this rate, contract amendments may be required for continued participation in certain other programs and rate overlays as determined at KUB's sole discretion.

Character of Service

Alternating current, single or three-phase, 60 hertz. Power shall be delivered at a transmission voltage of 161 kV or, if such transmission voltage is not available, at the highest voltage available in the vicinity, unless at the customer's request a lower standard voltage is agreed upon.

Rates

Customer Charge: \$1,500 per delivery point per month.

Administrative Charge: \$700 per delivery point per month.

Demand Charge:

Summer Period:

Onpeak Demand \$11.23 per kW per month of the customer's onpeak billing demand

Maximum Demand \$6.85 per kW per month of the customer's maximum billing demand

Excess Demand \$18.08 per kW per month for each kW of the amount, if any, by which (1) the customer's onpeak billing demand

exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher

Winter Period:

Onpeak Demand \$10.23 per kW per month of the customer's onpeak billing demand

Maximum Demand \$6.85 per kW per month of the customer's maximum billing demand

Excess Demand \$17.08 per kW per month for each kW of the amount, if any, by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher

Transition Period:

Onpeak Demand \$10.23 per kW per month of the customer's onpeak billing demand

Maximum Demand \$6.85 per kW per month of the customer's maximum billing demand

Excess Demand \$17.08 per kW per month for each kW of the amount, if any, by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher

Energy Charge:

Summer Period:

Onpeak \$0.09285 per kWh per month for all metered onpeak kWh

Offpeak

Block 1 \$0.06708 per kWh per month for the first 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy

Block 2 \$0.03133 per kWh per month for the next 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy

Block 3 \$0.02780 per kWh per month for the hours use of onpeak metered demand in excess of 400 hours multiplied by the ratio of offpeak energy to total energy

Winter Period:	
Onpeak	\$0.08110 per kWh per month for all metered onpeak kWh
Offpeak	
Block 1	\$0.06938 per kWh per month for the first 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy
Block 2	\$0.03133 per kWh per month for the next 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy
Block 3	\$0.02780 per kWh per month for the hours use of onpeak metered demand in excess of 400 hours multiplied by the ratio of offpeak energy to total energy
Transition Period:	
Onpeak	\$0.06675 per kWh per month for all metered onpeak kWh
Offpeak	
Block 1	\$0.06675 per kWh per month for the first 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy
Block 2	\$0.03133 per kWh per month for the next 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy
Block 3	\$0.02780 per kWh per month for the hours use of onpeak metered demand in excess of 400 hours multiplied by the ratio of offpeak energy to total energy

For the Summer Period, Winter Period, and Transition Period, Offpeak Block 1 energy rates less fuel rate of \$0.01851 per kWh per month shall be applied to the portion, if any, of the minimum offpeak energy takings amount that is greater than the metered energy.

Facilities Rental Charge

There shall be no facilities rental charge under this rate schedule for delivery at bulk transmission voltage levels of 161kV or higher. For delivery at less than 161kV, there shall be added to the customer's bill a facilities rental charge. This charge shall be 37 cents per kW per month except for delivery at voltages below 46 kV, in which case the

charge shall be 97 cents per kW per month for the first 10,000 kW and 76 cents per kW per month for the excess over 10,000 kW. Such charge shall be applied to the higher of (1) the highest billing demand established during the latest 12-consecutive-month period or (2) the higher of the customer's currently effective onpeak or offpeak contract demand and shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Reactive Demand Charge

If the reactive demand (in kVAR) is lagging during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's highest metered demand occurs, there shall be added to the customer's bill a reactive charge of \$1.46 per kVAR of the amount, if any, by which the reactive demand exceeds 33 percent of such metered demand. If the reactive demand (in kVAR) is leading during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's lowest metered demand (excluding any metered demands which are less than 25 percent of the highest metered demand) occurs, there shall be added to the customer's bill a reactive charge of \$1.14 per kVAR of the amount of reactive demand. Such charges shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Adjustment

Charges under this rate schedule may be increased or decreased to reflect changes in purchased power costs as determined by any purchased power adjustment adopted by the Board. Rates shown above are inclusive of the Purchased Power Adjustment for the current month.

Determination of Seasonal Periods

Summer Period shall mean the June, July, August, and September billing months. Winter Period shall mean the December, January, February, and March billing months. Transition Period shall mean the April, May, October, and November billing months. The Seasonal Periods under this rate schedule are subject to change by KUB. In the event KUB determines that changed Seasonal Periods are appropriate, such decision shall be made at least 11 months prior to the effective date of such changed periods, and KUB shall promptly notify customer.

Determination of Onpeak and Offpeak Hours

Except for Saturdays, Sundays, November 1, and the weekdays that are observed as Federal holidays for New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day, onpeak hours for each day shall for purposes of this rate schedule be 1 p.m. to 7 p.m. during the months of April, May, June, July, August, September and October and from 4 a.m. to 10 a.m. during the months of January, February, March, November, and December. All other hours of each day that are not

otherwise defined as onpeak hours and all hours of such excepted days shall be offpeak hours. Such times shall be Central Standard Time or Central Daylight Time, whichever is then in effect. Said onpeak and offpeak hours are subject to change by KUB. In the event KUB determines that such changed onpeak and offpeak hours are appropriate, such decision shall be made at least 11 months prior to the effective date of such changed hours, and KUB shall promptly notify customer.

Determination of Onpeak and Offpeak Demands,
Maximum Metered Demand, and Energy Amounts

The onpeak and offpeak kWh for any month shall be the energy amounts taken during the respective hours of the month designated under this rate schedule as onpeak and offpeak hours; provided, however, that notwithstanding the metered energy amount, the offpeak energy for any month shall in no case be less than the product of (1) the offpeak billing demand as calculated in the last sentence of the paragraph below and (2) 110 hours (reflecting a 15 percent load factor applied to the average number of hours in a month).

KUB shall meter the onpeak and offpeak demands in kW of all customers taking service under this rate schedule. The onpeak metered demand and offpeak metered demand for any month shall be determined separately for the respective hours of the month designated under this rate schedule as onpeak and offpeak hours and in each case shall be the highest average during any 30-consecutive-minute period beginning or ending on a clock hour of the month of the load metered in kW, and, except as provided below in this section, such amounts shall be used as the onpeak and offpeak billing demands.

The maximum billing demand for any month shall be the higher of (1) the highest onpeak billing demand in the month or (2) the highest offpeak billing demand in the month. The onpeak billing demand shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW and (2) 40 percent of any kW in excess of 5,000 kW of the higher of the currently effective onpeak contract demand or the highest onpeak billing demand established during the preceding 12 months. The offpeak billing demand shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW and (2) 40 percent of any kW in excess of 5,000 kW of the higher of the currently effective offpeak contract demand or the highest offpeak billing demand established during the preceding 12 months.

Minimum Bill

The monthly bill under this rate schedule, excluding any facilities rental charges and any reactive charges, shall not be less than the sum of (1) the base customer charge and administrative charge, (2) the portion of the base demand charge, as adjusted (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applicable to onpeak billing demand applied to the customer's onpeak billing demand, (3) the portion of the base demand charge, as adjusted, (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applicable to maximum billing demand applied to the customer's maximum

billing demand, (4) the base onpeak energy charge, as adjusted, applied to the customer's onpeak energy takings, and (5) the base offpeak energy charge, as adjusted, applied to the higher of customer's actual offpeak energy takings or the minimum offpeak energy takings amount provided for in the first paragraph of the section of this rate schedule entitled "Determination of Onpeak and Offpeak Demands, Maximum Metered Demand, and Energy Amounts". Notwithstanding the foregoing, any fuel cost that is included in ***any purchased power adjustment adopted by the Board*** shall not be applied to any billed offpeak energy that exceeds the metered offpeak energy.

KUB may require minimum bills higher than those stated above.

Contract Requirement

KUB shall require contracts for all service provided under this rate schedule. The contract shall be for an initial term of at least five years and any renewals or extensions of the initial contract shall be for a term of at least one year; after ten years of service, any such contract for the renewal or extension of service may provide for termination upon not less than four months notice. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and KUB shall not be obligated to supply power in greater amount at any time than the customer's currently effective onpeak or offpeak contract demand. If the customer uses any power other than that supplied by KUB under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract shall be subject to adjustment, modification, change, or replacement from time to time as approved by the Board.

Single Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery point and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery point and at each different voltage shall be separately metered and billed.

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

GENERAL POWER RATE - SCHEDULE GSC

Availability

This rate, subject to availability from TVA, shall be available for firm electric power requirements where the higher of a customer's currently effective onpeak or offpeak contract demand is greater than 15,000 kW but not more than 25,000 kW; provided that the other conditions of this section are met.

For a customer requesting that its onpeak contract demand be different from its offpeak contract demand, this rate schedule shall be available only for (1) a new contract, (2) a replacement or renewal contract following expiration of the existing contract, or (3) a replacement or renewal contract or an amended existing contract in which the customer is increasing its demand requirements above the existing contract demand level, but under this item (3) neither the new onpeak nor the new offpeak contract demand shall be lower than the customer's existing contract demand.

Prior to participation in this rate, contract amendments may be required for continued participation in certain other programs and rate overlays as determined at KUB's sole discretion.

Character of Service

Alternating current, single or three-phase, 60 hertz. Power shall be delivered at a transmission voltage of 161 kV or, if such transmission voltage is not available, at the highest voltage available in the vicinity, unless at the customer's request a lower standard voltage is agreed upon.

Rates

Customer Charge: \$1,500 per delivery point per month.

Administrative Charge: \$700 per delivery point per month.

Demand Charge:

Summer Period:

Onpeak Demand \$11.23 per kW per month of the customer's onpeak billing demand

Maximum Demand \$6.67 per kW per month of the customer's maximum billing demand

Excess Demand \$17.90 per kW per month for each kW of the amount, if any, by which (1) the customer's onpeak billing demand

exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher

Winter Period:

Onpeak Demand \$10.23 per kW per month of the customer's onpeak billing demand

Maximum Demand \$6.67 per kW per month of the customer's maximum billing demand

Excess Demand \$16.90 per kW per month for each kW of the amount, if any, by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher

Transition Period:

Onpeak Demand \$10.23 per kW per month of the customer's onpeak billing demand

Maximum Demand \$6.67 per kW per month of the customer's maximum billing demand

Excess Demand \$16.90 per kW per month for each kW of the amount, if any, by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher

Energy Charge:

Summer Period:

Onpeak \$0.09298 per kWh per month for all metered onpeak kWh

Offpeak

Block 1 \$0.06721 per kWh per month for the first 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy

Block 2 \$0.03146 per kWh per month for the next 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy

Block 3 \$0.02793 per kWh per month for the hours use of onpeak metered demand in excess of 400 hours multiplied by the ratio of offpeak energy to total energy

Winter Period:	
Onpeak	\$0.08123 per kWh per month for all metered onpeak kWh
Offpeak	
Block 1	\$0.06951 per kWh per month for the first 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy
Block 2	\$0.03146 per kWh per month for the next 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy
Block 3	\$0.02793 per kWh per month for the hours use of onpeak metered demand in excess of 400 hours multiplied by the ratio of offpeak energy to total energy
Transition Period:	
Onpeak	\$0.06688 per kWh per month for all metered onpeak kWh
Offpeak	
Block 1	\$0.06688 per kWh per month for the first 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy
Block 2	\$0.03146 per kWh per month for the next 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy
Block 3	\$0.02793 per kWh per month for the hours use of onpeak metered demand in excess of 400 hours multiplied by the ratio of offpeak energy to total energy

For the Summer Period, Winter Period, and Transition Period, Offpeak Block 1 energy rates less fuel rate of \$0.01851 per kWh per month shall be applied to the portion, if any, of the minimum offpeak energy takings amount that is greater than the metered energy.

Facilities Rental Charge

There shall be no facilities rental charge under this rate schedule for delivery at bulk transmission voltage levels of 161kV or higher. For delivery at less than 161kV, there shall be added to the customer's bill a facilities rental charge. This charge shall be 37 cents per kW per month except for delivery at voltages below 46 kV, in which case the charge shall be 97 cents per kW per month for the first 10,000 kW and 76 cents per kW per month for the excess over 10,000 kW. Such charge shall be applied to the higher of

(1) the highest billing demand established during the latest 12-consecutive-month period or (2) the higher of the customer's currently effective onpeak or offpeak contract demand and shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Reactive Demand Charge

If the reactive demand (in kVAR) is lagging during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's highest metered demand occurs, there shall be added to the customer's bill a reactive charge of \$1.46 per kVAR of the amount, if any, by which the reactive demand exceeds 33 percent of such metered demand. If the reactive demand (in kVAR) is leading during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's lowest metered demand (excluding any metered demands which are less than 25 percent of the highest metered demand) occurs, there shall be added to the customer's bill a reactive charge of \$1.14 per kVAR of the amount of reactive demand. Such charges shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Adjustment

Charges under this rate schedule may be increased or decreased to reflect changes in purchased power costs as determined by any purchased power adjustment adopted by the Board. Rates shown above are inclusive of the Purchased Power Adjustment for the current month.

Determination of Seasonal Periods

Summer Period shall mean the June, July, August, and September billing months. Winter Period shall mean the December, January, February, and March billing months. Transition Period shall mean the April, May, October, and November billing months. The Seasonal Periods under this rate schedule are subject to change by KUB. In the event KUB determines that changed Seasonal Periods are appropriate, such decision shall be made at least 11 months prior to the effective date of such changed periods, and KUB shall promptly notify customer.

Determination of Onpeak and Offpeak Hours

Except for Saturdays, Sundays, November 1, and the weekdays that are observed as Federal holidays for New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day, onpeak hours for each day shall for purposes of this rate schedule be 1 p.m. to 7 p.m. during the months of April, May, June, July, August, September and October and from 4 a.m. to 10 a.m. during the months of January, February, March, November, and December. All other hours of each day that are not otherwise defined as onpeak hours and all hours of such excepted days shall be offpeak hours. Such times shall be Central Standard Time or Central Daylight Time, whichever is

then in effect. Said onpeak and offpeak hours are subject to change by KUB. In the event KUB determines that such changed onpeak and offpeak hours are appropriate, such decision shall be made at least 11 months prior to the effective date of such changed hours, and KUB shall promptly notify customer.

Determination of Onpeak and Offpeak Demands,
Maximum Metered Demand, and Energy Amounts

The onpeak and offpeak kWh for any month shall be the energy amounts taken during the respective hours of the month designated under this rate schedule as onpeak and offpeak hours; provided, however, that notwithstanding the metered energy amount, the offpeak energy for any month shall in no case be less than the product of (1) the offpeak billing demand as calculated in the last sentence of the paragraph below and (2) 110 hours (reflecting a 15 percent load factor applied to the average number of hours in a month).

KUB shall meter the onpeak and offpeak demands in kW of all customers taking service under this rate schedule. The onpeak metered demand and offpeak metered demand for any month shall be determined separately for the respective hours of the month designated under this rate schedule as onpeak and offpeak hours and in each case shall be the highest average during any 30-consecutive-minute period beginning or ending on a clock hour of the month of the load metered in kW, and, except as provided below in this section, such amounts shall be used as the onpeak and offpeak billing demands.

The maximum billing demand for any month shall be the higher of (1) the highest onpeak billing demand in the month or (2) the highest offpeak billing demand in the month. The onpeak billing demand shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW, (2) 40 percent of the next 20,000 kW, and (3) 50 percent of any kW in excess of 25,000 kW of the higher of the currently effective onpeak contract demand or the highest onpeak billing demand established during the preceding 12 months. The offpeak billing demand shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW, (2) 40 percent of the next 20,000 kW, and (3) 50 percent of any kW in excess of 25,000 kW of the higher of the currently effective offpeak contract demand or the highest offpeak billing demand established during the preceding 12 months.

Minimum Bill

The monthly bill under this rate schedule, excluding any facilities rental charges and any reactive charges, shall not be less than the sum of (1) the base customer charge and administrative charge, (2) the portion of the base demand charge, as adjusted (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applicable to onpeak billing demand applied to the customer's onpeak billing demand, (3) the portion of the base demand charge, as adjusted, (but excluding the additional portion thereof applicable to excess of billing demand over contract

demand) applicable to maximum billing demand applied to the customer's maximum billing demand, (4) the base onpeak energy charge, as adjusted, applied to the customer's onpeak energy takings, and (5) the base offpeak energy charge, as adjusted, applied to the higher of customer's actual offpeak energy takings or the minimum offpeak energy takings amount provided for in the first paragraph of the section of this rate schedule entitled "Determination of Onpeak and Offpeak Demands, Maximum Metered Demand, and Energy Amounts". Notwithstanding the foregoing, any fuel cost that is included in ***any purchased power adjustment adopted by the Board*** shall not be applied to any billed offpeak energy that exceeds the metered offpeak energy.

KUB may require minimum bills higher than those stated above.

Contract Requirement

KUB shall require contracts for all service provided under this rate schedule. The contract shall be for an initial term of at least five years and any renewals or extensions of the initial contract shall be for a term of at least one year; after ten years of service, any such contract for the renewal or extension of service may provide for termination upon not less than four months notice. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and KUB shall not be obligated to supply power in greater amount at any time than the customer's currently effective onpeak or offpeak contract demand. If the customer uses any power other than that supplied by KUB under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract shall be subject to adjustment, modification, change, or replacement from time to time as approved by the Board.

Single Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery point and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery point and at each different voltage shall be separately metered and billed.

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

GENERAL POWER RATE - SCHEDULE GSD

Availability

This rate, subject to availability from TVA, shall be available for firm electric power requirements where the higher of a customer's currently effective onpeak or offpeak contract demand is greater than 25,000 kW; provided that the other conditions of this section are met.

For a customer requesting that its onpeak contract demand be different from its offpeak contract demand, this rate schedule shall be available only for (1) a new contract, (2) a replacement or renewal contract following expiration of the existing contract, or (3) a replacement or renewal contract or an amended existing contract in which the customer is increasing its demand requirements above the existing contract demand level, but under this item (3) neither the new onpeak nor the new offpeak contract demand shall be lower than the customer's existing contract demand.

Prior to participation in this rate, contract amendments may be required for continued participation in certain other programs and rate overlays as determined at KUB's sole discretion.

Character of Service

Alternating current, single or three-phase, 60 hertz. Power shall be delivered at a transmission voltage of 161 kV or, if such transmission voltage is not available, at the highest voltage available in the vicinity, unless at the customer's request a lower standard voltage is agreed upon.

Rates

Customer Charge: \$1,500 per delivery point per month.

Administrative Charge: \$700 per delivery point per month.

Demand Charge:

Summer Period:

Onpeak Demand \$11.23 per kW per month of the customer's onpeak billing demand

Maximum Demand \$6.54 per kW per month of the customer's maximum billing demand

Excess Demand \$17.77 per kW per month for each kW of the amount, if any, by which (1) the customer's onpeak billing demand

exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher

Winter Period:

Onpeak Demand \$10.23 per kW per month of the customer's onpeak billing demand

Maximum Demand \$6.54 per kW per month of the customer's maximum billing demand

Excess Demand \$16.77 per kW per month for each kW of the amount, if any, by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher

Transition Period:

Onpeak Demand \$10.23 per kW per month of the customer's onpeak billing demand

Maximum Demand \$6.54 per kW per month of the customer's maximum billing demand

Excess Demand \$16.77 per kW per month for each kW of the amount, if any, by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher

Energy Charge:

Summer Period:

Onpeak \$0.09300 per kWh per month for all metered onpeak kWh

Offpeak

Block 1 \$0.06723 per kWh per month for the first 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy

Block 2 \$0.03029 per kWh per month for the next 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy

Block 3 \$0.02795 per kWh per month for the hours use of onpeak metered demand in excess of 400 hours multiplied by the ratio of offpeak energy to total energy

Winter Period:	
Onpeak	\$0.08125 per kWh per month for all metered onpeak kWh
Offpeak	
Block 1	\$0.06953 per kWh per month for the first 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy
Block 2	\$0.03029 per kWh per month for the next 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy
Block 3	\$0.02795 per kWh per month for the hours use of onpeak metered demand in excess of 400 hours multiplied by the ratio of offpeak energy to total energy
Transition Period:	
Onpeak	\$0.06690 per kWh per month for all metered onpeak kWh
Offpeak	
Block 1	\$0.06690 per kWh per month for the first 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy
Block 2	\$0.03029 per kWh per month for the next 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy
Block 3	\$0.02795 per kWh per month for the hours use of onpeak metered demand in excess of 400 hours multiplied by the ratio of offpeak energy to total energy

For the Summer Period, Winter Period, and Transition Period, Offpeak Block 1 energy rates less fuel rate of \$0.01851 per kWh per month shall be applied to the portion, if any, of the minimum offpeak energy takings amount that is greater than the metered energy.

Facilities Rental Charge

There shall be no facilities rental charge under this rate schedule for delivery at bulk transmission voltage levels of 161kV or higher. For delivery at less than 161kV, there shall be added to the customer's bill a facilities rental charge. This charge shall be 37 cents per kW per month except for delivery at voltages below 46 kV, in which case the charge shall be 97 cents per kW per month for the first 10,000 kW and 76 cents per kW per month for the excess over 10,000 kW. Such charge shall be applied to the higher of (1) the highest billing demand established during the latest 12-consecutive-month period

or (2) the higher of the customer's currently effective onpeak or offpeak contract demand and shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Reactive Demand Charge

If the reactive demand (in kVAR) is lagging during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's highest metered demand occurs, there shall be added to the customer's bill a reactive charge of \$1.46 per kVAR of the amount, if any, by which the reactive demand exceeds 33 percent of such metered demand. If the reactive demand (in kVAR) is leading during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's lowest metered demand (excluding any metered demands which are less than 25 percent of the highest metered demand) occurs, there shall be added to the customer's bill a reactive charge of \$1.14 per kVAR of the amount of reactive demand. Such charges shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Adjustment

Charges under this rate schedule may be increased or decreased to reflect changes in purchased power costs as determined by any purchased power adjustment adopted by the Board. Rates shown above are inclusive of the Purchased Power Adjustment for the current month.

Determination of Seasonal Periods

Summer Period shall mean the June, July, August, and September billing months. Winter Period shall mean the December, January, February, and March billing months. Transition Period shall mean the April, May, October, and November billing months. The Seasonal Periods under this rate schedule are subject to change by KUB. In the event KUB determines that changed Seasonal Periods are appropriate, such decision shall be made at least 11 months prior to the effective date of such changed periods, and KUB shall promptly notify customer.

Determination of Onpeak and Offpeak Hours

Except for Saturdays, Sundays, November 1, and the weekdays that are observed as Federal holidays for New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day, onpeak hours for each day shall for purposes of this rate schedule be 1 p.m. to 7 p.m. during the months of April, May, June, July, August, September and October and from 4 a.m. to 10 a.m. during the months of January, February, March, November, and December. All other hours of each day that are not otherwise defined as onpeak hours and all hours of such excepted days shall be offpeak hours. Such times shall be Central Standard Time or Central Daylight Time, whichever is

then in effect. Said onpeak and offpeak hours are subject to change by KUB. In the event KUB determines that such changed onpeak and offpeak hours are appropriate, such decision shall be made at least 11 months prior to the effective date of such changed hours, and KUB shall promptly notify customer.

Determination of Onpeak and Offpeak Demands,
Maximum Metered Demand, and Energy Amounts

The onpeak and offpeak kWh for any month shall be the energy amounts taken during the respective hours of the month designated under this rate schedule as onpeak and offpeak hours; provided, however, that notwithstanding the metered energy amount, the offpeak energy for any month shall in no case be less than the product of (1) the offpeak billing demand as calculated in the last sentence of the paragraph below and (2) 110 hours (reflecting a 15 percent load factor applied to the average number of hours in a month).

KUB shall meter the onpeak and offpeak demands in kW of all customers taking service under this rate schedule. The onpeak metered demand and offpeak metered demand for any month shall be determined separately for the respective hours of the month designated under this rate schedule as onpeak and offpeak hours and in each case shall be the highest average during any 30-consecutive-minute period beginning or ending on a clock hour of the month of the load metered in kW, and, except as provided below in this section, such amounts shall be used as the onpeak and offpeak billing demands.

The maximum billing demand for any month shall be the higher of (1) the highest onpeak billing demand in the month or (2) the highest offpeak billing demand in the month. The onpeak billing demand shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW, (2) 40 percent of the next 20,000 kW; (3) 50 percent of the next 25,000 kW, (4) 60 percent of the next 50,000 kW, (5) 70 percent of the next 100,000 kW, (6) 80 percent of the next 150,000 kW, and (7) 85 percent of all kW in excess of 350,000 kW of the higher of the currently effective onpeak contract demand or the highest onpeak billing demand established during the preceding 12 months. The offpeak billing demand shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW, (2) 40 percent of the next 20,000 kW, (3) 50 percent of the next 25,000 kW, (4) 60 percent of the next 50,000 kW, (5) 70 percent of the next 100,000 kW, (6) 80 percent of the next 150,000 kW, and (7) 85 percent of all kW in excess of 350,000 kW of the higher of the currently effective offpeak contract demand or the highest offpeak billing demand established during the preceding 12 months.

Minimum Bill

The monthly bill under this rate schedule, excluding any facilities rental charges and any reactive charges, shall not be less than the sum of (1) the base customer charge and administrative charge, (2) the portion of the base demand charge, as adjusted (but excluding the additional portion thereof applicable to excess of billing demand over

contract demand) applicable to onpeak billing demand applied to the customer's onpeak billing demand, (3) the portion of the base demand charge, as adjusted, (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applicable to maximum billing demand applied to the customer's maximum billing demand, (4) the base onpeak energy charge, as adjusted, applied to the customer's onpeak energy takings, and (5) the base offpeak energy charge, as adjusted, applied to the higher of customer's actual offpeak energy takings or the minimum offpeak energy takings amount provided for in the first paragraph of the section of this rate schedule entitled "Determination of Onpeak and Offpeak Demands, Maximum Metered Demand, and Energy Amounts". Notwithstanding the foregoing, any fuel cost that is included in ***any purchased power adjustment adopted by the Board*** shall not be applied to any billed offpeak energy that exceeds the metered offpeak energy.

KUB may require minimum bills higher than those stated above.

Contract Requirement

KUB shall require contracts for all service provided under this rate schedule. The contract shall be for an initial term of at least five years and any renewals or extensions of the initial contract shall be for a term of at least five years; after ten years of service, any such contract for the renewal or extension of service may provide for termination upon not less than sixteen months notice. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and KUB shall not be obligated to supply power in greater amount at any time than the customer's currently effective onpeak or offpeak contract demand. If the customer uses any power other than that supplied by KUB under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract shall be subject to adjustment, modification, change, or replacement from time to time as approved by the Board.

Single Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery point and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery point and at each different voltage shall be separately metered and billed.

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

MANUFACTURING SERVICE POWER RATE - SCHEDULE TDMSA

Availability

This rate, subject to availability from TVA, shall be available for firm electric power requirements where (a) a customer's currently effective onpeak or offpeak contract demand, whichever is higher, is greater than 1,000 kW but not more than 5,000 kW, and (b) the major use of electricity is for activities conducted at the delivery point serving that customer which are classified with a 2-digit Standard Industrial Classification Code between 20 and 39, inclusive, or classified with 2002 North American Industry Classification System (NAICS) code 5181, or 2007 NAICS codes 5182, 522320, and 541214.

Prior to initially taking any service under this schedule, and from time to time thereafter as may be required by KUB, a customer shall certify to KUB that it meets the requirements set forth in condition (b) above. The certification form to be used shall be furnished by KUB to the customer, and signed and promptly returned by the customer to KUB. Further, such customer shall promptly certify any change in the status of any of the information contained in the certification form.

Service during any period for which a customer does not meet the eligibility requirements set forth in condition (b) above will be made available by KUB under, and billed in accordance with, the applicable General Power schedule.

For a customer requesting that its onpeak contract demand be different from its offpeak contract demand, this rate schedule shall be available only for (1) a new contract, (2) a replacement or renewal contract following expiration of the existing contract, or (3) a replacement or renewal contract or an amended existing contract in which the customer is increasing its demand requirements above the existing contract demand level, but under this item (3) neither the new onpeak nor the new offpeak contract demand shall be lower than the customer's existing contract demand.

Prior to participation in this rate, contract amendments may be required for continued participation in certain other programs and rate overlays as determined at KUB's sole discretion.

Character of Service

Alternating current, single or three-phase, 60 hertz. Power shall be delivered at a transmission voltage of 161 kV or, if such transmission voltage is not available, at the highest voltage available in the vicinity, unless at the customer's request a lower standard voltage is agreed upon.

Rates

Customer Charge: \$1,500 per delivery point per month.

Administrative Charge: \$700 per delivery point per month.

Demand Charge:

Summer Period:

Onpeak Demand \$10.70 per kW per month of the customer's onpeak billing demand

Maximum Demand \$7.10 per kW per month of the customer's maximum billing demand

Excess Demand \$17.80 per kW per month for each kW of the amount, if any, by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher

Winter Period:

Onpeak Demand \$9.69 per kW per month of the customer's onpeak billing demand

Maximum Demand \$7.10 per kW per month of the customer's maximum billing demand

Excess Demand \$16.79 per kW per month for each kW of the amount, if any, by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher

Transition Period:

Onpeak Demand \$9.69 per kW per month of the customer's onpeak billing demand

Maximum Demand \$7.10 per kW per month of the customer's maximum billing demand

Excess Demand \$16.79 per kW per month for each kW of the amount, if any, by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher

Energy Charge:

Summer Period:

Onpeak \$0.10220 per kWh per month for all metered onpeak kWh

Offpeak

Block 1 \$0.07608 per kWh per month for the first 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy

Block 2 \$0.04743 per kWh per month for the next 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy

Block 3 \$0.04477 per kWh per month for the hours use of onpeak metered demand in excess of 400 hours multiplied by the ratio of offpeak energy to total energy

Winter Period:

Onpeak \$0.09027 per kWh per month for all metered onpeak kWh

Offpeak

Block 1 \$0.07840 per kWh per month for the first 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy

Block 2 \$0.04743 per kWh per month for the next 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy

Block 3 \$0.04477 per kWh per month for the hours use of onpeak metered demand in excess of 400 hours multiplied by the ratio of offpeak energy to total energy

Transition Period:

Onpeak \$0.07933 per kWh per month for all metered onpeak kWh

Offpeak

Block 1 \$0.07933 per kWh per month for the first 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy

Block 2 \$0.04743 per kWh per month for the next 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy

Block 3 \$0.04477 per kWh per month for the hours use of onpeak metered demand in excess of 400 hours multiplied by the ratio of offpeak energy to total energy

For the Summer Period, Winter Period, and Transition Period, Offpeak Block 1 energy rates less fuel rate of \$0.01851 per kWh per month shall be applied to the portion, if any, of the minimum offpeak energy takings amount that is greater than the metered energy.

Facilities Rental Charge

There shall be no facilities rental charge under this rate schedule for delivery at bulk transmission voltage levels of 161kV or higher. For delivery at less than 161kV, there shall be added to the customer's bill a facilities rental charge. This charge shall be 37 cents per kW per month except for delivery at voltages below 46 kV, in which case the charge shall be 97 cents per kW per month for the first 10,000 kW and 76 cents per kW per month for the excess over 10,000 kW. Such charge shall be applied to the higher of (1) the highest billing demand established during the latest 12-consecutive-month period or (2) the higher of the customer's currently effective onpeak or offpeak contract demand and shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Reactive Demand Charge

If the reactive demand (in kVAR) is lagging during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's highest metered demand occurs, there shall be added to the customer's bill a reactive charge of \$1.46 per kVAR of the amount, if any, by which the reactive demand exceeds 33 percent of such metered demand. If the reactive demand (in kVAR) is leading during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's lowest metered demand (excluding any metered demands which are less than 25 percent of the highest metered demand) occurs, there shall be added to the customer's bill a reactive charge of \$1.14 per kVAR of the amount of reactive demand. Such charges shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Adjustment

Charges under this rate schedule may be increased or decreased to reflect changes in purchased power costs as determined by any purchased power adjustment adopted by the Board. Rates shown above are inclusive of the Purchased Power Adjustment for the current month.

Determination of Seasonal Periods

Summer Period shall mean the June, July, August, and September billing months. Winter

Period shall mean the December, January, February, and March billing months. Transition Period shall mean the April, May, October, and November billing months. The Seasonal Periods under this rate schedule are subject to change by KUB. In the event KUB determines that changed Seasonal Periods are appropriate, such decision shall be made at least 11 months prior to the effective date of such changed periods, and KUB shall promptly notify customer.

Determination of Onpeak and Offpeak Hours

Except for Saturdays, Sundays, November 1, and the weekdays that are observed as Federal holidays for New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day, onpeak hours for each day shall for purposes of this rate schedule be 1 p.m. to 7 p.m. during the months of April, May, June, July, August, September and October and from 4 a.m. to 10 a.m. during the months of January, February, March, November, and December. All other hours of each day that are not otherwise defined as onpeak hours and all hours of such excepted days shall be offpeak hours. Such times shall be Central Standard Time or Central Daylight Time, whichever is then in effect. Said onpeak and offpeak hours are subject to change by KUB. In the event KUB determines that such changed onpeak and offpeak hours are appropriate, such decision shall be made at least 11 months prior to the effective date of such changed hours, and KUB shall promptly notify customer.

Determination of Onpeak and Offpeak Demands, Maximum Metered Demand, and Energy Amounts

The onpeak and offpeak kWh for any month shall be the energy amounts taken during the respective hours of the month designated under this rate schedule as onpeak and offpeak hours; provided, however, that notwithstanding the metered energy amount, the offpeak energy for any month shall in no case be less than the product of (1) the offpeak billing demand as calculated in the last sentence of the paragraph below and (2) 110 hours (reflecting a 15 percent load factor applied to the average number of hours in a month).

KUB shall meter the onpeak and offpeak demands in kW of all customers taking service under this rate schedule. The onpeak metered demand and offpeak metered demand for any month shall be determined separately for the respective hours of the month designated under this rate schedule as onpeak and offpeak hours and in each case shall be the highest average during any 30-consecutive-minute period beginning or ending on a clock hour of the month of the load metered in kW, and, except as provided below in this section, such amounts shall be used as the onpeak and offpeak billing demands.

The maximum billing demand for any month shall be the higher of (1) the highest onpeak billing demand in the month or (2) the highest offpeak billing demand in the month. The onpeak billing demand shall in no case be less than the sum of (1) 30 percent of the first

5,000 kW and (2) 40 percent of any kW in excess of 5,000 kW of the higher of the currently effective onpeak contract demand or the highest onpeak billing demand established during the preceding 12 months. The offpeak billing demand shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW and (2) 40 percent of any kW in excess of 5,000 kW of the higher of the currently effective offpeak contract demand or the highest offpeak billing demand established during the preceding 12 months.

Minimum Bill

The monthly bill under this rate schedule, excluding any facilities rental charges and any reactive charges, shall not be less than the sum of (1) the base customer charge and administrative charge, (2) the portion of the base demand charge, as adjusted (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applicable to onpeak billing demand applied to the customer's onpeak billing demand, (3) the portion of the base demand charge, as adjusted, (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applicable to maximum billing demand applied to the customer's maximum billing demand, (4) the base onpeak energy charge, as adjusted, applied to the customer's onpeak energy takings, and (5) the base offpeak energy charge, as adjusted, applied to the higher of customer's actual offpeak energy takings or the minimum offpeak energy takings amount provided for in the first paragraph of the section of this rate schedule entitled "Determination of Onpeak and Offpeak Demands, Maximum Metered Demand, and Energy Amounts". Notwithstanding the foregoing, any fuel cost that is included in ***any purchased power adjustment adopted by the Board*** shall not be applied to any billed offpeak energy that exceeds the metered offpeak energy.

KUB may require minimum bills higher than those stated above.

Contract Requirement

KUB shall require contracts for all service provided under this rate schedule. The contract shall be for an initial term of at least five years and any renewals or extensions of the initial contract shall be for a term of at least one year; after ten years of service, any such contract for the renewal or extension of service may provide for termination upon not less than four months notice. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and KUB shall not be obligated to supply power in greater amount at any time than the customer's currently effective onpeak or offpeak contract demand. If the customer uses any power other than that supplied by KUB under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract shall be subject to adjustment, modification, change, or replacement from time to time as approved by the Board.

Single Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery point and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery point and at each different voltage shall be separately metered and billed.

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

MANUFACTURING SERVICE POWER RATE - SCHEDULE MSB

Availability

This rate, subject to availability from TVA, shall be available for firm electric power requirements where (a) a customer's currently effective onpeak or offpeak contract demand, whichever is higher, is greater than 5,000 kW but not more than 15,000 kW, and (b) the major use of electricity is for activities conducted at the delivery point serving that customer which are classified with a 2-digit Standard Industrial Classification Code between 20 and 39, inclusive, or classified with 2002 North American Industry Classification System (NAICS) code 5181, or 2007 NAICS codes 5182, 522320, and 541214.

Prior to initially taking any service under this schedule, and from time to time thereafter as may be required by KUB, a customer shall certify to KUB that it meets the requirements set forth in condition (b) above. The certification form to be used shall be furnished by KUB to the customer, and signed and promptly returned by the customer to KUB. Further, such customer shall promptly certify any change in the status of any of the information contained in the certification form.

Service during any period for which a customer does not meet the eligibility requirements set forth in condition (b) above will be made available by KUB under, and billed in accordance with, the applicable General Power schedule.

For a customer requesting that its onpeak contract demand be different from its offpeak contract demand, this rate schedule shall be available only for (1) a new contract, (2) a replacement or renewal contract following expiration of the existing contract, or (3) a replacement or renewal contract or an amended existing contract in which the customer is increasing its demand requirements above the existing contract demand level, but under this item (3) neither the new onpeak nor the new offpeak contract demand shall be lower than the customer's existing contract demand.

Prior to participation in this rate, contract amendments may be required for continued participation in certain other programs and rate overlays as determined at KUB's sole discretion.

Character of Service

Alternating current, single or three-phase, 60 hertz. Power shall be delivered at a transmission voltage of 161 kV or, if such transmission voltage is not available, at the highest voltage available in the vicinity, unless at the customer's request a lower standard voltage is agreed upon.

Rates

Customer Charge: \$1,500 per delivery point per month.

Administrative Charge: \$700 per delivery point per month.

Demand Charge:

Summer Period:

Onpeak Demand \$10.59 per kW per month of the customer's onpeak billing demand

Maximum Demand \$3.49 per kW per month of the customer's maximum billing demand

Excess Demand \$14.08 per kW per month for each kW of the amount, if any, by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher

Winter Period:

Onpeak Demand \$9.59 per kW per month of the customer's onpeak billing demand

Maximum Demand \$3.49 per kW per month of the customer's maximum billing demand

Excess Demand \$13.08 per kW per month for each kW of the amount, if any, by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher

Transition Period:

Onpeak Demand \$9.59 per kW per month of the customer's onpeak billing demand

Maximum Demand \$3.49 per kW per month of the customer's maximum billing demand

Excess Demand \$13.08 per kW per month for each kW of the amount, if any, by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher

Energy Charge:

Summer Period:

Onpeak \$0.08427 per kWh per month for all metered onpeak kWh

Offpeak

Block 1 \$0.05841 per kWh per month for the first 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy

Block 2 \$0.02771 per kWh per month for the next 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy

Block 3 \$0.02508 per kWh per month for the hours use of onpeak metered demand in excess of 400 hours multiplied by the ratio of offpeak energy to total energy

Winter Period:

Onpeak \$0.07247 per kWh per month for all metered onpeak kWh

Offpeak

Block 1 \$0.06072 per kWh per month for the first 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy

Block 2 \$0.02771 per kWh per month for the next 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy

Block 3 \$0.02508 per kWh per month for the hours use of onpeak metered demand in excess of 400 hours multiplied by the ratio of offpeak energy to total energy

Transition Period:

Onpeak \$0.06162 per kWh per month for all metered onpeak kWh

Offpeak

Block 1 \$0.06162 per kWh per month for the first 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy

Block 2 \$0.02771 per kWh per month for the next 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy

Block 3 \$0.02508 per kWh per month for the hours use of onpeak metered demand in excess of 400 hours multiplied by the ratio of offpeak energy to total energy

For the Summer Period, Winter Period, and Transition Period, Offpeak Block 1 energy rates less fuel rate of \$0.01851 per kWh per month shall be applied to the portion, if any, of the minimum offpeak energy takings amount that is greater than the metered energy.

Facilities Rental Charge

There shall be no facilities rental charge under this rate schedule for delivery at bulk transmission voltage levels of 161kV or higher. For delivery at less than 161kV, there shall be added to the customer's bill a facilities rental charge. This charge shall be 37 cents per kW per month except for delivery at voltages below 46 kV, in which case the charge shall be 97 cents per kW per month for the first 10,000 kW and 76 cents per kW per month for the excess over 10,000 kW. Such charge shall be applied to the higher of (1) the highest billing demand established during the latest 12-consecutive-month period or (2) the higher of the customer's currently effective onpeak or offpeak contract demand and shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Reactive Demand Charge

If the reactive demand (in kVAR) is lagging during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's highest metered demand occurs, there shall be added to the customer's bill a reactive charge of \$1.46 per kVAR of the amount, if any, by which the reactive demand exceeds 33 percent of such metered demand. If the reactive demand (in kVAR) is leading during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's lowest metered demand (excluding any metered demands which are less than 25 percent of the highest metered demand) occurs, there shall be added to the customer's bill a reactive charge of \$1.14 per kVAR of the amount of reactive demand. Such charges shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Adjustment

Charges under this rate schedule may be increased or decreased to reflect changes in purchased power costs as determined by any purchased power adjustment adopted by the Board. Rates shown above are inclusive of the Purchased Power Adjustment for the current month.

Determination of Seasonal Periods

Summer Period shall mean the June, July, August, and September billing months. Winter

Period shall mean the December, January, February, and March billing months. Transition Period shall mean the April, May, October, and November billing months. The Seasonal Periods under this rate schedule are subject to change by KUB. In the event KUB determines that changed Seasonal Periods are appropriate, such decision shall be made at least 11 months prior to the effective date of such changed periods, and KUB shall promptly notify customer.

Determination of Onpeak and Offpeak Hours

Except for Saturdays, Sundays, November 1, and the weekdays that are observed as Federal holidays for New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day, onpeak hours for each day shall for purposes of this rate schedule be 1 p.m. to 7 p.m. during the months of April, May, June, July, August, September and October and from 4 a.m. to 10 a.m. during the months of January, February, March, November, and December. All other hours of each day that are not otherwise defined as onpeak hours and all hours of such excepted days shall be offpeak hours. Such times shall be Central Standard Time or Central Daylight Time, whichever is then in effect. Said onpeak and offpeak hours are subject to change by KUB. In the event KUB determines that such changed onpeak and offpeak hours are appropriate, such decision shall be made at least 11 months prior to the effective date of such changed hours, and KUB shall promptly notify customer.

Determination of Onpeak and Offpeak Demands, Maximum Metered Demand, and Energy Amounts

The onpeak and offpeak kWh for any month shall be the energy amounts taken during the respective hours of the month designated under this rate schedule as onpeak and offpeak hours; provided, however, that notwithstanding the metered energy amount, the offpeak energy for any month shall in no case be less than the product of (1) the offpeak billing demand as calculated in the last sentence of the paragraph below and (2) 110 hours (reflecting a 15 percent load factor applied to the average number of hours in a month).

KUB shall meter the onpeak and offpeak demands in kW of all customers taking service under this rate schedule. The onpeak metered demand and offpeak metered demand for any month shall be determined separately for the respective hours of the month designated under this rate schedule as onpeak and offpeak hours and in each case shall be the highest average during any 30-consecutive-minute period beginning or ending on a clock hour of the month of the load metered in kW, and, except as provided below in this section, such amounts shall be used as the onpeak and offpeak billing demands.

The maximum billing demand for any month shall be the higher of (1) the highest onpeak billing demand in the month or (2) the highest offpeak billing demand in the month. The onpeak billing demand shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW and (2) 40 percent of any kW in excess of 5,000 kW of the higher of the currently

effective onpeak contract demand or the highest onpeak billing demand established during the preceding 12 months. The offpeak billing demand shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW and (2) 40 percent of any kW in excess of 5,000 kW of the higher of the currently effective offpeak contract demand or the highest offpeak billing demand established during the preceding 12 months.

Minimum Bill

The monthly bill under this rate schedule, excluding any facilities rental charges and any reactive charges, shall not be less than the sum of (1) the base customer charge and administrative charge, (2) the portion of the base demand charge, as adjusted (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applicable to onpeak billing demand applied to the customer's onpeak billing demand, (3) the portion of the base demand charge, as adjusted, (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applicable to maximum billing demand applied to the customer's maximum billing demand, (4) the base onpeak energy charge, as adjusted, applied to the customer's onpeak energy takings, and (5) the base offpeak energy charge, as adjusted, applied to the higher of customer's actual offpeak energy takings or the minimum offpeak energy takings amount provided for in the first paragraph of the section of this rate schedule entitled "Determination of Onpeak and Offpeak Demands, Maximum Metered Demand, and Energy Amounts". Notwithstanding the foregoing, any fuel cost that is included in *any purchased power adjustment adopted by the Board* shall not be applied to any billed offpeak energy that exceeds the metered offpeak energy.

KUB may require minimum bills higher than those stated above.

Contract Requirement

KUB shall require contracts for all service provided under this rate schedule. The contract shall be for an initial term of at least five years and any renewals or extensions of the initial contract shall be for a term of at least one year; after ten years of service, any such contract for the renewal or extension of service may provide for termination upon not less than four months notice. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and KUB shall not be obligated to supply power in greater amount at any time than the customer's currently effective onpeak or offpeak contract demand. If the customer uses any power other than that supplied by KUB under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract shall be subject to adjustment, modification, change, or replacement from time to time as approved by the Board.

Single Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery point and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery point and at each different voltage shall be separately metered and billed.

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

MANUFACTURING SERVICE POWER RATE - SCHEDULE MSC

Availability

This rate, subject to availability from TVA, shall be available for firm electric power requirements where (a) a customer's currently effective onpeak or offpeak contract demand, whichever is higher, is greater than 15,000 kW but not more than 25,000 kW, and (b) the major use of electricity is for activities conducted at the delivery point serving that customer which are classified with a 2-digit Standard Industrial Classification Code between 20 and 39, inclusive, or classified with 2002 North American Industry Classification System (NAICS) code 5181, or 2007 NAICS codes 5182, 522320, and 541214.

Prior to initially taking any service under this schedule, and from time to time thereafter as may be required by KUB, a customer shall certify to KUB that it meets the requirements set forth in condition (b) above. The certification form to be used shall be furnished by KUB to the customer, and signed and promptly returned by the customer to KUB. Further, such customer shall promptly certify any change in the status of any of the information contained in the certification form.

Service during any period for which a customer does not meet the eligibility requirements set forth in condition (b) above will be made available by KUB under, and billed in accordance with, the applicable General Power schedule.

For a customer requesting that its onpeak contract demand be different from its offpeak contract demand, this rate schedule shall be available only for (1) a new contract, (2) a replacement or renewal contract following expiration of the existing contract, or (3) a replacement or renewal contract or an amended existing contract in which the customer is increasing its demand requirements above the existing contract demand level, but under this item (3) neither the new onpeak nor the new offpeak contract demand shall be lower than the customer's existing contract demand.

Prior to participation in this rate, contract amendments may be required for continued participation in certain other programs and rate overlays as determined at KUB's sole discretion.

Character of Service

Alternating current, single or three-phase, 60 hertz. Power shall be delivered at a transmission voltage of 161 kV or, if such transmission voltage is not available, at the highest voltage available in the vicinity, unless at the customer's request a lower standard voltage is agreed upon.

Rates

Customer Charge:	\$1,500 per delivery point per month.
Administrative Charge:	\$700 per delivery point per month.
Demand Charge:	
Summer Period:	
Onpeak Demand	\$10.59 per kW per month of the customer's onpeak billing demand
Maximum Demand	\$3.37 per kW per month of the customer's maximum billing demand
Excess Demand	\$13.96 per kW per month for each kW of the amount, if any, by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher
Winter Period:	
Onpeak Demand	\$9.59 per kW per month of the customer's onpeak billing demand
Maximum Demand	\$3.37 per kW per month of the customer's maximum billing demand
Excess Demand	\$12.96 per kW per month for each kW of the amount, if any, by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher
Transition Period:	
Onpeak Demand	\$9.59 per kW per month of the customer's onpeak billing demand
Maximum Demand	\$3.37 per kW per month of the customer's maximum billing demand
Excess Demand	\$12.96 per kW per month for each kW of the amount, if any, by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher

Energy Charge:

Summer Period:

Onpeak \$0.08375 per kWh per month for all metered onpeak kWh

Offpeak

Block 1 \$0.05788 per kWh per month for the first 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy

Block 2 \$0.02980 per kWh per month for the next 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy

Block 3 \$0.02980 per kWh per month for the hours use of onpeak metered demand in excess of 400 hours multiplied by the ratio of offpeak energy to total energy

Winter Period:

Onpeak \$0.07194 per kWh per month for all metered onpeak kWh

Offpeak

Block 1 \$0.06018 per kWh per month for the first 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy

Block 2 \$0.02980 per kWh per month for the next 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy

Block 3 \$0.02980 per kWh per month for the hours use of onpeak metered demand in excess of 400 hours multiplied by the ratio of offpeak energy to total energy

Transition Period:

Onpeak \$0.06109 per kWh per month for all metered onpeak kWh

Offpeak

Block 1 \$0.06109 per kWh per month for the first 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy

Block 2 \$0.02980 per kWh per month for the next 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy

Block 3 \$0.02980 per kWh per month for the hours use of onpeak metered demand in excess of 400 hours multiplied by the ratio of offpeak energy to total energy

For the Summer Period, Winter Period, and Transition Period, Offpeak Block 1 energy rates less fuel rate of \$0.01851 per kWh per month shall be applied to the portion, if any, of the minimum offpeak energy takings amount that is greater than the metered energy.

Facilities Rental Charge

There shall be no facilities rental charge under this rate schedule for delivery at bulk transmission voltage levels of 161kV or higher. For delivery at less than 161kV, there shall be added to the customer's bill a facilities rental charge. This charge shall be 37 cents per kW per month except for delivery at voltages below 46 kV, in which case the charge shall be 97 cents per kW per month for the first 10,000 kW and 76 cents per kW per month for the excess over 10,000 kW. Such charge shall be applied to the higher of (1) the highest billing demand established during the latest 12-consecutive-month period or (2) the higher of the customer's currently effective onpeak or offpeak contract demand and shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Reactive Demand Charge

If the reactive demand (in kVAR) is lagging during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's highest metered demand occurs, there shall be added to the customer's bill a reactive charge of \$1.46 per kVAR of the amount, if any, by which the reactive demand exceeds 33 percent of such metered demand. If the reactive demand (in kVAR) is leading during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's lowest metered demand (excluding any metered demands which are less than 25 percent of the highest metered demand) occurs, there shall be added to the customer's bill a reactive charge of \$1.14 per kVAR of the amount of reactive demand. Such charges shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Adjustment

Charges under this rate schedule may be increased or decreased to reflect changes in purchased power costs as determined by any purchased power adjustment adopted by the Board. Rates shown above are inclusive of the Purchased Power Adjustment for the current month.

Determination of Seasonal Periods

Summer Period shall mean the June, July, August, and September billing months. Winter

Period shall mean the December, January, February, and March billing months. Transition Period shall mean the April, May, October, and November billing months. The Seasonal Periods under this rate schedule are subject to change by KUB. In the event KUB determines that changed Seasonal Periods are appropriate, such decision shall be made at least 11 months prior to the effective date of such changed periods, and KUB shall promptly notify customer.

Determination of Onpeak and Offpeak Hours

Except for Saturdays, Sundays, November 1, and the weekdays that are observed as Federal holidays for New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day, onpeak hours for each day shall for purposes of this rate schedule be 1 p.m. to 7 p.m. during the months of April, May, June, July, August, September and October and from 4 a.m. to 10 a.m. during the months of January, February, March, November, and December. All other hours of each day that are not otherwise defined as onpeak hours and all hours of such excepted days shall be offpeak hours. Such times shall be Central Standard Time or Central Daylight Time, whichever is then in effect. Said onpeak and offpeak hours are subject to change by KUB. In the event KUB determines that such changed onpeak and offpeak hours are appropriate, such decision shall be made at least 11 months prior to the effective date of such changed hours, and KUB shall promptly notify customer.

Determination of Onpeak and Offpeak Demands, Maximum Metered Demand, and Energy Amounts

The onpeak and offpeak kWh for any month shall be the energy amounts taken during the respective hours of the month designated under this rate schedule as onpeak and offpeak hours; provided, however, that notwithstanding the metered energy amount, the offpeak energy for any month shall in no case be less than the product of (1) the offpeak billing demand as calculated in the last sentence of the paragraph below and (2) 110 hours (reflecting a 15 percent load factor applied to the average number of hours in a month).

KUB shall meter the onpeak and offpeak demands in kW of all customers taking service under this rate schedule. The onpeak metered demand and offpeak metered demand for any month shall be determined separately for the respective hours of the month designated under this rate schedule as onpeak and offpeak hours and in each case shall be the highest average during any 30-consecutive-minute period beginning or ending on a clock hour of the month of the load metered in kW, and, except as provided below in this section, such amounts shall be used as the onpeak and offpeak billing demands.

The maximum billing demand for any month shall be the higher of (1) the highest onpeak billing demand in the month or (2) the highest offpeak billing demand in the month. The onpeak billing demand shall in no case be less than the sum of (1) 30 percent of the first

5,000 kW, (2) 40 percent of the next 20,000 kW, and (3) 50 percent of any kW in excess of 25,000 kW of the higher of the currently effective onpeak contract demand or the highest onpeak billing demand established during the preceding 12 months. The offpeak billing demand shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW, (2) 40 percent of the next 20,000 kW, and (3) 50 percent of any kW in excess of 25,000 kW of the higher of the currently effective offpeak contract demand or the highest offpeak billing demand established during the preceding 12 months.

Minimum Bill

The monthly bill under this rate schedule, excluding any facilities rental charges and any reactive charges, shall not be less than the sum of (1) the base customer charge and administrative charge, (2) the portion of the base demand charge, as adjusted (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applicable to onpeak billing demand applied to the customer's onpeak billing demand, (3) the portion of the base demand charge, as adjusted, (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applicable to maximum billing demand applied to the customer's maximum billing demand, (4) the base onpeak energy charge, as adjusted, applied to the customer's onpeak energy takings, and (5) the base offpeak energy charge, as adjusted, applied to the higher of customer's actual offpeak energy takings or the minimum offpeak energy takings amount provided for in the first paragraph of the section of this rate schedule entitled "Determination of Onpeak and Offpeak Demands, Maximum Metered Demand, and Energy Amounts". Notwithstanding the foregoing, any fuel cost that is included in *any purchased power adjustment adopted by the Board* shall not be applied to any billed offpeak energy that exceeds the metered offpeak energy.

KUB may require minimum bills higher than those stated above.

Contract Requirement

KUB shall require contracts for all service provided under this rate schedule. The contract shall be for an initial term of at least five years and any renewals or extensions of the initial contract shall be for a term of at least one year; after ten years of service, any such contract for the renewal or extension of service may provide for termination upon not less than four months notice. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and KUB shall not be obligated to supply power in greater amount at any time than the customer's currently effective onpeak or offpeak contract demand. If the customer uses any power other than that supplied by KUB under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract shall be subject to adjustment, modification, change, or replacement from time to time as approved by the Board.

Single Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery point and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery point and at each different voltage shall be separately metered and billed.

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

MANUFACTURING SERVICE POWER RATE - SCHEDULE MSD

Availability

This rate, subject to availability from TVA, shall be available for firm electric power requirements where (a) a customer's currently effective onpeak or offpeak contract demand, whichever is higher, is greater than 25,000 kW, and (b) the major use of electricity is for activities conducted at the delivery point serving that customer which are classified with a 2-digit Standard Industrial Classification Code between 20 and 39, inclusive, or classified with 2002 North American Industry Classification System (NAICS) code 5181, or 2007 NAICS codes 5182, 522320, and 541214.

Prior to initially taking any service under this schedule, and from time to time thereafter as may be required by KUB, a customer shall certify to KUB that it meets the requirements set forth in condition (b) above. The certification form to be used shall be furnished by KUB to the customer, and signed and promptly returned by the customer to KUB. Further, such customer shall promptly certify any change in the status of any of the information contained in the certification form.

Service during any period for which a customer does not meet the eligibility requirements set forth in condition (b) above will be made available by KUB under, and billed in accordance with, the applicable General Power schedule.

For a customer requesting that its onpeak contract demand be different from its offpeak contract demand, this rate schedule shall be available only for (1) a new contract, (2) a replacement or renewal contract following expiration of the existing contract, or (3) a replacement or renewal contract or an amended existing contract in which the customer is increasing its demand requirements above the existing contract demand level, but under this item (3) neither the new onpeak nor the new offpeak contract demand shall be lower than the customer's existing contract demand.

Prior to participation in this rate, contract amendments may be required for continued participation in certain other programs and rate overlays as determined at KUB's sole discretion.

Character of Service

Alternating current, single or three-phase, 60 hertz. Power shall be delivered at a transmission voltage of 161 kV or, if such transmission voltage is not available, at the highest voltage available in the vicinity, unless at the customer's request a lower standard voltage is agreed upon.

Rates

Customer Charge: \$1,500 per delivery point per month.

Administrative Charge: \$700 per delivery point per month.

Demand Charge:

Summer Period:

- Onpeak Demand \$10.59 per kW per month of the customer's onpeak billing demand
- Maximum Demand \$2.92 per kW per month of the customer's maximum billing demand
- Excess Demand \$13.51 per kW per month for each kW of the amount, if any, by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher

Winter Period:

- Onpeak Demand \$9.59 per kW per month of the customer's onpeak billing demand
- Maximum Demand \$2.92 per kW per month of the customer's maximum billing demand
- Excess Demand \$12.51 per kW per month for each kW of the amount, if any, by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher

Transition Period:

- Onpeak Demand \$9.59 per kW per month of the customer's onpeak billing demand
- Maximum Demand \$2.92 per kW per month of the customer's maximum billing demand
- Excess Demand \$12.51 per kW per month for each kW of the amount, if any, by which (1) the customer's onpeak billing demand exceeds its onpeak contract demand or (2) the customer's offpeak billing demand exceeds its offpeak contract demand, whichever is higher

Energy Charge:

Summer Period:

- Onpeak \$0.08005 per kWh per month for all metered onpeak kWh

Offpeak		
Block 1		\$0.05420 per kWh per month for the first 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy
Block 2		\$0.02671 per kWh per month for the next 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy
Block 3		\$0.02611 per kWh per month for the hours use of onpeak metered demand in excess of 400 hours multiplied by the ratio of offpeak energy to total energy
Winter Period:		
Onpeak		\$0.06825 per kWh per month for all metered onpeak kWh
Offpeak		
Block 1		\$0.05648 per kWh per month for the first 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy
Block 2		\$0.02671 per kWh per month for the next 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy
Block 3		\$0.02611 per kWh per month for the hours use of onpeak metered demand in excess of 400 hours multiplied by the ratio of offpeak energy to total energy
Transition Period:		
Onpeak		\$0.05739 per kWh per month for all metered onpeak kWh
Offpeak		
Block 1		\$0.05739 per kWh per month for the first 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy
Block 2		\$0.02671 per kWh per month for the next 200 hours use of onpeak metered demand multiplied by the ratio of offpeak energy to total energy
Block 3		\$0.02611 per kWh per month for the hours use of onpeak metered demand in excess of 400 hours multiplied by the ratio of offpeak energy to total energy

For the Summer Period, Winter Period, and Transition Period, Offpeak Block 1 energy rates less fuel rate of \$0.01851 per kWh per month shall be applied to the portion, if any, of the minimum offpeak energy takings amount that is greater than the metered energy.

Facilities Rental Charge

There shall be no facilities rental charge under this rate schedule for delivery at bulk transmission voltage levels of 161kV or higher. For delivery at less than 161kV, there shall be added to the customer's bill a facilities rental charge. This charge shall be 37 cents per kW per month except for delivery at voltages below 46 kV, in which case the charge shall be 97 cents per kW per month for the first 10,000 kW and 76 cents per kW per month for the excess over 10,000 kW. Such charge shall be applied to the higher of (1) the highest billing demand established during the latest 12-consecutive-month period or (2) the higher of the customer's currently effective onpeak or offpeak contract demand and shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Reactive Demand Charge

If the reactive demand (in kVAR) is lagging during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's highest metered demand occurs, there shall be added to the customer's bill a reactive charge of \$1.46 per kVAR of the amount, if any, by which the reactive demand exceeds 33 percent of such metered demand. If the reactive demand (in kVAR) is leading during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's lowest metered demand (excluding any metered demands which are less than 25 percent of the highest metered demand) occurs, there shall be added to the customer's bill a reactive charge of \$1.14 per kVAR of the amount of reactive demand. Such charges shall be in addition to all other charges under this rate schedule, including minimum bill charges.

Adjustment

Charges under this rate schedule may be increased or decreased to reflect changes in purchased power costs as determined by any purchased power adjustment adopted by the Board. Rates shown above are inclusive of the Purchased Power Adjustment for the current month.

Determination of Seasonal Periods

Summer Period shall mean the June, July, August, and September billing months. Winter Period shall mean the December, January, February, and March billing months. Transition Period shall mean the April, May, October, and November billing months. The Seasonal Periods under this rate schedule are subject to change by KUB. In the event

KUB determines that changed Seasonal Periods are appropriate, such decision shall be made at least 11 months prior to the effective date of such changed periods, and KUB shall promptly notify customer.

Determination of Onpeak and Offpeak Hours

Except for Saturdays, Sundays, November 1, and the weekdays that are observed as Federal holidays for New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day, onpeak hours for each day shall for purposes of this rate schedule be 1 p.m. to 7 p.m. during the months of April, May, June, July, August, September and October and from 4 a.m. to 10 a.m. during the months of January, February, March, November, and December. All other hours of each day that are not otherwise defined as onpeak hours and all hours of such excepted days shall be offpeak hours. Such times shall be Central Standard Time or Central Daylight Time, whichever is then in effect. Said onpeak and offpeak hours are subject to change by KUB. In the event KUB determines that such changed onpeak and offpeak hours are appropriate, such decision shall be made at least 11 months prior to the effective date of such changed hours, and KUB shall promptly notify customer.

Determination of Onpeak and Offpeak Demands, Maximum Metered Demand, and Energy Amounts

The onpeak and offpeak kWh for any month shall be the energy amounts taken during the respective hours of the month designated under this rate schedule as onpeak and offpeak hours; provided, however, that notwithstanding the metered energy amount, the offpeak energy for any month shall in no case be less than the product of (1) the offpeak billing demand as calculated in the last sentence of the paragraph below and (2) 110 hours (reflecting a 15 percent load factor applied to the average number of hours in a month).

KUB shall meter the onpeak and offpeak demands in kW of all customers taking service under this rate schedule. The onpeak metered demand and offpeak metered demand for any month shall be determined separately for the respective hours of the month designated under this rate schedule as onpeak and offpeak hours and in each case shall be the highest average during any 30-consecutive-minute period beginning or ending on a clock hour of the month of the load metered in kW, and, except as provided below in this section, such amounts shall be used as the onpeak and offpeak billing demands.

The maximum billing demand for any month shall be the higher of (1) the highest onpeak billing demand in the month or (2) the highest offpeak billing demand in the month. The onpeak billing demand shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW and (2) 40 percent of the next 20,000 kW (3) 50 percent of the next 25,000 kW, (4) 60 percent of the next 50,000 kW, (5) 70 percent of the next 100,000 kW, (6) 80 percent of the next 150,000 kW, and (7) 85 percent of all kW in excess of 350,000 kW of

the higher of the currently effective onpeak contract demand or the highest onpeak billing demand established during the preceding 12 months. The offpeak billing demand shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW, (2) 40 percent of the next 20,000 kW, (3) 50 percent of the next 25,000 kW, (4) 60 percent of the next 50,000 kW, and (5) 70 percent of the next 100,000 kW, (6) 80 percent of the next 150,000 kW, and (7) 85 percent of all kW in excess of 350,000 kW of the higher of the currently effective offpeak contract demand or the highest offpeak billing demand established during the preceding 12 months.

Minimum Bill

The monthly bill under this rate schedule, excluding any facilities rental charges and any reactive charges, shall not be less than the sum of (1) the base customer charge and administrative charge, (2) the portion of the base demand charge, as adjusted (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applicable to onpeak billing demand applied to the customer's onpeak billing demand, (3) the portion of the base demand charge, as adjusted, (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applicable to maximum billing demand applied to the customer's maximum billing demand, (4) the base onpeak energy charge, as adjusted, applied to the customer's onpeak energy takings, and (5) the base offpeak energy charge, as adjusted, applied to the higher of customer's actual offpeak energy takings or the minimum offpeak energy takings amount provided for in the first paragraph of the section of this rate schedule entitled "Determination of Onpeak and Offpeak Demands, Maximum Metered Demand, and Energy Amounts". Notwithstanding the foregoing, any fuel cost that is included in any purchased power adjustment adopted by the Board shall not be applied to any billed offpeak energy that exceeds the metered offpeak energy.

KUB may require minimum bills higher than those stated above.

Contract Requirement

KUB shall require contracts for all service provided under this rate schedule. The contract shall be for an initial term of at least five years and any renewals or extensions of the initial contract shall be for a term of at least five years; after ten years of service, any such contract for the renewal or extension of service may provide for termination upon not less than sixteen months notice. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and KUB shall not be obligated to supply power in greater amount at any time than the customer's currently effective onpeak or offpeak contract demand. If the customer uses any power other than that supplied by KUB under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract shall be subject to adjustment, modification, change, or replacement from time to time as approved by the Board.

Single Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery point and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery point and at each different voltage shall be separately metered and billed.

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

ELECTRIC VEHICLE CHARGING POWER RATE - SCHEDULE EVC

Availability

This rate shall exclusively apply to separately metered charging stations for electric vehicles where the charging station's demand is greater than 50 kW but not more than 5,000 kW.

All customers participating under this rate schedule shall agree to a full requirements service from KUB. In addition, customers must agree that the sole use of the electric service is for the purpose of charging electric vehicles used for transportation purposes only.

Character of Service

Alternating current, single- or three-phase, 60 hertz. Power shall be delivered at a transmission voltage of 161 kV or, if such transmission voltage is not available, at the highest voltage available in the vicinity, unless at the customer's request a lower standard voltage is agreed upon.

Rates

Customer Charge: \$109.00 per delivery point per month

Monthly Energy Charge:	Onpeak	\$0.33896 per kWh for all metered onpeak kWh
	Offpeak	\$0.21565 per kWh for all metered offpeak kWh

Adjustment

Charges under this rate schedule may be increased or decreased to reflect changes in purchased power costs as determined by any purchased power adjustment adopted by the Board. Rates shown above are inclusive of the Purchased Power Adjustment for the current month.

Determination of Seasonal Periods

Summer Period shall mean the June, July, August, and September billing months. Winter Period shall mean the December, January, February, and March billing months. Transition Period shall mean the April, May, October, and November billing months. The Seasonal Periods under this rate schedule are subject to change by KUB. In the event KUB determines that changed Seasonal Periods are appropriate, such decision shall be made at least 11 months prior to the effective date of such changed periods, and KUB shall promptly notify customer.

Determination of Onpeak and Offpeak Hours

Except for Saturdays, Sundays, November 1, and the weekdays that are observed as Federal holidays for New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day, onpeak hours for each day shall for purposes of this rate schedule be from 2 p.m. to 8 p.m. during the months of April, May, June, July, August, September and October and from 5 a.m. to 11 a.m. during the months of January, February, March, November, and December. For all other hours of each day and all hours of such excepted days shall be offpeak hours. Such times shall be EST or EDT, whichever is then in effect. Said onpeak and offpeak hours are subject to change by KUB. In the event KUB determines that such changed onpeak and offpeak hours are appropriate, such decision shall be made at least 11 months prior to the effective date of such changed hours, and KUB shall promptly notify customer.

Minimum Bill

The base customer charge constitutes the minimum monthly bill for all customers served under this rate schedule except those customers for which a higher minimum monthly bill is required under KUB's standard policy because of special circumstances affecting the cost of rendering service.

Contract Requirement

At its sole discretion, KUB may require contracts for service provided under this rate schedule and such contracts shall be for an initial term of at least 90 days. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and KUB shall not be obligated to supply power in greater amount at any time than the customer's currently effective contract demand. The customer is prohibited from using any power other than that supplied by KUB under this rate schedule. All other power sources are prohibited. The contract may include other special provisions. The rate schedule in any power contract shall be subject to adjustment, modification, change, or replacement from time to time as approved by the Board.

After having received service for at least 90 days under this rate schedule, the customer, subject to 90 days prior written notice and appropriate amendments in its power contract with KUB, may receive service under the General Power Time-Of-Use Rate - Schedule GSA TOU. In such case the term of the power contract shall remain the same and the contract demand for service under the General Power Time-Of-Use Rate - Schedule GSA TOU shall not be less than the contract demand in effect when service was taken under this rate schedule.

Single-Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery and metering point, and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery and metering point and at each different voltage shall be separately metered and billed.

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

POWERFLEX

Availability

KUB provides PowerFlex to qualified power users through its wholesale power supplier, the Tennessee Valley Authority (TVA), in accordance with the power supply contract between KUB and TVA.

PowerFlex shall be made available to qualified power users pursuant to specific contractual arrangements between KUB and the customer (such contractual arrangements may be contained in one or more written instruments and are hereinafter sometimes referred to as the "Agreement").

Charges for PowerFlex

KUB Administrative Charge: \$350.00 per month

All other PowerFlex related charges including TVA Administrative Cost Charges shall be established in accordance with the Agreement.

Interruptibility

PowerFlex furnished to a customer under the Agreement shall be subject to interruption and to suspension of availability as provided for in the Agreement.

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

INTERRUPTIBLE POWER 5 (IP5)

Availability

KUB provides Interruptible Power 5 (IP5) to qualified power users through its wholesale power supplier, the Tennessee Valley Authority (TVA), in accordance with the power supply contract between KUB and TVA.

IP5 shall be made available to qualified power users pursuant to specific contractual arrangements between KUB and the customer (such contractual arrangements may be contained in one or more written instruments and are hereinafter sometimes referred to as the "Contract").

Charges for IP5

KUB Administrative Charge: \$350.00 per month

All other IP5-related charges including TVA Administrative Cost Charges shall be established in accordance with the Contract.

Interruptibility

IP5 furnished to a customer under the Contract shall be subject to interruption and to suspension of availability as provided for in the Contract.

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

INTERRUPTIBLE POWER 30 (IP30)

Availability

KUB provides Interruptible Power 30 (IP30) to qualified power users through its wholesale power supplier, the Tennessee Valley Authority (TVA), in accordance with the power supply contract between KUB and TVA.

IP30 shall be made available to qualified power users pursuant to specific contractual arrangements between KUB and the customer (such contractual arrangements may be contained in one or more written instruments and are hereinafter sometimes referred to as the "Contract").

Charges for IP30

KUB Administrative Charge: \$350.00 per month

All other IP30-related charges including TVA Administrative Cost Charges shall be established in accordance with the Contract.

Interruptibility

IP30 furnished to a customer under the Contract shall be subject to interruption and to suspension of availability as provided for in the Contract.

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

TWO-PART REAL TIME PRICING (RTP)

Availability

KUB provides Two-Part Real Time Pricing (Two-Part RTP) to qualified general power users through its wholesale power supplier, the Tennessee Valley Authority (TVA), in accordance with the power supply contract between KUB and TVA.

Two-Part RTP shall be made available to qualified general power users pursuant to specific contractual arrangements between KUB and the customer (such contractual arrangements may be contained in one or more written instruments and are hereinafter sometimes referred to as the "Contract").

Charges for Two-Part RTP

KUB Administrative Charge: \$350.00 per month

All other Two-Part RTP charges including TVA Administrative Charges shall be established in accordance with the Contract.

Interruptibility

Two-Part RTP furnished to a customer under the Contract may be subject to interruption and to suspension of availability as provided for in the Contract.

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

START-UP AND TESTING POWER (STP)

Availability

KUB provides Start-up and Testing Power (STP) to qualified power users through its wholesale power supplier, the Tennessee Valley Authority (TVA), in accordance with the power supply contract between KUB and TVA.

STP shall be made available to qualified power users pursuant to specific contractual arrangements between KUB and the customer (such contractual arrangements may be contained in one or more written instruments and are hereinafter sometimes referred to as the "Contract").

Charges for STP

KUB Administrative Charge: \$350.00 per month

All other STP-related charges including TVA Administrative Cost Charges shall be established in accordance with the Contract.

Interruptibility

STP furnished to a customer under the Contract shall be subject to interruption and to suspension of availability as provided for in the Contract.

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

RESIDENTIAL POWER TIME-OF-USE RATE - SCHEDULE RS-TOU

Availability

Service under this rate schedule shall be available only to residential customers served individually through a separate meter or through a KUB-approved multiple meter configuration designed as a single billing point.

Character of Service

Alternating current, single-phase, 60 hertz. Power shall be delivered at a service voltage available in the vicinity or agreed to by KUB. Multi-phase service shall be supplied in accordance with KUB's standard policy.

Rates

Basic Service Charge:	\$20.50 per month
Monthly Energy Charge:	Onpeak: \$0.22020 per kWh
	Offpeak: \$0.08844 per kWh

Adjustment

Charges under this rate schedule may be increased or decreased to reflect changes in purchased power costs as determined by any purchased power adjustment adopted by the Board. Rates shown above are inclusive of the Purchased Power Adjustment for the current month.

Determination of Onpeak and Offpeak Hours *All hours stated in Eastern Prevailing Time*

Weekdays (Monday - Friday)

Onpeak	2 PM to 8 PM calendar months April through October 5 AM to 11 AM calendar months November through March
Offpeak	All other hours

Weekends (Saturday – Sunday) and Holidays - all hours are Offpeak

Holidays include the weekdays that are observed as holidays:
New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day

Minimum Bill

The basic service charge constitutes the minimum monthly bill for all customers served under this rate schedule except those customers for which a higher minimum monthly bill is required under KUB's standard policy because of special circumstances affecting the cost of rendering service.

Single Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery and at a single voltage.

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

GENERAL POWER TIME-OF-USE RATE - SCHEDULE GSA-TOU

Availability

This rate shall be available for the firm power requirements for electric service to non-residential customers, where a customer's contract demand is 1,000 kW or less.

Character of Service

Alternating current, single or three-phase, 60 hertz. Power shall be delivered at a service voltage available in the vicinity or agreed to by KUB.

Rates

1. If the higher of (a) the customer's currently effective contract demand, if any, or (b) its highest billing demand during the latest 12-month period is not more than 50 kW:

Customer Charge: \$34.00 per delivery point per month

Monthly Demand Charge: \$2.39 per kW of maximum billing demand

Monthly Energy Charge: Onpeak \$0.22584 per kWh
Offpeak \$0.09243 per kWh

- 2A. If the higher of (a) the customer's currently effective contract demand or (b) its highest billing demand during the latest 12-month period is greater than 50 kW but not more than 100 kW:

Customer Charge: \$165.00 per delivery point per month

Monthly Demand Charge: \$5.46 per kW of maximum billing demand

Monthly Energy Charge: Onpeak \$0.23746 per kWh
Offpeak \$0.10405 per kWh

2B.If the higher of (a) the customer's currently effective contract demand or (b) its highest billing demand during the latest 12-month period is greater than 100 kW but not more than 1,000 kW:

Customer Charge: \$183.00 per delivery point per month

Monthly Demand Charge: \$8.01 per kW of maximum billing demand

Monthly Energy Charge: Onpeak \$0.21063 per kWh
Offpeak \$0.07722 per kWh

3. If the higher of (a) the customer's currently effective contract demand or (b) its highest billing demand during the latest 12-month period is greater than 1,000 kW, these customers are not eligible for the GSA-TOU rate schedule. The customer will be removed from this rate and billed under the default General Power Rate – Schedule GSA unless the customer qualifies and selects TDGSA or TDMSA rates.

Adjustment

Charges under this rate schedule may be increased or decreased to reflect changes in purchased power costs as determined by any purchased power adjustment adopted by the Board. Rates shown above are inclusive of the Purchased Power Adjustment for the current month.

Determination of Onpeak and Offpeak Hours *All hours stated in Eastern Prevailing Time*

Weekdays (Monday - Friday)

Onpeak 2 PM to 8 PM calendar months April through October
5 AM to 11 AM calendar months November through March

Offpeak All other hours

Weekends (Saturday – Sunday) and Holidays - all hours are Offpeak

Holidays include the weekdays that are observed as holidays:
New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day

Determination of Demand

KUB shall meter the demands in kW of all customers served under the GSA-TOU rate schedule. The Metered Demand for any month shall be the highest average during any 30-minute-consecutive period of the month of the load metered in kW. The Measured Demand for any month shall be the higher of (a) or (b) below.

The Billing Demand for any month shall be the higher of the following:

- (a) Metered Demand
- (b) 85 percent of the load in kVA
- (c) 30 percent of the higher of the currently effective contract demand or the highest billing demand established during the preceding 12 months.

Minimum Bill

The monthly bill under this rate schedule shall not be less than the sum of (a) the customer charge, (b) the demand charge, as adjusted, applied to the customer's billing demand, and (c) the energy charges, as adjusted, applied to the customer's energy takings.

KUB may require minimum bills higher than those stated above.

Contract Requirements

At its sole discretion, KUB may require contracts for service provided under this rate schedule and such contracts shall be for an initial term of at least one year. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and KUB shall not be obligated to supply power in greater amount at any time than the customer's currently effective contract demand. If the customer uses any power other than that supplied by KUB under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract shall be subject to adjustment, modification, change, or replacement from time to time as approved by the Board.

Single – Point Delivery

The charges under this rate schedule are based upon the supply of service through a single delivery and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery and metering point at each different voltage shall be separately metered and billed.

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

RATE SCHEDULE EVCP - Electric Vehicle Charging Pump Rate

Availability

Service under Rate Schedule EVCP is available to any vehicle served at KUB owned EV charging stations. This fuel is solely for use for charging commercial or personal vehicles.

Rate

Base Rate \$0.44 per kWh

Plus

All applicable local, state, and federal taxes and applicable transaction fees.

Other Charges

Idle fees and any other charges can be found in the KUB Electric Service Procedures.

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

**RESOLUTION 1493
EXHIBIT D
RATE SCHEDULES OF THE GAS DIVISION
EFFECTIVE OCTOBER 1, 2024**

RESIDENTIAL GAS SERVICE
RATE SCHEDULE G-2

Availability

Service under this rate schedule shall be available only to residential customers served individually through a separate meter or through a KUB-approved multiple meter configuration designed as a single billing point.

Rates

For the monthly billing periods of November through March:

Basic Service Charge:	\$10.90 per month
Commodity Charge:	\$1.2332 per therm for first 30 therms \$1.0133 per therm for over 30 therms

For the monthly billing periods of April through October:

Basic Service Charge:	\$10.90 per month
Commodity Charge:	\$1.0480 per therm for first 50 therms \$0.9251 per therm for over 50 therms

Adjustment

The Commodity Charge shall be subject to KUB's Purchased Gas Adjustment. Rates shown above are inclusive of the Purchased Gas Adjustment for the current month.

Minimum Bill

The minimum bill under this rate schedule shall be the Basic Service Charge.

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

COMMERCIAL AND INDUSTRIAL GAS SERVICE
RATE SCHEDULE G-4

Availability

Service under Rate Schedule G-4 is available to any commercial or industrial customer. Unless otherwise approved by KUB, a customer receiving service under Rate Schedule G-4, after previously receiving service under Rate Schedule G-6, shall not be allowed to return to service under Rate Schedule G-6 until at least twelve months have elapsed since service was last received under Rate Schedule G-6.

Rates

Customer Charge: \$36.00 per month

Monthly Commodity Charge: \$1.1789 per therm for the first 250 therms;
\$1.0583 per therm for the excess over 250 therms.

Adjustment

The Commodity Charge shall be subject to KUB's Purchased Gas Adjustment. Rates shown above are inclusive of the Purchased Gas Adjustment for the current month.

Minimum Bill

The minimum bill for each monthly billing period shall be the Customer Charge.

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

COMMERCIAL AND INDUSTRIAL GAS SERVICE
RATE SCHEDULE G-6

Availability

Service under this rate is available to any commercial or industrial customer that incurs a demand of twenty-seven therms or more during the current monthly billing period or during any of the eleven most recent monthly billing periods. Unless otherwise approved by KUB, a customer receiving service under Rate Schedule G-6, after previously receiving service under Rate Schedule G-4, shall not be allowed to return to service under Rate Schedule G-4 until at least twelve months have elapsed since service was last received under Rate Schedule G-4.

Rates

Customer Charge:	\$215.00 per month
Monthly Demand Charge:	\$2.10 per therm of demand
Monthly Commodity Charge:	\$0.8202 per therm for the first 30,000 therms; \$0.7200 per therm for over 30,000 therms

Adjustment

The Commodity Charge shall be subject to KUB's Purchased Gas Adjustment. The above rates are inclusive of the Purchased Gas Adjustment for the current month.

Determination of Demand

At the option of KUB, the demand shall be determined either (a) by demand type meter, or (b) by electronic measuring device, or (c) by test, or (d) by estimate. If determined by estimate, the demand shall be considered to be equal to five percent (5%) of the total quantity of gas used during the applicable monthly billing period.

The billed demand shall be the amount as determined in the above paragraph, but not less than eighty percent (80%) of the greatest demand of the previous 12 months.

Minimum Bill

The minimum bill for each monthly billing period shall be the sum of the Customer Charge and the Demand Charge.

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

INTERRUPTIBLE GAS SERVICE

RATE SCHEDULE G-7

Definitions

"Customer" means a person or entity contracting with or otherwise receiving service from KUB for interruptible gas service under this rate.

"Day" means a period of twenty-four (24) consecutive hours, beginning and ending at 10:00 A.M. prevailing Knoxville time or such other period as may be established by the applicable connecting pipeline(s) to KUB's system.

"Delivery" means the delivery of Transport Gas or Supplemental Gas to KUB.

"Firm Gas" means the amount of gas designated as such in a written contract between KUB and the Customer; Firm Gas is not subject to interruption or curtailment except for emergency or other causes as provided in KUB's Rules and Regulations.

"Interruptible Gas" means that gas which is subject to interruption or curtailment by KUB at any time and to the extent that KUB, in its sole discretion, deems desirable.

"Notice of Interruption" means the notice given by KUB to a Customer that a Period of Interruption has commenced or will commence.

"Period of Interruption" means any period of time during which KUB shall interrupt or curtail the delivery of gas to the Customer.

"Redelivery" means the delivery of Transport Gas or Supplemental Gas to the Customer by KUB.

"Supplemental Gas" means gas procured by KUB for the account of a Customer for Delivery to KUB and Redelivery to the Customer.

"Transport Gas" means gas purchased by a Customer from a supplier other than KUB that the Customer has arranged to have Delivered to KUB for Redelivery to the Customer.

"Unauthorized Gas" means the quantity of gas taken by Customer exceeding the amount which is permitted during a Period of Interruption.

Availability

Service under this rate is available to any customer who meets the following conditions:

- (a) Customer's annual Interruptible Gas use, on an actual or projected basis, shall not be less than 25,000 dekatherms (one dekatherm is equivalent to ten therms);
- (b) Customer shall be permitted to purchase only one (1) dekatherm of Firm Gas under this rate for each two (2) dekatherms of Interruptible Gas which are purchased;
- (c) Customer must have standby equipment of sufficient capacity capable of providing Customer's normal gas service requirements for a period of five (5) working days without replenishment when Interruptible Gas is completely interrupted. Customer shall maintain such equipment ready for operation at any time and shall utilize a fuel other than gas furnished by KUB and shall be subject to periodic inspections by KUB to ensure compliance with this provision; and
- (d) KUB must determine that its existing distribution system facilities are adequate and available for the requested service.

In the event Customer shall fail at any time to continue to meet the conditions (a) through (c), service under Rate Schedule G-7 shall no longer be available; but at KUB's option, gas service may be provided to the Customer under Rate Schedule G-6.

Notwithstanding the foregoing, any Customer receiving service under Rate Schedule G-7 immediately prior to September 1, 1992 may continue to receive service under Rate Schedule G-7 without fulfilling each of the above stated conditions until such time as service to Customer is terminated or Customer begins receiving gas service under a different rate schedule. Such Customer shall continue to comply with any conditions in effect prior to September 1, 1992.

Character of Service

Interruptible Gas shall be available only to the extent that KUB has gas available that is not required by firm customers. If a Customer is served by gas purchased on an interruptible rate from KUB's suppliers, all conditions imposed by KUB's suppliers on the use of such Interruptible Gas shall likewise apply to such Customer as if KUB imposed the condition on the Customer.

Transportation Service

During any Period of Interruption, Customer may request Transportation Service from KUB whereby Customer may either (i) purchase Transport Gas and arrange to Deliver such Transport Gas to KUB via any connected interstate natural gas pipeline to one or more of KUB's designated delivery points for Redelivery to the Customer or (ii) solicit the service of KUB in procuring Supplemental Gas for Customer whereby upon agreeing to provide such service, KUB will attempt to: (a) procure Supplemental Gas on

the open market for the account of Customer; (b) arrange for such Supplemental Gas to be transported at Customer's cost via connecting interstate natural gas pipelines to one or more of KUB's designated delivery points, and (c) Redeliver such Supplemental Gas to Customer.

Redeliveries by KUB to Customer are subject to interruption when, in the sole discretion of KUB, conditions warrant a suspension of Transportation Service.

Prior to the commencement of a Period of Interruption or within a reasonable period of time subsequent to the commencement of a Period of Interruption, as determined by KUB in its sole discretion, Customer must: (a) notify KUB of its intent to receive Transportation Service from KUB and (b) provide KUB with a schedule showing the proposed daily volumes to be delivered to KUB and Redelivered to the Customer. KUB shall notify Customer of those volumes KUB has approved on a daily basis for Delivery to KUB and Redelivery to Customer (Approved Daily Volumes) prior to the Delivery of any gas to KUB. KUB reserves the right to adjust the Approved Daily Volumes as conditions warrant. KUB shall notify Customer promptly of any adjustment in the Approved Daily Volumes.

KUB shall not be obligated to Redeliver any volumes of gas to Customer: (a) in excess of the Customer's Approved Daily Volumes and (b) in the case of Transport Gas, for which KUB has not received a confirmation of receipt from the applicable connecting pipeline on any given Day.

Transportation Service under this Rate Schedule shall be subject to the following charges, as applicable: (a) the Commodity Charge, as set forth in the Rate Schedule, for Redeliveries of Supplemental Gas to Customer, and (b) the Transportation Charge, as set forth in this Rate Schedule, for Redeliveries to Customer.

Upon conclusion of Customer's Period of Interruption, if total previous Deliveries of Transport Gas or Supplemental Gas to KUB exceeds total Redeliveries of Transport Gas or Supplemental Gas to Customer by KUB, as applicable, the excess will be treated as the first gas (excluding Firm Gas) through Customer's meter following Customer's Period of Interruption.

Gas purchased or transported under this rate shall be used only by the Customer at its facilities and shall be delivered at a single point of delivery located within the service area of KUB and shall not be resold by the Customer.

Quantities of Gas Delivered

For the purpose of allocating the daily volume of gas delivered to a Customer under this rate schedule, the first gas delivered shall be considered Firm Gas up to the daily quantity contracted for as Firm Gas, the next gas delivered shall be the Approved Daily Volumes of Transport Gas or Supplemental Gas for that Day, as applicable, and all additional gas delivered shall be considered Interruptible Gas except during a Period of Interruption, then all additional gas delivered shall be considered Unauthorized Gas.

Rates

Customer Charge: \$775.00 per month

Monthly Demand Charge: \$21.00 per dekatherm of demand

Monthly Commodity Charge:

For Firm Gas: \$7.200 per dekatherm

For Interruptible Gas:

\$6.862 per dekatherm for the first 3,000 dekatherms

\$6.221 per dekatherm from 3,000 to and including 20,000 dekatherms

\$5.367 per dekatherm from 20,000 to and including 50,000 dekatherms

\$4.990 per dekatherm for the excess over 50,000 dekatherms

For Supplemental Gas:

The Commodity Charge for Supplemental Gas shall be the total of:

(a) the cost per dekatherm to KUB for the applicable Day of acquiring

Supplemental Gas on the open market, subject to the approval of the

Customer to purchase Supplemental Gas at or above such price and

(b) the costs incurred by KUB in transporting such Supplemental Gas via connecting pipelines to one or more of KUB's delivery points.

Transportation Charge – for Redelivered plus Unauthorized Gas:

\$2.636 per dekatherm for the first 3,000 dekatherms

\$1.995 per dekatherm from 3,000 to and including 20,000 dekatherms

\$1.141 per dekatherm from 20,000 to and including 50,000 dekatherms

\$0.764 per dekatherm for the excess over 50,000 dekatherms

Unauthorized Gas Charge: \$25.00 per dekatherm of Unauthorized Gas, plus the total of the cost per dekatherm of obtaining such gas on the open market as determined by the applicable Gulf Cost Price Index for the applicable day as published in Gas Daily, Natural Gas Intelligence, Intercontinental Exchange, or other index as deemed reasonable for use by the gas industry. KUB will select an industry recognized index at its sole discretion.

In determining the appropriate rate block to bill Transportation Charges for Redelivered and Unauthorized Gas, the following volumes shall be combined: Interruptible Gas, Supplemental Gas, Transport Gas, and Unauthorized Gas.

Adjustment

The Commodity Charge for Firm Gas and Interruptible Gas shall be subject to KUB's Purchased Gas Adjustment. Rates shown above are inclusive of the Purchased Gas Adjustment for the current month.

Determination of Demand

Demand shall be the daily quantity of gas contracted for as Firm Gas by the Customer. Customer, with the consent of KUB, may from time to time change the amount of Firm Gas by providing written notice to KUB at least three (3) business days prior to the beginning of the monthly billing period for which Customer desires the change to be effective; provided, however, that such changes shall not effect a reduction in the previously specified Firm Gas, unless the previously specified Firm Gas has been in effect for the entire twelve month period immediately preceding the date the requested change is to become effective.

Unauthorized Gas Charge

No Customer shall take Unauthorized Gas. Customer must immediately notify KUB if it has taken, or anticipates taking, Unauthorized Gas. In the event Customer takes Unauthorized Gas, Customer shall be charged the Unauthorized Gas Charge for all Unauthorized Gas delivered by KUB to Customer. In addition, KUB may suspend or terminate service and/or pursue any other remedy available to it under applicable law. The existence of an Unauthorized Gas Charge shall not be construed to give Customer the right to take Unauthorized Gas. The penalty portion of the Unauthorized Gas Charge may be waived or reduced by KUB on a non-discriminatory basis.

Priority of Service

Interruptible gas service is supplied to customers of KUB under Rate Schedules G-7 and G-11. Except as may be otherwise determined by KUB in its sole discretion, Periods of Interruption shall generally be imposed on interruptible customers of KUB in the following order:

- (1) If the Period of Interruption is necessary due to an emergency or capacity limitation on KUB's gas distribution system, then the interruption of service to all interruptible customers of KUB shall be handled on a pro rata or other equitable basis as determined by KUB.
- (2) If the capacity limitation affects only a restricted geographic area of KUB's gas distribution system, then only interruptible customers of KUB within the restricted area will have their service interrupted. The interruption of such customers shall be handled on a pro rata or other equitable basis as determined by KUB.

- (3) If the Period of Interruption is necessary due to a shortage of KUB's normal gas supply, whether caused by a capacity limitation of KUB's connecting pipeline(s) or by an actual shortage of gas, then:
 - (a) The first service interrupted shall be Rate Schedule G-7 Customers (other than Redeliveries of Supplemental Gas and Transport Gas) who have not heretofore been interrupted as provided above.
 - (b) The second service interrupted shall be Redeliveries of Supplemental Gas to Rate Schedule G-7 Customers. Even though KUB may have acquired Supplemental Gas for the account of a Customer under Rate Schedule G-7, this service may be interrupted to the extent necessary to provide service to KUB's Firm Gas customers.

Within each category, the interruption of such customers shall be handled on a pro rata or other equitable basis as determined by KUB.

Insofar as Transport Gas has been Delivered to KUB for any customer receiving service under Rate Schedule G-7 or Rate Schedule G-11, and insofar as the Period of Interruption is not due to an emergency or capacity limitation on KUB's gas distribution system, the delivery of Transport Gas by KUB to those customers will not be interrupted.

- (4) If the Period of Interruption is necessary due to a lack of confirmation by any connecting pipeline of deliveries for any Rate Schedule G-11 customers or to any Customers receiving Transportation Service under Rate Schedule G-7, then only service to the affected Rate Schedule G-11 customers or to the affected Customers receiving Transportation Service under Rate Schedule G-7, as applicable, will be interrupted.

Notices

To the extent possible, KUB shall give Customer at least a one hour Notice of Interruption before a Period of Interruption begins. A Notice of Interruption may be provided by KUB by any means including written, verbal or electronic, and shall be sufficient if given by KUB to the person or persons designated from time to time by the Customer as authorized to receive such notices. If a Period of Interruption involves only a reduction in the amount of gas that may be purchased, the Notice of Interruption shall state the daily and/or hourly quantity of gas which Customer may purchase. A Period of Interruption shall continue in effect until KUB notifies Customer that the Period of Interruption has terminated or until the time specified in the Notice of Interruption expires.

Minimum Bill

The minimum bill for each monthly billing period shall be the sum of the Customer Charge and the Demand Charge.

Contract for Service

Each Customer receiving service under this rate shall execute a contract with KUB for at least twelve (12) months to end on the November 1st specified in said contract or such other period as Customer and KUB agree upon. Transportation Service under this rate shall be provided only after such customer executes a contract with KUB providing for Transportation Service.

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

TRANSPORTATION GAS SERVICE

RATE SCHEDULE G-11

Definitions

"Customer" means a person or entity contracting with or otherwise receiving service from KUB for transportation gas service under this rate.

"Day" means a period of twenty-four (24) consecutive hours, beginning and ending at 10:00 A.M. prevailing Knoxville time or such other period as may be established by the applicable connecting pipeline(s) to KUB's system.

"Delivery" means the delivery of Transport Gas to KUB.

"Firm Gas" means the amount of gas designated as such in a written contract between KUB and the Customer; Firm Gas is not subject to interruption or curtailment except for emergency or other causes as provided for in KUB's Rules and Regulations.

"Imbalance" means the difference between Deliveries to KUB for a Customer and Redeliveries by KUB to the Customer.

"Notice of Interruption" means the notice given by KUB to a Customer that a Period of Interruption has commenced or will commence.

"Operational Flow Order" means any directive issued to a Customer by KUB which requires the Customer to adjust Deliveries to KUB or deliveries of non-Firm gas to the Customer by KUB.

"Period of Interruption" means any period of time during which KUB shall interrupt or curtail the delivery of gas to the Customer.

"Redelivery" means the delivery of gas, excluding Firm Gas and Unauthorized Gas, to a Customer by KUB.

"Scheduled Daily Amount" means the amount of Transport Gas approved by KUB from time to time to be Delivered by a Customer to KUB and delivered to the Customer by KUB on a daily basis.

"Transport Gas" means the gas purchased by a Customer from a supplier other than KUB that Customer has arranged to have Delivered to KUB for delivery to the Customer by KUB.

"Transportation Service Agreement" means the contract between KUB and the Customer whereby KUB agrees to provide transportation gas service to the Customer.

"Unauthorized Gas" means (a) the quantity of gas taken by Customer exceeding the amount which is permitted during a Period of Interruption or (b) the difference (whether positive or negative) between the quantity of gas taken by Customer and the volumes provided for under an Operational Flow Order.

Availability

Service under Rate Schedule G-11 shall be available to any customer who meets the following conditions:

(a) Customer's annual gas usage (excluding Firm Gas), on an actual or projected basis, shall not be less than 25,000 dekatherms (one dekatherm is equivalent to ten therms);

(b) Customer shall be permitted to purchase only one (1) dekatherm of Firm Gas under Rate Schedule G-11 for each two (2) dekatherms of Transport Gas delivered by KUB to the Customer;

(c) Customer must have standby equipment of sufficient capacity capable of providing Customer's normal gas service requirements for a period of five (5) working days without replenishment when Transport Gas is completely interrupted. Customer shall maintain such equipment ready for operation at any time and shall utilize a fuel other than gas furnished by KUB and shall be subject to periodic inspections by KUB to ensure compliance with this provision;

Condition (c) shall be optional for any Customer who meets the following requirements: (1) annual gas usage (excluding Firm Gas) is equal to or greater than 25,000 dekatherms; (2) primary use of gas is for industrial or process use; and (3) provides satisfactory evidence to KUB of its ability and willingness to have its gas service interrupted or curtailed by KUB in accordance with the terms and conditions of this Rate Schedule.

(d) Customer's use under this rate shall not work a hardship on any other customers of KUB, nor adversely affect any other class of KUB's customers and further provided the Customer's use under this rate shall not adversely affect KUB's gas purchase plans and/or effective utilization of the daily demands under KUB's gas purchase contracts with its suppliers, as solely determined by KUB.

(e) KUB must determine that its existing distribution system facilities are adequate and available for the requested service; and

(f) Customer must execute a Transportation Service Agreement for transportation gas service.

In the event Customer shall fail at any time to meet conditions (a) through (d) service under Rate Schedule G-11 shall no longer be available; but at KUB's option, gas service may be provided to the Customer under other KUB rate schedules.

Notwithstanding the foregoing, any Customer which received service under Rate Schedule G-11 prior to November 1, 1997 may receive service under Rate Schedule G-11 without fulfilling conditions (a) and (b). Any such Customer shall comply with all other terms and conditions of Rate Schedule G-11.

Character of Service

Pursuant to a Transportation Service Agreement and Rate Schedule G-11, and subject to Periods of Interruption determined by KUB in its sole discretion, KUB shall deliver to the Customer up to the Contract Amount of Transport Gas received from one or more connected interstate natural gas pipelines for Customer's account.

The first gas delivered to the Customer on a daily basis under Rate Schedule G-11 shall be considered Firm Gas up to the daily quantity contracted for as Firm Gas by the Customer.

Gas purchased or transported under Rate Schedule G-11 shall be used only by the Customer at its facilities and shall be delivered at a single point of delivery located within the service area of KUB and shall not be resold by the Customer.

Rates

Customer Charge:	\$1,050.00 per month
Monthly Demand Charge:	\$21.00 per dekatherm of demand.
Monthly Firm Gas Charge:	\$7.200 per dekatherm.
Monthly Transportation Charge:	\$2.636 per dekatherm for the first 3,000 dekatherms of non-Firm gas delivered to Customer; \$1.995 per dekatherm for each dekatherm from 3,000 to and including 20,000 dekatherms of non-Firm gas delivered to Customer; \$1.141 per dekatherm for each dekatherm from 20,000 to and including 50,000 dekatherms of non-Firm gas delivered to Customer; \$0.764 per dekatherm for the excess over 50,000 dekatherms of non-Firm gas delivered to Customer.

Monthly

Unauthorized Gas Charge:

\$25.00 per dekatherm of Unauthorized Gas as a penalty, plus (a), the total cost per dekatherm of obtaining such gas on the open market, as defined below, plus (b), the costs incurred by KUB in transporting such Unauthorized Gas via connecting pipelines to one or more of KUB's delivery points. The cost per dekatherm of obtaining such gas on the open market, (a) above, is defined as an index price based on the High Common price for "Transco Zone 5 Delivered" or "Tennessee 500 Leg", whichever is higher for the applicable Day as published in Gas Daily, Natural Gas Intelligence, Intercontinental Exchange, or other index as deemed reasonable for use by the gas industry. KUB will select an industry recognized index at its sole discretion.

Monthly Other Charges:

Imbalance Charges (as herein defined), and any pipeline scheduling, balancing, transportation, or other similar charges incurred by KUB in connection with the transportation of gas on behalf of the Customer, as applicable.

Adjustment

The Firm Gas Charge shall be subject to KUB's Purchased Gas Adjustment. Rates shown above are inclusive of the Purchased Gas Adjustment for the current month.

Determination of Demand

Demand shall be the daily quantity of gas contracted for as Firm Gas by the Customer. Customer, with the consent of KUB, may from time to time change the amount of Firm Gas by providing written notice to KUB at least three (3) business days prior to the beginning of the monthly billing period for which the Customer desires the change to be effective; provided, however, that such changes shall not effect a reduction in the previously specified Firm Gas, unless the previously specified Firm Gas has been in effect for the entire twelve month period immediately preceding the date the requested change is to become effective.

Scheduling of Service

At least three (3) business days prior to the first calendar day of the month, Customer shall submit to KUB its schedule showing the proposed daily volumes of Transport Gas the Customer desires to deliver to KUB via connecting pipelines and have delivered to the Customer by KUB during the succeeding month ("Delivery Schedule"). Any proposed Delivery of gas in excess of the Transport Gas portion of the Contract Amount shall be specifically noted in the Delivery Schedule. At least one business day prior to the beginning of the applicable calendar month, KUB shall notify the Customer in writing of the volumes of Transport Gas for such Customer which have been approved for Delivery to KUB and delivery to the Customer by KUB on a daily basis during such month ("Scheduled Daily Amount"). The Customer must notify and obtain written approval of KUB for any changes in the Scheduled Daily Amount during a month at least twenty-four (24) hours prior to the proposed commencement of such change.

KUB shall have the right, in its sole discretion, to issue an Operational Flow Order ("OFO") which shall require the Customer to adjust Deliveries to KUB or deliveries of non-Firm gas to the Customer by KUB in order to address one or more of the following situations: (1) to maintain system operations at pressures required to provide efficient and reliable service, (2) to have adequate gas supplies in the system to deliver on demand, (3) to maintain service to all firm gas customers and for all firm gas services, (4) to avoid penalties from connecting pipelines, or (5) any other situation which may threaten the operational integrity of KUB's gas distribution system.

To the extent possible, KUB shall give at least one hour notice prior to issuing an OFO. Notice may be provided by KUB by any means including written, verbal or electronic, and shall be sufficient if given by KUB to the person or person(s) designated from time to time by the Customer as authorized to receive such notices. The OFO shall include but not be limited to the following information: (1) time and date of issuance, (2) action Customer is required to take, (3) time at which Customer must be in compliance with the OFO, (4) anticipated duration of the OFO, and (5) any other terms and conditions that KUB may reasonably require to ensure the effectiveness of the OFO.

Any volumes of gas delivered to the Customer by KUB in excess of the volumes provided for under the OFO shall be subject to the entire Unauthorized Gas Charge. If the volumes of gas delivered to the Customer by KUB are less than the volumes required to be delivered to the Customer under the OFO, the volumes not delivered to the Customer shall be subject only to the penalty portion of the Unauthorized Gas Charge.

Unauthorized Gas Charge

No Customer shall take Unauthorized Gas. A Customer must immediately notify KUB if it has taken, or anticipates taking, Unauthorized Gas. In the event a Customer takes Unauthorized Gas, the Customer shall be charged for all Unauthorized Gas delivered by KUB to the Customer the Unauthorized Gas Charge. In addition, KUB may suspend or

terminate service and/or pursue any other remedy available to it under applicable law. The existence of an Unauthorized Gas Charge shall not be construed to give any Customer the right to take Unauthorized Gas. The penalty portion of the Unauthorized Gas Charge may be waived or reduced by KUB on a non-discriminatory basis.

Balancing of Deliveries

As nearly as practical, Deliveries and Redeliveries shall be at uniform rates of flow. Due to Customer operating conditions, the quantities of gas Delivered to KUB and Redelivered to Customer during any particular period may not balance. It shall be the responsibility of the Customer to adjust Deliveries and Redeliveries of gas to maintain a daily balance of Deliveries and Redeliveries.

KUB will endeavor to monitor Deliveries and Redeliveries and, to the extent practical, inform the Customer of Imbalances which have occurred. KUB's failure to notify the Customer of an Imbalance shall not affect Customer's obligations under Rate Schedule G-11. All efforts to correct Imbalances by a Customer shall be coordinated with KUB.

KUB shall have the right to take any and all action necessary to limit Imbalances from connecting pipelines or which affect the integrity of KUB's system.

Resolution of Imbalances

The Customer's Imbalance for the month shall be the net total of daily Imbalances for the month. KUB shall divide the monthly Imbalance by the sum of the Deliveries to KUB for the Customer for each Day of the month to determine the percentage (%) monthly Imbalance. KUB shall resolve the monthly Imbalance according to the following schedules ("Imbalance Charges"):

Schedule A. Redeliveries exceed Deliveries - Customer shall pay KUB for excess volumes at the applicable percentage of the Index Price (as defined in this Schedule A) for those volumes within the corresponding % monthly imbalance range.

<u>% Monthly Imbalance</u>	<u>Price</u>
0 - 5%	100% of Index Price
> 5 - 10%	115% of Index Price
>10 - 15%	130% of Index Price
>15 - 20%	140% of Index Price
>20%	150% of Index Price

The Index Price shall be the total of: (a) the average of daily prices for the applicable Gulf Coast Price Index for the applicable month, as published in Gas Daily, Natural Gas Intelligence, Intercontinental Exchange, or other index as deemed reasonable for use by the gas industry. KUB will select an industry recognized index at its sole discretion. and (b) the costs incurred by KUB in transporting such excess volumes via connecting pipelines to one or more of KUB's delivery points.

Schedule B. Deliveries exceed Redeliveries - KUB shall pay the Customer for excess volumes at the applicable percentage of the Index Price (as defined in this Schedule B) for those volumes within the corresponding % monthly imbalance range.

<u>% Monthly Imbalance</u>	<u>Price</u>
0 - 5%	100% of Index Price
> 5 - 10%	85% of Index Price
>10 - 15%	70% of Index Price
>15 - 20%	60% of Index Price
>20%	50% of Index Price

The Index Price shall be the total of: (a) the average of daily prices for the applicable Gulf Coast Price Index for the applicable month, as published in Gas Daily, Natural Gas Intelligence, Intercontinental Exchange, or other index as deemed reasonable for use by the gas industry. KUB will select an industry recognized index at its sole discretion. and (b) the costs incurred by KUB in transporting such excess volumes via connecting pipelines to one or more of KUB's delivery points.

Priority of Service

Interruptible gas service is supplied to customers of KUB under Rate Schedules G-7 and G-11. Except as may be otherwise determined by KUB in its sole discretion, Periods of Interruption shall generally be imposed on interruptible customers of KUB in the following order:

(1) If the Period of Interruption is necessary due to an emergency or a capacity limitation on KUB's gas distribution system, then the interruption of service to all interruptible customers of KUB shall be handled on a pro rata or other equitable basis as determined by KUB.

(2) If the capacity limitation affects only a restricted geographic area of KUB's gas distribution system, then only interruptible customers of KUB within the restricted area will have their service interrupted. The interruption of such customers shall be handled on a pro rata or other equitable basis as determined by KUB.

(3) If the Period of Interruption is necessary due to a shortage of KUB's normal gas supply, whether caused by a capacity limitation of KUB's connecting pipeline(s) or by an actual shortage of gas, then the first service interrupted shall be Rate Schedule G-7

customers (other than redeliveries of supplemental gas and transport gas) who have not heretofore been interrupted as provided above. Even though KUB may have acquired supplemental gas for the account of a customer under Rate Schedule G-7 this service may be interrupted to the extent necessary to provide service to KUB's Firm Gas customers. The interruption of such customers shall be handled on a pro rata or other equitable basis as determined by KUB.

Insofar as Transport Gas has been Delivered to KUB for any customer receiving service under Rate Schedule G-7 or Rate Schedule G-11, and insofar as the Period of Interruption is not due to an emergency or capacity limitation on KUB's gas distribution system, the delivery of Transport Gas by KUB to those customers will not be interrupted.

(4) If the Period of Interruption is necessary due to a lack of confirmation by any connecting pipeline of Deliveries for any Rate Schedule G-11 Customers or to any customers receiving transportation service under Rate Schedule G-7, then only service to the affected Rate Schedule G-11 Customers or to the affected customers receiving transportation service under Rate Schedule G-7, as applicable, will be interrupted.

Notices

To the extent possible, KUB shall give Customer at least a one hour Notice of Interruption before a Period of Interruption begins. A Notice of Interruption may be provided by KUB by any means including written, verbal or electronic, and shall be sufficient if given by KUB to the person or persons designated from time to time by the Customer as authorized to receive such notices. If a Period of Interruption involves only a reduction in the amount of gas that may be transported, the Notice of Interruption shall state the daily and/or hourly quantity of gas which Customer may transport. A Period of Interruption shall continue in effect until KUB notifies Customer that the Period of Interruption has terminated or until the time specified in the Notice of Interruption expires.

Minimum Bill

The minimum bill for each monthly billing period shall be the sum of the Customer Charge and the Demand Charge.

Contract for Service

Each Customer receiving service under Rate Schedule G-11 shall execute a contract with KUB for at least twelve (12) months to end on the November 1st specified in said contract or such other period as Customer and KUB agree upon.

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

G-13

DISCOUNT GAS SERVICE RIDER

Definitions

"Agreement" means a Discount Gas Service Agreement for gas service under Rate Schedule G-13 between the Customer and KUB. The Agreement shall serve as an amendment to the Contract.

"Alternate Fuel" means any source of fuel used by a customer at its facilities as an alternative to natural gas.

"Bypass" means the delivery of natural gas directly to the facilities of a customer within the gas service territory of KUB by (1) a connecting interstate or intrastate natural gas pipeline or (2) a connecting alternate natural gas distribution system, without the transportation of such gas on KUB's natural gas distribution system.

"Contract" means an agreement for gas service from KUB under a commercial and industrial rate schedule between a customer and KUB.

"Customer" means a person or entity contracting with or otherwise receiving service from KUB under the Discount Gas Service Rider ("Rider").

"Purchased Gas Cost Component" means the portion of a rate charged by KUB to its customers for gas service which reflects the cost of purchasing gas and transporting it to the facilities of KUB for resale to its customers.

Availability

The Discount Gas Service Rider (the "Rider") is designed to permit KUB to discount rates set forth in the Gas Division's rate schedules for commercial and industrial gas service for any customer receiving gas service from KUB under a commercial and industrial rate schedule provided such customer meets the terms and conditions set forth herein.

Service under the Rider shall be available only (1) to meet competitive Alternate Fuel prices or (2) to avoid Bypass of KUB's natural gas distribution system, under the circumstances described below:

Alternate Fuel Prices

Customer's use of Alternate Fuel sources must, in the sole judgment of KUB, be deemed economically feasible and practical. Customer shall be required to provide

KUB with an affidavit stating the Customer's intent to use Alternate Fuel sources absent service from KUB under the Rider. Customer shall also be required to provide KUB with documentation demonstrating to KUB that its Alternate Fuel source is available to Customer and the cost of the Alternate Fuel source is less than the otherwise applicable commercial and industrial gas rates charged to the Customer by KUB.

Bypass of Distribution System

Customer's facilities must be located within such distance of (1) an interstate or intrastate natural gas pipeline providing gas transportation or sales service or (2) an alternate natural gas distribution system, so that Bypass of KUB's natural gas distribution system is, in the sole judgment of KUB, deemed economically feasible and practical.

Customer shall provide KUB with an affidavit stating the Customer's intent to Bypass KUB's natural gas distribution system absent service from KUB under the Rider. Customer shall also provide KUB with any other such documentation requested by KUB to verify the investment required on part of the Customer to take gas service directly from the applicable interstate or intrastate natural gas pipeline or alternate natural gas distribution system.

Additional Conditions

In addition, any Customer receiving service under the Rider must meet the following conditions:

(a) Customer's annual gas consumption, on an actual or projected basis, shall not be less than 25,000 dekatherms (one dekatherm is equivalent to ten therms);

(b) Customer must have executed a Contract to receive gas service from KUB under a commercial and industrial rate schedule; and

(c) Customer must execute a Discount Gas Service Agreement .

If, for any reason, Customer shall fail to satisfy the conditions necessary for service under the Rider, service under the Rider shall no longer be available; however, Customer may continue to receive gas service from KUB under the applicable commercial and industrial rate schedule provided the Customer continues to satisfy the conditions required for service under such rate schedule.

Character of Service

Customer must make a written request to KUB for service under the Rider. The request must describe the circumstances under which the customer is seeking to receive service under the Rider (Alternate Fuel prices or Bypass). Customer's request for

service under the Rider and the amount of any discount provided Customer under the Rider must be previously approved by the President of KUB (or such designated agent authorized by the President of KUB to act on the President's behalf) prior to the Customer receiving service under the Rider. Customer must have previously executed a Contract prior to receiving service under the Rider.

Unless expressly stated otherwise in the Agreement for service under the Rider, all the terms and conditions of the Customer's applicable commercial and industrial rate schedule shall remain in effect while the Customer is receiving service under the Rider.

KUB shall conduct an economic analysis of the circumstances under which the customer is seeking to receive service under the Rider (Alternate Fuel prices or Bypass). Customer shall, at the request of KUB, provide any and all information necessary for KUB to conduct such an analysis. The analysis shall determine, among other things, the cost to the customer of using an Alternate Fuel or the cost to the customer to Bypass KUB's natural gas distribution system, as applicable. If Customer is approved for service under the Rider, KUB shall discount the rates set forth in the Customer's applicable commercial and industrial rate schedule in such a manner that the Customer's cost of receiving gas service from KUB is competitive with the Customer's cost of using an Alternate Fuel or Bypassing KUB's natural gas distribution system, as applicable.

The following charges specified in KUB's commercial and industrial gas rate schedules shall be subject to being discounted under the Rider: Customer Charges, Demand Charges, Commodity Charges for Firm Gas and/or Interruptible Gas, and Transportation Charges. Commodity Charges for Firm Gas and/or Interruptible Gas shall not be discounted below the applicable Purchased Gas Cost Component plus \$.10 (ten cents) per dekatherm. Transportation Charges shall not be discounted below \$.10 (ten cents) per dekatherm.

Discounted rates are subject to adjustment by KUB on a periodic basis, as determined by KUB in its sole discretion; provided, however, that the circumstances under which the Customer warranted service under the Rider shall be evaluated by KUB on no less than a biannual basis for such period of time Customer is receiving service under the Rider. Customer shall, at the request of KUB, provide any and all information necessary for KUB to evaluate the circumstances by which Customer was granted service under the Rider. Based upon an analysis of information received from the Customer or obtained by KUB of its own accord, KUB shall have the right to adjust the discount provided to the Customer up to the point of ceasing to provide service to the Customer under the Rider.

Discount Gas Service Agreement

Customer shall enter into an Agreement with KUB for service under the Rider. The Agreement shall serve as an amendment to the Customer's previously executed Contract for commercial and industrial gas service with KUB. Subject to KUB's right to

re-evaluate and adjust the discount provided for under the Agreement, the Agreement shall specify the discount to be provided by KUB to the Customer and any other such terms and conditions as KUB determines are necessary to effectuate service under the Rider.

KUB may amend the Agreement, at its sole discretion, to provide for an adjustment in the discount provided to the Customer. KUB shall provide such notice to the Customer, as deemed appropriate by KUB, of any adjustment in the discount provided to the Customer under the Agreement. Any such adjustment in the discount provided the Customer shall be in accordance with KUB's periodic evaluation of the circumstances warranting service under the Rider.

ALTERNATIVE GAS PRICING RIDER

Definitions

"Alternative Gas Pricing Agreement" means the agreement between KUB and the Customer providing the Customer gas service under the Alternative Gas Pricing Rider ("Pricing Rider") and shall be considered an amendment to the Contract to provide gas between KUB and the Customer.

"Alternative Gas Pricing Guidelines" means the policies and procedures established by KUB for the implementation and administration of the Pricing Rider.

"Customer" means a person or entity receiving service from KUB under the Pricing Rider.

"Firm Gas Adder" means the component of the Customer's commodity gas rate for the costs incurred by KUB for reserving interstate natural gas pipeline and storage capacity by KUB on behalf of the Customer.

"KUB System Supply Price" means the weighted average cost of gas delivered to KUB's gas distribution system for a given month for resale to customers on the KUB gas distribution system (excluding gas sold to customers under the Pricing Rider).

"KUB System Transportation Charge" means the cost of transporting gas on KUB's gas distribution system on behalf of the Customer to the facilities of the Customer as determined by the KUB Board of Commissioners in their sole discretion.

"Locked-Price Gas" means gas whose rate is pre-determined.

"Market-Price Gas" means gas whose rate is based upon a first-of-the-month natural gas price for Tennessee, Zone 0 as published in as published in Gas Daily, Natural Gas Intelligence, Intercontinental Exchange, or other index as deemed reasonable for use by the gas industry. KUB will select an industry recognized index at its sole discretion.

"Price Cashout" means the monthly reconciliation process between the Customer and KUB in which the Customer's gas volume obligations for Locked-Price Gas are reconciled with KUB.

Availability

The Pricing Rider is designed to provide large commercial and industrial customers receiving gas service from KUB with the opportunity and means to manage the cost of their natural gas purchases from KUB by providing pricing alternatives for the applicable

commodity gas rates set forth in their applicable commercial and industrial rate schedules.

Service under the Pricing Rider shall be available to G-7 or G-11 commercial and industrial customers receiving gas service from KUB under the terms and conditions set forth below

(a) Customer's annual gas usage, on an actual or projected basis, shall not be less than 25,000 dekatherms.

(b) For a Customer receiving service under Rate Schedule G-11, Transportation Gas Service, pricing alternatives shall be applicable only to Firm Gas.

(c) Customer may be required to provide KUB with appropriate financial information prior to receiving service under the Pricing Rider and subsequently on a periodic basis, for the purpose of evaluating the Customer's creditworthiness. KUB reserves the right, in its sole discretion, to deny any Customer service under the Pricing Rider based upon KUB's evaluation of the Customer's creditworthiness or authorize any appropriate security arrangement, if necessary, for the Customer to receive service under the Pricing Rider. KUB also reserves the right, in its sole discretion, to refuse to execute any particular alternative price transaction on behalf of a Customer based upon KUB's initial or any subsequent evaluation of the Customer's creditworthiness.

(d) Customer must execute an Alternative Gas Pricing Agreement which shall serve as an amendment to the Customer's existing contract to receive gas service from KUB. Customer must have previously executed a contract to receive gas service from KUB prior to receiving service under the Pricing Rider.

(e) Customer must comply with any other terms and conditions required for service under the Pricing Rider which may be set forth in the Alternative Gas Pricing Guidelines.

In the event a Customer fails to satisfy the conditions necessary for service under the Pricing Rider, service under the Pricing Rider, as determined by KUB in its sole discretion, may no longer be available; however, the Customer may continue to receive gas service from KUB under the applicable commercial and industrial rate schedule provided the Customer continues to satisfy the conditions required for service under such rate schedule and the Customer's Contract, as amended with KUB.

Upon determination that service under the Pricing Rider is no longer available to a Customer, the Customer shall still be permitted to receive service under the Pricing Rider until such point in time that the Customer's outstanding Locked-Price Gas commitments have been fulfilled.

Unless expressly provided for otherwise in the Pricing Rider or in the Alternative Gas Pricing Guidelines, all the terms and conditions of the Customer's applicable commercial and industrial rate schedule shall remain in effect while the Customer is receiving service under the Pricing Rider.

Character of Service

Alternative pricing shall be applicable only for the Customer's Commodity Gas Rates for Firm Gas and Interruptible Gas ("Commodity Gas Rates"). Interruptible Gas shall still be subject to periods of interruption under the terms and conditions set forth in the Customer's applicable commercial and industrial rate schedule.

For a Customer receiving service under the Pricing Rider, the Commodity Gas Rates set forth in the Customer's applicable commercial and industrial rate schedule shall not be effective. Commodity Gas Rates for a Customer receiving service under the Pricing Rider shall be based upon the pricing alternative selected by the Customer as described below and agreed upon by KUB.

(a) Locked-Price Gas: Commodity Gas Rates shall be locked or pre-determined at the time KUB executes the pricing transaction on behalf of the Customer. The Commodity Gas Rate shall consist of the cost incurred by KUB for purchasing the gas on the open market for the benefit of the Customer plus the cost of transporting the gas on connecting interstate natural gas pipelines to KUB's gas distribution system plus the KUB System Transportation Charge; or

(b) Market-Price Gas: Commodity Gas Rates shall consist of the applicable market index, supplier premium, and the cost of transporting the gas on connecting interstate natural gas pipelines to KUB's gas distribution system plus the KUB System Transportation Charge.

Regardless of the pricing alternative utilized by the Customer, the Customer's commodity gas rate for Firm Gas shall also include a Firm Gas Adder for the costs incurred by KUB for interstate natural gas pipeline and storage capacity reservation charges.

The Market-Price alternative shall be the default pricing mechanism for Commodity Gas Charges. If KUB does not execute any Locked-Price transactions on behalf of a Customer for a given month, the Customer's Commodity Gas Charges for that particular month shall be based upon the Market-Price alternative. The Commodity Gas Charges for any gas delivered by KUB to the facilities of the Customer for a given month in excess of Locked-Price Gas shall be Market-Price Gas (excluding Transport Gas, Supplemental Gas, and Unauthorized Gas).

KUB incurs an obligation for Locked-Price Gas volumes when it executes transactions on behalf of a Customer. If, for whatever reason, the gas volumes delivered by KUB to the Customer for any month are less than the gas volumes the Customer has locked for such month, the net difference (excluding Transport Gas, Supplemental Gas, and Unauthorized Gas) shall be reconciled on a monthly basis through a Price Cashout.

If the price of the Locked-Price Gas delivered to KUB exceeds the KUB System Supply Price, the Customer shall pay a Price Cashout Charge equal to the excess price multiplied by the applicable volumes not delivered by KUB to the Customer for such

month. If the KUB System Supply Price exceeds the price of the Locked-Price Gas delivered to KUB on behalf of the Customer, the Customer shall receive a Price Cashout Credit equal to the excess price multiplied by the applicable volumes not delivered by KUB to the Customer for such month.

A Customer receiving service under the Pricing Rider shall not be permitted to revert to the Commodity Gas Rates set forth in its applicable commercial and industrial rate schedule so long as the Customer has any outstanding Locked-Price Gas commitments.

Alternative Gas Pricing Guidelines

The President and Chief Executive Officer of KUB shall have the authority to adopt and amend such Alternative Gas Pricing Guidelines as are necessary to establish policies and procedures to implement the pricing alternatives set forth in the Pricing Rider.

All service provided under the Pricing Rider shall be subject to the Alternative Gas Pricing Guidelines which from time to time shall be in effect.

**RESOLUTION 1493
EXHIBIT E
RATE SCHEDULES OF THE GAS DIVISION
EFFECTIVE OCTOBER 1, 2025**

RESIDENTIAL GAS SERVICE
RATE SCHEDULE G-2

Availability

Service under this rate schedule shall be available only to residential customers served individually through a separate meter or through a KUB-approved multiple meter configuration designed as a single billing point.

Rates

For the monthly billing periods of November through March:

Basic Service Charge:	\$10.90 per month
Commodity Charge:	\$1.2776 per therm for first 30 therms \$1.0498 per therm for over 30 therms

For the monthly billing periods of April through October:

Basic Service Charge:	\$10.90 per month
Commodity Charge:	\$1.0857 per therm for first 50 therms \$0.9584 per therm for over 50 therms

Adjustment

The Commodity Charge shall be subject to KUB's Purchased Gas Adjustment. Rates shown above are inclusive of the Purchased Gas Adjustment for the current month.

Minimum Bill

The minimum bill under this rate schedule shall be the Basic Service Charge.

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

COMMERCIAL AND INDUSTRIAL GAS SERVICE

RATE SCHEDULE G-4

Availability

Service under Rate Schedule G-4 is available to any commercial or industrial customer. Unless otherwise approved by KUB, a customer receiving service under Rate Schedule G-4, after previously receiving service under Rate Schedule G-6, shall not be allowed to return to service under Rate Schedule G-6 until at least twelve months have elapsed since service was last received under Rate Schedule G-6.

Rates

Customer Charge: \$41.00 per month

Monthly Commodity Charge: \$1.1942 per therm for the first 250 therms;
\$1.0721 per therm for the excess over 250 therms.

Adjustment

The Commodity Charge shall be subject to KUB's Purchased Gas Adjustment. Rates shown above are inclusive of the Purchased Gas Adjustment for the current month.

Minimum Bill

The minimum bill for each monthly billing period shall be the Customer Charge.

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

INTERRUPTIBLE GAS SERVICE

RATE SCHEDULE G-7

Definitions

"Customer" means a person or entity contracting with or otherwise receiving service from KUB for interruptible gas service under this rate.

"Day" means a period of twenty-four (24) consecutive hours, beginning and ending at 10:00 A.M. prevailing Knoxville time or such other period as may be established by the applicable connecting pipeline(s) to KUB's system.

"Delivery" means the delivery of Transport Gas or Supplemental Gas to KUB.

"Firm Gas" means the amount of gas designated as such in a written contract between KUB and the Customer; Firm Gas is not subject to interruption or curtailment except for emergency or other causes as provided in KUB's Rules and Regulations.

"Interruptible Gas" means that gas which is subject to interruption or curtailment by KUB at any time and to the extent that KUB, in its sole discretion, deems desirable.

"Notice of Interruption" means the notice given by KUB to a Customer that a Period of Interruption has commenced or will commence.

"Period of Interruption" means any period of time during which KUB shall interrupt or curtail the delivery of gas to the Customer.

"Redelivery" means the delivery of Transport Gas or Supplemental Gas to the Customer by KUB.

"Supplemental Gas" means gas procured by KUB for the account of a Customer for Delivery to KUB and Redelivery to the Customer.

"Transport Gas" means gas purchased by a Customer from a supplier other than KUB that the Customer has arranged to have Delivered to KUB for Redelivery to the Customer.

"Unauthorized Gas" means the quantity of gas taken by Customer exceeding the amount which is permitted during a Period of Interruption.

Availability

Service under this rate is available to any customer who meets the following conditions:

- (a) Customer's annual Interruptible Gas use, on an actual or projected basis, shall not be less than 25,000 dekatherms (one dekatherm is equivalent to ten therms);
- (b) Customer shall be permitted to purchase only one (1) dekatherm of Firm Gas under this rate for each two (2) dekatherms of Interruptible Gas which are purchased;
- (c) Customer must have standby equipment of sufficient capacity capable of providing Customer's normal gas service requirements for a period of five (5) working days without replenishment when Interruptible Gas is completely interrupted. Customer shall maintain such equipment ready for operation at any time and shall utilize a fuel other than gas furnished by KUB and shall be subject to periodic inspections by KUB to ensure compliance with this provision; and
- (d) KUB must determine that its existing distribution system facilities are adequate and available for the requested service.

In the event Customer shall fail at any time to continue to meet the conditions (a) through (c), service under Rate Schedule G-7 shall no longer be available; but at KUB's option, gas service may be provided to the Customer under Rate Schedule G-6.

Notwithstanding the foregoing, any Customer receiving service under Rate Schedule G-7 immediately prior to September 1, 1992 may continue to receive service under Rate Schedule G-7 without fulfilling each of the above stated conditions until such time as service to Customer is terminated or Customer begins receiving gas service under a different rate schedule. Such Customer shall continue to comply with any conditions in effect prior to September 1, 1992.

Character of Service

Interruptible Gas shall be available only to the extent that KUB has gas available that is not required by firm customers. If a Customer is served by gas purchased on an interruptible rate from KUB's suppliers, all conditions imposed by KUB's suppliers on the use of such Interruptible Gas shall likewise apply to such Customer as if KUB imposed the condition on the Customer.

Transportation Service

During any Period of Interruption, Customer may request Transportation Service from KUB whereby Customer may either (i) purchase Transport Gas and arrange to Deliver such Transport Gas to KUB via any connected interstate natural gas pipeline to one or more of KUB's designated delivery points for Redelivery to the Customer or (ii) solicit the service of KUB in procuring Supplemental Gas for Customer whereby upon agreeing to provide such service, KUB will attempt to: (a) procure Supplemental Gas on

the open market for the account of Customer; (b) arrange for such Supplemental Gas to be transported at Customer's cost via connecting interstate natural gas pipelines to one or more of KUB's designated delivery points, and (c) Redeliver such Supplemental Gas to Customer.

Redeliveries by KUB to Customer are subject to interruption when, in the sole discretion of KUB, conditions warrant a suspension of Transportation Service.

Prior to the commencement of a Period of Interruption or within a reasonable period of time subsequent to the commencement of a Period of Interruption, as determined by KUB in its sole discretion, Customer must: (a) notify KUB of its intent to receive Transportation Service from KUB and (b) provide KUB with a schedule showing the proposed daily volumes to be delivered to KUB and Redelivered to the Customer. KUB shall notify Customer of those volumes KUB has approved on a daily basis for Delivery to KUB and Redelivery to Customer (Approved Daily Volumes) prior to the Delivery of any gas to KUB. KUB reserves the right to adjust the Approved Daily Volumes as conditions warrant. KUB shall notify Customer promptly of any adjustment in the Approved Daily Volumes.

KUB shall not be obligated to Redeliver any volumes of gas to Customer: (a) in excess of the Customer's Approved Daily Volumes and (b) in the case of Transport Gas, for which KUB has not received a confirmation of receipt from the applicable connecting pipeline on any given Day.

Transportation Service under this Rate Schedule shall be subject to the following charges, as applicable: (a) the Commodity Charge, as set forth in the Rate Schedule, for Redeliveries of Supplemental Gas to Customer, and (b) the Transportation Charge, as set forth in this Rate Schedule, for Redeliveries to Customer.

Upon conclusion of Customer's Period of Interruption, if total previous Deliveries of Transport Gas or Supplemental Gas to KUB exceeds total Redeliveries of Transport Gas or Supplemental Gas to Customer by KUB, as applicable, the excess will be treated as the first gas (excluding Firm Gas) through Customer's meter following Customer's Period of Interruption.

Gas purchased or transported under this rate shall be used only by the Customer at its facilities and shall be delivered at a single point of delivery located within the service area of KUB and shall not be resold by the Customer.

Quantities of Gas Delivered

For the purpose of allocating the daily volume of gas delivered to a Customer under this rate schedule, the first gas delivered shall be considered Firm Gas up to the daily quantity contracted for as Firm Gas, the next gas delivered shall be the Approved Daily Volumes of Transport Gas or Supplemental Gas for that Day, as applicable, and all additional gas delivered shall be considered Interruptible Gas except during a Period of Interruption, then all additional gas delivered shall be considered Unauthorized Gas.

Rates

Customer Charge: \$975.00 per month
Monthly Demand Charge: \$21.50 per dekatherm of demand
Monthly Commodity Charge:
For Firm Gas: \$7.358 per dekatherm

For Interruptible Gas:

\$7.054 per dekatherm for the first 3,000 dekatherms
\$6.395 per dekatherm from 3,000 to and including 20,000 dekatherms
\$5.517 per dekatherm from 20,000 to and including 50,000 dekatherms
\$5.040 per dekatherm for the excess over 50,000 dekatherms

For Supplemental Gas:

The Commodity Charge for Supplemental Gas shall be the total of:
(a) the cost per dekatherm to KUB for the applicable Day of acquiring Supplemental Gas on the open market, subject to the approval of the Customer to purchase Supplemental Gas at or above such price and
(b) the costs incurred by KUB in transporting such Supplemental Gas via connecting pipelines to one or more of KUB's delivery points.

Transportation Charge – for Redelivered plus Unauthorized Gas:

\$2.828 per dekatherm for the first 3,000 dekatherms
\$2.169 per dekatherm from 3,000 to and including 20,000 dekatherms
\$1.291 per dekatherm from 20,000 to and including 50,000 dekatherms
\$0.814 per dekatherm for the excess over 50,000 dekatherms

Unauthorized Gas Charge: \$25.00 per dekatherm of Unauthorized Gas, plus the total of the cost per dekatherm of obtaining such gas on the open market as determined by the applicable Gulf Cost Price Index for the applicable day as published in Gas Daily, Natural Gas Intelligence, Intercontinental Exchange, or other index as deemed reasonable for use by the gas industry. KUB will select an industry recognized index at its sole discretion.

In determining the appropriate rate block to bill Transportation Charges for Redelivered and Unauthorized Gas, the following volumes shall be combined: Interruptible Gas, Supplemental Gas, Transport Gas, and Unauthorized Gas.

Adjustment

The Commodity Charge for Firm Gas and Interruptible Gas shall be subject to KUB's Purchased Gas Adjustment. Rates shown above are inclusive of the Purchased Gas Adjustment for the current month.

Determination of Demand

Demand shall be the daily quantity of gas contracted for as Firm Gas by the Customer. Customer, with the consent of KUB, may from time to time change the amount of Firm Gas by providing written notice to KUB at least three (3) business days prior to the beginning of the monthly billing period for which Customer desires the change to be effective; provided, however, that such changes shall not effect a reduction in the previously specified Firm Gas, unless the previously specified Firm Gas has been in effect for the entire twelve month period immediately preceding the date the requested change is to become effective.

Unauthorized Gas Charge

No Customer shall take Unauthorized Gas. Customer must immediately notify KUB if it has taken, or anticipates taking, Unauthorized Gas. In the event Customer takes Unauthorized Gas, Customer shall be charged the Unauthorized Gas Charge for all Unauthorized Gas delivered by KUB to Customer. In addition, KUB may suspend or terminate service and/or pursue any other remedy available to it under applicable law. The existence of an Unauthorized Gas Charge shall not be construed to give Customer the right to take Unauthorized Gas. The penalty portion of the Unauthorized Gas Charge may be waived or reduced by KUB on a non-discriminatory basis.

Priority of Service

Interruptible gas service is supplied to customers of KUB under Rate Schedules G-7 and G-11. Except as may be otherwise determined by KUB in its sole discretion, Periods of Interruption shall generally be imposed on interruptible customers of KUB in the following order:

- (1) If the Period of Interruption is necessary due to an emergency or capacity limitation on KUB's gas distribution system, then the interruption of service to all interruptible customers of KUB shall be handled on a pro rata or other equitable basis as determined by KUB.
- (2) If the capacity limitation affects only a restricted geographic area of KUB's gas distribution system, then only interruptible customers of KUB within the restricted area will have their service interrupted. The interruption of such customers shall be handled on a pro rata or other equitable basis as determined by KUB.
- (3) If the Period of Interruption is necessary due to a shortage of KUB's normal gas supply, whether caused by a capacity limitation of KUB's connecting pipeline(s) or by an actual shortage of gas, then:

- (a) The first service interrupted shall be Rate Schedule G-7 Customers (other than Redeliveries of Supplemental Gas and Transport Gas) who have not heretofore been interrupted as provided above.

- (b) The second service interrupted shall be Redeliveries of Supplemental Gas to Rate Schedule G-7 Customers. Even though KUB may have acquired Supplemental Gas for the account of a Customer under Rate Schedule G-7, this service may be interrupted to the extent necessary to provide service to KUB's Firm Gas customers.

Within each category, the interruption of such customers shall be handled on a pro rata or other equitable basis as determined by KUB.

Insofar as Transport Gas has been Delivered to KUB for any customer receiving service under Rate Schedule G-7 or Rate Schedule G-11, and insofar as the Period of Interruption is not due to an emergency or capacity limitation on KUB's gas distribution system, the delivery of Transport Gas by KUB to those customers will not be interrupted.

- (4) If the Period of Interruption is necessary due to a lack of confirmation by any connecting pipeline of deliveries for any Rate Schedule G-11 customers or to any Customers receiving Transportation Service under Rate Schedule G-7, then only service to the affected Rate Schedule G-11 customers or to the affected Customers receiving Transportation Service under Rate Schedule G-7, as applicable, will be interrupted.

Notices

To the extent possible, KUB shall give Customer at least a one hour Notice of Interruption before a Period of Interruption begins. A Notice of Interruption may be provided by KUB by any means including written, verbal or electronic, and shall be sufficient if given by KUB to the person or persons designated from time to time by the Customer as authorized to receive such notices. If a Period of Interruption involves only a reduction in the amount of gas that may be purchased, the Notice of Interruption shall state the daily and/or hourly quantity of gas which Customer may purchase. A Period of Interruption shall continue in effect until KUB notifies Customer that the Period of Interruption has terminated or until the time specified in the Notice of Interruption expires.

Minimum Bill

The minimum bill for each monthly billing period shall be the sum of the Customer Charge and the Demand Charge.

Contract for Service

Each Customer receiving service under this rate shall execute a contract with KUB for at least twelve (12) months to end on the November 1st specified in said contract or such other period as Customer and KUB agree upon. Transportation Service under this rate shall be provided only after such customer executes a contract with KUB providing for Transportation Service.

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

TRANSPORTATION GAS SERVICE

RATE SCHEDULE G-11

Definitions

"Customer" means a person or entity contracting with or otherwise receiving service from KUB for transportation gas service under this rate.

"Day" means a period of twenty-four (24) consecutive hours, beginning and ending at 10:00 A.M. prevailing Knoxville time or such other period as may be established by the applicable connecting pipeline(s) to KUB's system.

"Delivery" means the delivery of Transport Gas to KUB.

"Firm Gas" means the amount of gas designated as such in a written contract between KUB and the Customer; Firm Gas is not subject to interruption or curtailment except for emergency or other causes as provided for in KUB's Rules and Regulations.

"Imbalance" means the difference between Deliveries to KUB for a Customer and Redeliveries by KUB to the Customer.

"Notice of Interruption" means the notice given by KUB to a Customer that a Period of Interruption has commenced or will commence.

"Operational Flow Order" means any directive issued to a Customer by KUB which requires the Customer to adjust Deliveries to KUB or deliveries of non-Firm gas to the Customer by KUB.

"Period of Interruption" means any period of time during which KUB shall interrupt or curtail the delivery of gas to the Customer.

"Redelivery" means the delivery of gas, excluding Firm Gas and Unauthorized Gas, to a Customer by KUB.

"Scheduled Daily Amount" means the amount of Transport Gas approved by KUB from time to time to be Delivered by a Customer to KUB and delivered to the Customer by KUB on a daily basis.

"Transport Gas" means the gas purchased by a Customer from a supplier other than KUB that Customer has arranged to have Delivered to KUB for delivery to the Customer by KUB.

"Transportation Service Agreement" means the contract between KUB and the Customer whereby KUB agrees to provide transportation gas service to the Customer.

"Unauthorized Gas" means (a) the quantity of gas taken by Customer exceeding the amount which is permitted during a Period of Interruption or (b) the difference (whether positive or negative) between the quantity of gas taken by Customer and the volumes provided for under an Operational Flow Order.

Availability

Service under Rate Schedule G-11 shall be available to any customer who meets the following conditions:

(a) Customer's annual gas usage (excluding Firm Gas), on an actual or projected basis, shall not be less than 25,000 dekatherms (one dekatherm is equivalent to ten therms);

(b) Customer shall be permitted to purchase only one (1) dekatherm of Firm Gas under Rate Schedule G-11 for each two (2) dekatherms of Transport Gas delivered by KUB to the Customer;

(c) Customer must have standby equipment of sufficient capacity capable of providing Customer's normal gas service requirements for a period of five (5) working days without replenishment when Transport Gas is completely interrupted. Customer shall maintain such equipment ready for operation at any time and shall utilize a fuel other than gas furnished by KUB and shall be subject to periodic inspections by KUB to ensure compliance with this provision;

Condition (c) shall be optional for any Customer who meets the following requirements: (1) annual gas usage (excluding Firm Gas) is equal to or greater than 25,000 dekatherms; (2) primary use of gas is for industrial or process use; and (3) provides satisfactory evidence to KUB of its ability and willingness to have its gas service interrupted or curtailed by KUB in accordance with the terms and conditions of this Rate Schedule.

(d) Customer's use under this rate shall not work a hardship on any other customers of KUB, nor adversely affect any other class of KUB's customers and further provided the Customer's use under this rate shall not adversely affect KUB's gas purchase plans and/or effective utilization of the daily demands under KUB's gas purchase contracts with its suppliers, as solely determined by KUB.

(e) KUB must determine that its existing distribution system facilities are adequate and available for the requested service; and

(f) Customer must execute a Transportation Service Agreement for transportation gas service.

In the event Customer shall fail at any time to meet conditions (a) through (d) service under Rate Schedule G-11 shall no longer be available; but at KUB's option, gas service may be provided to the Customer under other KUB rate schedules.

Notwithstanding the foregoing, any Customer which received service under Rate Schedule G-11 prior to November 1, 1997 may receive service under Rate Schedule G-11 without fulfilling conditions (a) and (b). Any such Customer shall comply with all other terms and conditions of Rate Schedule G-11.

Character of Service

Pursuant to a Transportation Service Agreement and Rate Schedule G-11, and subject to Periods of Interruption determined by KUB in its sole discretion, KUB shall deliver to the Customer up to the Contract Amount of Transport Gas received from one or more connected interstate natural gas pipelines for Customer's account.

The first gas delivered to the Customer on a daily basis under Rate Schedule G-11 shall be considered Firm Gas up to the daily quantity contracted for as Firm Gas by the Customer.

Gas purchased or transported under Rate Schedule G-11 shall be used only by the Customer at its facilities and shall be delivered at a single point of delivery located within the service area of KUB and shall not be resold by the Customer.

Rates

Customer Charge:	\$1,350.00 per month
Monthly Demand Charge:	\$21.50 per dekatherm of demand.
Monthly Firm Gas Charge:	\$7.358 per dekatherm.
Monthly Transportation Charge:	\$2.828 per dekatherm for the first 3,000 dekatherms of non-Firm gas delivered to Customer; \$2.169 per dekatherm for each dekatherm from 3,000 to and including 20,000 dekatherms of non-Firm gas delivered to Customer; \$1.291 per dekatherm for each dekatherm from 20,000 to and including 50,000 dekatherms of non-Firm gas delivered to Customer; \$0.814 per dekatherm for the excess over 50,000 dekatherms of non-Firm gas delivered to Customer.

Monthly

Unauthorized Gas Charge: \$25.00 per dekatherm of Unauthorized Gas as a penalty, plus (a), the total cost per dekatherm of obtaining such gas on the open market, as defined below, plus (b), the costs incurred by KUB in transporting such Unauthorized Gas via connecting pipelines to one or more of KUB's delivery points. The cost per dekatherm of obtaining such gas on the open market, (a) above, is defined as an index price based on the High Common price for "Transco Zone 5 Delivered" or "Tennessee 500 Leg", whichever is higher for the applicable Day as published in Gas Daily, Natural Gas Intelligence, Intercontinental Exchange, or other index as deemed reasonable for use by the gas industry. KUB will select an industry recognized index at its sole discretion.

Monthly Other Charges: Imbalance Charges (as herein defined), and any pipeline scheduling, balancing, transportation, or other similar charges incurred by KUB in connection with the transportation of gas on behalf of the Customer, as applicable.

Adjustment

The Firm Gas Charge shall be subject to KUB's Purchased Gas Adjustment. Rates shown above are inclusive of the Purchased Gas Adjustment for the current month.

Determination of Demand

Demand shall be the daily quantity of gas contracted for as Firm Gas by the Customer. Customer, with the consent of KUB, may from time to time change the amount of Firm Gas by providing written notice to KUB at least three (3) business days prior to the beginning of the monthly billing period for which the Customer desires the change to be effective; provided, however, that such changes shall not effect a reduction in the previously specified Firm Gas, unless the previously specified Firm Gas has been in effect for the entire twelve month period immediately preceding the date the requested change is to become effective.

Scheduling of Service

At least three (3) business days prior to the first calendar day of the month, Customer shall submit to KUB its schedule showing the proposed daily volumes of Transport Gas the Customer desires to deliver to KUB via connecting pipelines and have delivered to the Customer by KUB during the succeeding month ("Delivery Schedule"). Any proposed Delivery of gas in excess of the Transport Gas portion of the Contract Amount shall be specifically noted in the Delivery Schedule. At least one business day prior to the beginning of the applicable calendar month, KUB shall notify the Customer in writing of the volumes of Transport Gas for such Customer which have been approved for Delivery to KUB and delivery to the Customer by KUB on a daily basis during such month ("Scheduled Daily Amount"). The Customer must notify and obtain written approval of KUB for any changes in the Scheduled Daily Amount during a month at least twenty-four (24) hours prior to the proposed commencement of such change.

KUB shall have the right, in its sole discretion, to issue an Operational Flow Order ("OFO") which shall require the Customer to adjust Deliveries to KUB or deliveries of non-Firm gas to the Customer by KUB in order to address one or more of the following situations: (1) to maintain system operations at pressures required to provide efficient and reliable service, (2) to have adequate gas supplies in the system to deliver on demand, (3) to maintain service to all firm gas customers and for all firm gas services, (4) to avoid penalties from connecting pipelines, or (5) any other situation which may threaten the operational integrity of KUB's gas distribution system.

To the extent possible, KUB shall give at least one hour notice prior to issuing an OFO. Notice may be provided by KUB by any means including written, verbal or electronic, and shall be sufficient if given by KUB to the person or person(s) designated from time to time by the Customer as authorized to receive such notices. The OFO shall include but not be limited to the following information: (1) time and date of issuance, (2) action Customer is required to take, (3) time at which Customer must be in compliance with the OFO, (4) anticipated duration of the OFO, and (5) any other terms and conditions that KUB may reasonably require to ensure the effectiveness of the OFO.

Any volumes of gas delivered to the Customer by KUB in excess of the volumes provided for under the OFO shall be subject to the entire Unauthorized Gas Charge. If the volumes of gas delivered to the Customer by KUB are less than the volumes required to be delivered to the Customer under the OFO, the volumes not delivered to the Customer shall be subject only to the penalty portion of the Unauthorized Gas Charge.

Unauthorized Gas Charge

No Customer shall take Unauthorized Gas. A Customer must immediately notify KUB if it has taken, or anticipates taking, Unauthorized Gas. In the event a Customer takes Unauthorized Gas, the Customer shall be charged for all Unauthorized Gas delivered by

KUB to the Customer the Unauthorized Gas Charge. In addition, KUB may suspend or terminate service and/or pursue any other remedy available to it under applicable law. The existence of an Unauthorized Gas Charge shall not be construed to give any Customer the right to take Unauthorized Gas. The penalty portion of the Unauthorized Gas Charge may be waived or reduced by KUB on a non-discriminatory basis.

Balancing of Deliveries

As nearly as practical, Deliveries and Redeliveries shall be at uniform rates of flow. Due to Customer operating conditions, the quantities of gas Delivered to KUB and Redelivered to Customer during any particular period may not balance. It shall be the responsibility of the Customer to adjust Deliveries and Redeliveries of gas to maintain a daily balance of Deliveries and Redeliveries.

KUB will endeavor to monitor Deliveries and Redeliveries and, to the extent practical, inform the Customer of Imbalances which have occurred. KUB's failure to notify the Customer of an Imbalance shall not affect Customer's obligations under Rate Schedule G-11. All efforts to correct Imbalances by a Customer shall be coordinated with KUB.

KUB shall have the right to take any and all action necessary to limit Imbalances from connecting pipelines or which affect the integrity of KUB's system.

Resolution of Imbalances

The Customer's Imbalance for the month shall be the net total of daily Imbalances for the month. KUB shall divide the monthly Imbalance by the sum of the Deliveries to KUB for the Customer for each Day of the month to determine the percentage (%) monthly Imbalance. KUB shall resolve the monthly Imbalance according to the following schedules ("Imbalance Charges"):

Schedule A. Redeliveries exceed Deliveries - Customer shall pay KUB for excess volumes at the applicable percentage of the Index Price (as defined in this Schedule A) for those volumes within the corresponding % monthly imbalance range.

<u>% Monthly Imbalance</u>	<u>Price</u>
0 - 5%	100% of Index Price
> 5 - 10%	115% of Index Price
>10 - 15%	130% of Index Price
>15 - 20%	140% of Index Price
>20%	150% of Index Price

The Index Price shall be the total of: (a) the average of daily prices for the applicable Gulf Coast Price Index for the applicable month, as published in Gas Daily, Natural Gas Intelligence, Intercontinental Exchange, or other index as deemed reasonable for use by the gas industry. KUB will select an industry recognized index at its sole discretion. and (b) the costs incurred by KUB in transporting such excess volumes via connecting pipelines to one or more of KUB's delivery points.

Schedule B. Deliveries exceed Redeliveries - KUB shall pay the Customer for excess volumes at the applicable percentage of the Index Price (as defined in this Schedule B) for those volumes within the corresponding % monthly imbalance range.

<u>% Monthly Imbalance</u>	<u>Price</u>
0 - 5%	100% of Index Price
> 5 - 10%	85% of Index Price
>10 - 15%	70% of Index Price
>15 - 20%	60% of Index Price
>20%	50% of Index Price

The Index Price shall be the total of: (a) the average of daily prices for the applicable Gulf Coast Price Index for the applicable month, as published in Gas Daily, Natural Gas Intelligence, Intercontinental Exchange, or other index as deemed reasonable for use by the gas industry. KUB will select an industry recognized index at its sole discretion. and (b) the costs incurred by KUB in transporting such excess volumes via connecting pipelines to one or more of KUB's delivery points.

Priority of Service

Interruptible gas service is supplied to customers of KUB under Rate Schedules G-7 and G-11. Except as may be otherwise determined by KUB in its sole discretion, Periods of Interruption shall generally be imposed on interruptible customers of KUB in the following order:

(1) If the Period of Interruption is necessary due to an emergency or a capacity limitation on KUB's gas distribution system, then the interruption of service to all interruptible customers of KUB shall be handled on a pro rata or other equitable basis as determined by KUB.

(2) If the capacity limitation affects only a restricted geographic area of KUB's gas distribution system, then only interruptible customers of KUB within the restricted area will have their service interrupted. The interruption of such customers shall be handled on a pro rata or other equitable basis as determined by KUB.

(3) If the Period of Interruption is necessary due to a shortage of KUB's normal gas supply, whether caused by a capacity limitation of KUB's connecting pipeline(s) or by an actual shortage of gas, then the first service interrupted shall be Rate Schedule G-7

customers (other than redeliveries of supplemental gas and transport gas) who have not heretofore been interrupted as provided above. Even though KUB may have acquired supplemental gas for the account of a customer under Rate Schedule G-7 this service may be interrupted to the extent necessary to provide service to KUB's Firm Gas customers. The interruption of such customers shall be handled on a pro rata or other equitable basis as determined by KUB.

Insofar as Transport Gas has been Delivered to KUB for any customer receiving service under Rate Schedule G-7 or Rate Schedule G-11, and insofar as the Period of Interruption is not due to an emergency or capacity limitation on KUB's gas distribution system, the delivery of Transport Gas by KUB to those customers will not be interrupted.

(4) If the Period of Interruption is necessary due to a lack of confirmation by any connecting pipeline of Deliveries for any Rate Schedule G-11 Customers or to any customers receiving transportation service under Rate Schedule G-7, then only service to the affected Rate Schedule G-11 Customers or to the affected customers receiving transportation service under Rate Schedule G-7, as applicable, will be interrupted.

Notices

To the extent possible, KUB shall give Customer at least a one hour Notice of Interruption before a Period of Interruption begins. A Notice of Interruption may be provided by KUB by any means including written, verbal or electronic, and shall be sufficient if given by KUB to the person or persons designated from time to time by the Customer as authorized to receive such notices. If a Period of Interruption involves only a reduction in the amount of gas that may be transported, the Notice of Interruption shall state the daily and/or hourly quantity of gas which Customer may transport. A Period of Interruption shall continue in effect until KUB notifies Customer that the Period of Interruption has terminated or until the time specified in the Notice of Interruption expires.

Minimum Bill

The minimum bill for each monthly billing period shall be the sum of the Customer Charge and the Demand Charge.

Contract for Service

Each Customer receiving service under Rate Schedule G-11 shall execute a contract with KUB for at least twelve (12) months to end on the November 1st specified in said contract or such other period as Customer and KUB agree upon.

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

G-13

DISCOUNT GAS SERVICE RIDER

Definitions

"Agreement" means a Discount Gas Service Agreement for gas service under Rate Schedule G-13 between the Customer and KUB. The Agreement shall serve as an amendment to the Contract.

"Alternate Fuel" means any source of fuel used by a customer at its facilities as an alternative to natural gas.

"Bypass" means the delivery of natural gas directly to the facilities of a customer within the gas service territory of KUB by (1) a connecting interstate or intrastate natural gas pipeline or (2) a connecting alternate natural gas distribution system, without the transportation of such gas on KUB's natural gas distribution system.

"Contract" means an agreement for gas service from KUB under a commercial and industrial rate schedule between a customer and KUB.

"Customer" means a person or entity contracting with or otherwise receiving service from KUB under the Discount Gas Service Rider ("Rider").

"Purchased Gas Cost Component" means the portion of a rate charged by KUB to its customers for gas service which reflects the cost of purchasing gas and transporting it to the facilities of KUB for resale to its customers.

Availability

The Discount Gas Service Rider (the "Rider") is designed to permit KUB to discount rates set forth in the Gas Division's rate schedules for commercial and industrial gas service for any customer receiving gas service from KUB under a commercial and industrial rate schedule provided such customer meets the terms and conditions set forth herein.

Service under the Rider shall be available only (1) to meet competitive Alternate Fuel prices or (2) to avoid Bypass of KUB's natural gas distribution system, under the circumstances described below:

Alternate Fuel Prices

Customer's use of Alternate Fuel sources must, in the sole judgment of KUB, be deemed economically feasible and practical. Customer shall be required to provide

KUB with an affidavit stating the Customer's intent to use Alternate Fuel sources absent service from KUB under the Rider. Customer shall also be required to provide KUB with documentation demonstrating to KUB that its Alternate Fuel source is available to Customer and the cost of the Alternate Fuel source is less than the otherwise applicable commercial and industrial gas rates charged to the Customer by KUB.

Bypass of Distribution System

Customer's facilities must be located within such distance of (1) an interstate or intrastate natural gas pipeline providing gas transportation or sales service or (2) an alternate natural gas distribution system, so that Bypass of KUB's natural gas distribution system is, in the sole judgment of KUB, deemed economically feasible and practical.

Customer shall provide KUB with an affidavit stating the Customer's intent to Bypass KUB's natural gas distribution system absent service from KUB under the Rider. Customer shall also provide KUB with any other such documentation requested by KUB to verify the investment required on part of the Customer to take gas service directly from the applicable interstate or intrastate natural gas pipeline or alternate natural gas distribution system.

Additional Conditions

In addition, any Customer receiving service under the Rider must meet the following conditions:

- (a) Customer's annual gas consumption, on an actual or projected basis, shall not be less than 25,000 dekatherms (one dekatherm is equivalent to ten therms);
- (b) Customer must have executed a Contract to receive gas service from KUB under a commercial and industrial rate schedule; and
- (c) Customer must execute a Discount Gas Service Agreement .

If, for any reason, Customer shall fail to satisfy the conditions necessary for service under the Rider, service under the Rider shall no longer be available; however, Customer may continue to receive gas service from KUB under the applicable commercial and industrial rate schedule provided the Customer continues to satisfy the conditions required for service under such rate schedule.

Character of Service

Customer must make a written request to KUB for service under the Rider. The request must describe the circumstances under which the customer is seeking to receive service under the Rider (Alternate Fuel prices or Bypass). Customer's request for

service under the Rider and the amount of any discount provided Customer under the Rider must be previously approved by the President of KUB (or such designated agent authorized by the President of KUB to act on the President's behalf) prior to the Customer receiving service under the Rider. Customer must have previously executed a Contract prior to receiving service under the Rider.

Unless expressly stated otherwise in the Agreement for service under the Rider, all the terms and conditions of the Customer's applicable commercial and industrial rate schedule shall remain in effect while the Customer is receiving service under the Rider.

KUB shall conduct an economic analysis of the circumstances under which the customer is seeking to receive service under the Rider (Alternate Fuel prices or Bypass). Customer shall, at the request of KUB, provide any and all information necessary for KUB to conduct such an analysis. The analysis shall determine, among other things, the cost to the customer of using an Alternate Fuel or the cost to the customer to Bypass KUB's natural gas distribution system, as applicable. If Customer is approved for service under the Rider, KUB shall discount the rates set forth in the Customer's applicable commercial and industrial rate schedule in such a manner that the Customer's cost of receiving gas service from KUB is competitive with the Customer's cost of using an Alternate Fuel or Bypassing KUB's natural gas distribution system, as applicable.

The following charges specified in KUB's commercial and industrial gas rate schedules shall be subject to being discounted under the Rider: Customer Charges, Demand Charges, Commodity Charges for Firm Gas and/or Interruptible Gas, and Transportation Charges. Commodity Charges for Firm Gas and/or Interruptible Gas shall not be discounted below the applicable Purchased Gas Cost Component plus \$.10 (ten cents) per dekatherm. Transportation Charges shall not be discounted below \$.10 (ten cents) per dekatherm.

Discounted rates are subject to adjustment by KUB on a periodic basis, as determined by KUB in its sole discretion; provided, however, that the circumstances under which the Customer warranted service under the Rider shall be evaluated by KUB on no less than a biannual basis for such period of time Customer is receiving service under the Rider. Customer shall, at the request of KUB, provide any and all information necessary for KUB to evaluate the circumstances by which Customer was granted service under the Rider. Based upon an analysis of information received from the Customer or obtained by KUB of its own accord, KUB shall have the right to adjust the discount provided to the Customer up to the point of ceasing to provide service to the Customer under the Rider.

Discount Gas Service Agreement

Customer shall enter into an Agreement with KUB for service under the Rider. The Agreement shall serve as an amendment to the Customer's previously executed Contract for commercial and industrial gas service with KUB. Subject to KUB's right to

re-evaluate and adjust the discount provided for under the Agreement, the Agreement shall specify the discount to be provided by KUB to the Customer and any other such terms and conditions as KUB determines are necessary to effectuate service under the Rider.

KUB may amend the Agreement, at its sole discretion, to provide for an adjustment in the discount provided to the Customer. KUB shall provide such notice to the Customer, as deemed appropriate by KUB, of any adjustment in the discount provided to the Customer under the Agreement. Any such adjustment in the discount provided the Customer shall be in accordance with KUB's periodic evaluation of the circumstances warranting service under the Rider.

ALTERNATIVE GAS PRICING RIDER

Definitions

“Alternative Gas Pricing Agreement” means the agreement between KUB and the Customer providing the Customer gas service under the Alternative Gas Pricing Rider (“Pricing Rider”) and shall be considered an amendment to the Contract to provide gas between KUB and the Customer.

“Alternative Gas Pricing Guidelines” means the policies and procedures established by KUB for the implementation and administration of the Pricing Rider.

“Customer” means a person or entity receiving service from KUB under the Pricing Rider.

“Firm Gas Adder” means the component of the Customer’s commodity gas rate for the costs incurred by KUB for reserving interstate natural gas pipeline and storage capacity by KUB on behalf of the Customer.

“KUB System Supply Price” means the weighted average cost of gas delivered to KUB’s gas distribution system for a given month for resale to customers on the KUB gas distribution system (excluding gas sold to customers under the Pricing Rider).

“KUB System Transportation Charge” means the cost of transporting gas on KUB’s gas distribution system on behalf of the Customer to the facilities of the Customer as determined by the KUB Board of Commissioners in their sole discretion.

“Locked-Price Gas” means gas whose rate is pre-determined.

“Market-Price Gas” means gas whose rate is based upon a first-of-the-month natural gas price for Tennessee, Zone 0 as published in as published in Gas Daily, Natural Gas Intelligence, Intercontinental Exchange, or other index as deemed reasonable for use by the gas industry. KUB will select an industry recognized index at its sole discretion.

“Price Cashout” means the monthly reconciliation process between the Customer and KUB in which the Customer’s gas volume obligations for Locked-Price Gas are reconciled with KUB.

Availability

The Pricing Rider is designed to provide large commercial and industrial customers receiving gas service from KUB with the opportunity and means to manage the cost of their natural gas purchases from KUB by providing pricing alternatives for the applicable

commodity gas rates set forth in their applicable commercial and industrial rate schedules.

Service under the Pricing Rider shall be available to G-7 or G-11 commercial and industrial customers receiving gas service from KUB under the terms and conditions set forth below

(a) Customer's annual gas usage, on an actual or projected basis, shall not be less than 25,000 dekatherms.

(b) For a Customer receiving service under Rate Schedule G-11, Transportation Gas Service, pricing alternatives shall be applicable only to Firm Gas.

(c) Customer may be required to provide KUB with appropriate financial information prior to receiving service under the Pricing Rider and subsequently on a periodic basis, for the purpose of evaluating the Customer's creditworthiness. KUB reserves the right, in its sole discretion, to deny any Customer service under the Pricing Rider based upon KUB's evaluation of the Customer's creditworthiness or authorize any appropriate security arrangement, if necessary, for the Customer to receive service under the Pricing Rider. KUB also reserves the right, in its sole discretion, to refuse to execute any particular alternative price transaction on behalf of a Customer based upon KUB's initial or any subsequent evaluation of the Customer's creditworthiness.

(d) Customer must execute an Alternative Gas Pricing Agreement which shall serve as an amendment to the Customer's existing contract to receive gas service from KUB. Customer must have previously executed a contract to receive gas service from KUB prior to receiving service under the Pricing Rider.

(e) Customer must comply with any other terms and conditions required for service under the Pricing Rider which may be set forth in the Alternative Gas Pricing Guidelines.

In the event a Customer fails to satisfy the conditions necessary for service under the Pricing Rider, service under the Pricing Rider, as determined by KUB in its sole discretion, may no longer be available; however, the Customer may continue to receive gas service from KUB under the applicable commercial and industrial rate schedule provided the Customer continues to satisfy the conditions required for service under such rate schedule and the Customer's Contract, as amended with KUB.

Upon determination that service under the Pricing Rider is no longer available to a Customer, the Customer shall still be permitted to receive service under the Pricing Rider until such point in time that the Customer's outstanding Locked-Price Gas commitments have been fulfilled.

Unless expressly provided for otherwise in the Pricing Rider or in the Alternative Gas Pricing Guidelines, all the terms and conditions of the Customer's applicable commercial and industrial rate schedule shall remain in effect while the Customer is receiving service under the Pricing Rider.

Character of Service

Alternative pricing shall be applicable only for the Customer's Commodity Gas Rates for Firm Gas and Interruptible Gas ("Commodity Gas Rates"). Interruptible Gas shall still be subject to periods of interruption under the terms and conditions set forth in the Customer's applicable commercial and industrial rate schedule.

For a Customer receiving service under the Pricing Rider, the Commodity Gas Rates set forth in the Customer's applicable commercial and industrial rate schedule shall not be effective. Commodity Gas Rates for a Customer receiving service under the Pricing Rider shall be based upon the pricing alternative selected by the Customer as described below and agreed upon by KUB.

(a) Locked-Price Gas: Commodity Gas Rates shall be locked or pre-determined at the time KUB executes the pricing transaction on behalf of the Customer. The Commodity Gas Rate shall consist of the cost incurred by KUB for purchasing the gas on the open market for the benefit of the Customer plus the cost of transporting the gas on connecting interstate natural gas pipelines to KUB's gas distribution system plus the KUB System Transportation Charge; or

(b) Market-Price Gas: Commodity Gas Rates shall consist of the applicable market index, supplier premium, and the cost of transporting the gas on connecting interstate natural gas pipelines to KUB's gas distribution system plus the KUB System Transportation Charge.

Regardless of the pricing alternative utilized by the Customer, the Customer's commodity gas rate for Firm Gas shall also include a Firm Gas Adder for the costs incurred by KUB for interstate natural gas pipeline and storage capacity reservation charges.

The Market-Price alternative shall be the default pricing mechanism for Commodity Gas Charges. If KUB does not execute any Locked-Price transactions on behalf of a Customer for a given month, the Customer's Commodity Gas Charges for that particular month shall be based upon the Market-Price alternative. The Commodity Gas Charges for any gas delivered by KUB to the facilities of the Customer for a given month in excess of Locked-Price Gas shall be Market-Price Gas (excluding Transport Gas, Supplemental Gas, and Unauthorized Gas).

KUB incurs an obligation for Locked-Price Gas volumes when it executes transactions on behalf of a Customer. If, for whatever reason, the gas volumes delivered by KUB to the Customer for any month are less than the gas volumes the Customer has locked for such month, the net difference (excluding Transport Gas, Supplemental Gas, and Unauthorized Gas) shall be reconciled on a monthly basis through a Price Cashout.

If the price of the Locked-Price Gas delivered to KUB exceeds the KUB System Supply Price, the Customer shall pay a Price Cashout Charge equal to the excess price multiplied by the applicable volumes not delivered by KUB to the Customer for such

month. If the KUB System Supply Price exceeds the price of the Locked-Price Gas delivered to KUB on behalf of the Customer, the Customer shall receive a Price Cashout Credit equal to the excess price multiplied by the applicable volumes not delivered by KUB to the Customer for such month.

A Customer receiving service under the Pricing Rider shall not be permitted to revert to the Commodity Gas Rates set forth in its applicable commercial and industrial rate schedule so long as the Customer has any outstanding Locked-Price Gas commitments.

Alternative Gas Pricing Guidelines

The President and Chief Executive Officer of KUB shall have the authority to adopt and amend such Alternative Gas Pricing Guidelines as are necessary to establish policies and procedures to implement the pricing alternatives set forth in the Pricing Rider.

All service provided under the Pricing Rider shall be subject to the Alternative Gas Pricing Guidelines which from time to time shall be in effect.

**RESOLUTION 1493
EXHIBIT F
RATE SCHEDULES OF THE GAS DIVISION
EFFECTIVE OCTOBER 1, 2026**

RESIDENTIAL GAS SERVICE

RATE SCHEDULE G-2

Availability

Service under this rate schedule shall be available only to residential customers served individually through a separate meter or through a KUB-approved multiple meter configuration designed as a single billing point.

Rates

For the monthly billing periods of November through March:

Basic Service Charge: \$10.90 per month

Commodity Charge: \$1.3236 per therm for first 30 therms
\$1.0876 per therm for over 30 therms

For the monthly billing periods of April through October:

Basic Service Charge: \$10.90 per month

Commodity Charge: \$1.1248 per therm for first 50 therms
\$0.9929 per therm for over 50 therms

Adjustment

The Commodity Charge shall be subject to KUB's Purchased Gas Adjustment. Rates shown above are inclusive of the Purchased Gas Adjustment for the current month.

Minimum Bill

The minimum bill under this rate schedule shall be the Basic Service Charge.

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

COMMERCIAL AND INDUSTRIAL GAS SERVICE

RATE SCHEDULE G-4

Availability

Service under Rate Schedule G-4 is available to any commercial or industrial customer. Unless otherwise approved by KUB, a customer receiving service under Rate Schedule G-4, after previously receiving service under Rate Schedule G-6, shall not be allowed to return to service under Rate Schedule G-6 until at least twelve months have elapsed since service was last received under Rate Schedule G-6.

Rates

Customer Charge: \$46.00 per month

Monthly Commodity Charge: \$1.2097 per therm for the first 250 therms;
\$1.0860 per therm for the excess over 250 therms.

Adjustment

The Commodity Charge shall be subject to KUB's Purchased Gas Adjustment. Rates shown above are inclusive of the Purchased Gas Adjustment for the current month.

Minimum Bill

The minimum bill for each monthly billing period shall be the Customer Charge.

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

COMMERCIAL AND INDUSTRIAL GAS SERVICE

RATE SCHEDULE G-6

Availability

Service under this rate is available to any commercial or industrial customer that incurs a demand of twenty-seven therms or more during the current monthly billing period or during any of the eleven most recent monthly billing periods. Unless otherwise approved by KUB, a customer receiving service under Rate Schedule G-6, after previously receiving service under Rate Schedule G-4, shall not be allowed to return to service under Rate Schedule G-4 until at least twelve months have elapsed since service was last received under Rate Schedule G-4.

Rates

Customer Charge:	\$275.00 per month
Monthly Demand Charge:	\$2.20 per therm of demand
Monthly Commodity Charge:	\$0.8566 per therm for the first 30,000 therms; \$0.7520 per therm for over 30,000 therms

Adjustment

The Commodity Charge shall be subject to KUB's Purchased Gas Adjustment. The above rates are inclusive of the Purchased Gas Adjustment for the current month.

Determination of Demand

At the option of KUB, the demand shall be determined either (a) by demand type meter, or (b) by electronic measuring device, or (c) by test, or (d) by estimate. If determined by estimate, the demand shall be considered to be equal to five percent (5%) of the total quantity of gas used during the applicable monthly billing period.

The billed demand shall be the amount as determined in the above paragraph, but not less than eighty percent (80%) of the greatest demand of the previous 12 months.

Minimum Bill

The minimum bill for each monthly billing period shall be the sum of the Customer Charge and the Demand Charge.

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

INTERRUPTIBLE GAS SERVICE

RATE SCHEDULE G-7

Definitions

"Customer" means a person or entity contracting with or otherwise receiving service from KUB for interruptible gas service under this rate.

"Day" means a period of twenty-four (24) consecutive hours, beginning and ending at 10:00 A.M. prevailing Knoxville time or such other period as may be established by the applicable connecting pipeline(s) to KUB's system.

"Delivery" means the delivery of Transport Gas or Supplemental Gas to KUB.

"Firm Gas" means the amount of gas designated as such in a written contract between KUB and the Customer; Firm Gas is not subject to interruption or curtailment except for emergency or other causes as provided in KUB's Rules and Regulations.

"Interruptible Gas" means that gas which is subject to interruption or curtailment by KUB at any time and to the extent that KUB, in its sole discretion, deems desirable.

"Notice of Interruption" means the notice given by KUB to a Customer that a Period of Interruption has commenced or will commence.

"Period of Interruption" means any period of time during which KUB shall interrupt or curtail the delivery of gas to the Customer.

"Redelivery" means the delivery of Transport Gas or Supplemental Gas to the Customer by KUB.

"Supplemental Gas" means gas procured by KUB for the account of a Customer for Delivery to KUB and Redelivery to the Customer.

"Transport Gas" means gas purchased by a Customer from a supplier other than KUB that the Customer has arranged to have Delivered to KUB for Redelivery to the Customer.

"Unauthorized Gas" means the quantity of gas taken by Customer exceeding the amount which is permitted during a Period of Interruption.

Availability

Service under this rate is available to any customer who meets the following conditions:

- (a) Customer's annual Interruptible Gas use, on an actual or projected basis, shall not be less than 25,000 dekatherms (one dekatherm is equivalent to ten therms);
- (b) Customer shall be permitted to purchase only one (1) dekatherm of Firm Gas under this rate for each two (2) dekatherms of Interruptible Gas which are purchased;
- (c) Customer must have standby equipment of sufficient capacity capable of providing Customer's normal gas service requirements for a period of five (5) working days without replenishment when Interruptible Gas is completely interrupted. Customer shall maintain such equipment ready for operation at any time and shall utilize a fuel other than gas furnished by KUB and shall be subject to periodic inspections by KUB to ensure compliance with this provision; and
- (d) KUB must determine that its existing distribution system facilities are adequate and available for the requested service.

In the event Customer shall fail at any time to continue to meet the conditions (a) through (c), service under Rate Schedule G-7 shall no longer be available; but at KUB's option, gas service may be provided to the Customer under Rate Schedule G-6.

Character of Service

Interruptible Gas shall be available only to the extent that KUB has gas available that is not required by firm customers. If a Customer is served by gas purchased on an interruptible rate from KUB's suppliers, all conditions imposed by KUB's suppliers on the use of such Interruptible Gas shall likewise apply to such Customer as if KUB imposed the condition on the Customer.

Transportation Service

During any Period of Interruption, Customer may request Transportation Service from KUB whereby Customer may either (i) purchase Transport Gas and arrange to Deliver such Transport Gas to KUB via any connected interstate natural gas pipeline to one or more of KUB's designated delivery points for Redelivery to the Customer or (ii) solicit the service of KUB in procuring Supplemental Gas for Customer whereby upon agreeing to provide such service, KUB will attempt to: (a) procure Supplemental Gas on the open market for the account of Customer; (b) arrange for such Supplemental Gas to be transported at Customer's cost via connecting interstate natural gas pipelines to one or more of KUB's designated delivery points, and (c) Redeliver such Supplemental Gas to Customer.

Redeliveries by KUB to Customer are subject to interruption when, in the sole discretion of KUB, conditions warrant a suspension of Transportation Service.

Prior to the commencement of a Period of Interruption or within a reasonable period of time subsequent to the commencement of a Period of Interruption, as determined by KUB in its sole discretion, Customer must: (a) notify KUB of its intent to receive Transportation Service from KUB and (b) provide KUB with a schedule showing the proposed daily volumes to be delivered to KUB and Redelivered to the Customer. KUB shall notify Customer of those volumes KUB has approved on a daily basis for Delivery to KUB and Redelivery to Customer (Approved Daily Volumes) prior to the Delivery of any gas to KUB. KUB reserves the right to adjust the Approved Daily Volumes as conditions warrant. KUB shall notify Customer promptly of any adjustment in the Approved Daily Volumes.

KUB shall not be obligated to Redeliver any volumes of gas to Customer: (a) in excess of the Customer's Approved Daily Volumes and (b) in the case of Transport Gas, for which KUB has not received a confirmation of receipt from the applicable connecting pipeline on any given Day.

Transportation Service under this Rate Schedule shall be subject to the following charges, as applicable: (a) the Commodity Charge, as set forth in the Rate Schedule, for Redeliveries of Supplemental Gas to Customer, and (b) the Transportation Charge, as set forth in this Rate Schedule, for Redeliveries to Customer.

Upon conclusion of Customer's Period of Interruption, if total previous Deliveries of Transport Gas or Supplemental Gas to KUB exceeds total Redeliveries of Transport Gas or Supplemental Gas to Customer by KUB, as applicable, the excess will be treated as the first gas (excluding Firm Gas) through Customer's meter following Customer's Period of Interruption.

Gas purchased or transported under this rate shall be used only by the Customer at its facilities and shall be delivered at a single point of delivery located within the service area of KUB and shall not be resold by the Customer.

Quantities of Gas Delivered

For the purpose of allocating the daily volume of gas delivered to a Customer under this rate schedule, the first gas delivered shall be considered Firm Gas up to the daily quantity contracted for as Firm Gas, the next gas delivered shall be the Approved Daily Volumes of Transport Gas or Supplemental Gas for that Day, as applicable, and all additional gas delivered shall be considered Interruptible Gas except during a Period of Interruption, then all additional gas delivered shall be considered Unauthorized Gas.

Rates

Customer Charge:	\$1,175.00 per month
Monthly Demand Charge:	\$22.00 per dekatherm of demand
Monthly Commodity Charge	
For Firm Gas:	\$7.520 per dekatherm
For Interruptible Gas:	
\$7.252 per dekatherm for the first 3,000 dekatherms	
\$6.574 per dekatherm from 3,000 to and including 20,000 dekatherms	
\$5.671 per dekatherm from 20,000 to and including 50,000 dekatherms	
\$5.090 per dekatherm for the excess over 50,000 dekatherms	

For Supplemental Gas:

The Commodity Charge for Supplemental Gas shall be the total of:
(a) the cost per dekatherm to KUB for the applicable Day of acquiring Supplemental Gas on the open market, subject to the approval of the Customer to purchase Supplemental Gas at or above such price and
(b) the costs incurred by KUB in transporting such Supplemental Gas via connecting pipelines to one or more of KUB's delivery points.

Transportation Charge – for Redelivered plus Unauthorized Gas:

\$3.026 per dekatherm for the first 3,000 dekatherms
\$2.348 per dekatherm from 3,000 to and including 20,000 dekatherms
\$1.445 per dekatherm from 20,000 to and including 50,000 dekatherms
\$0.864 per dekatherm for the excess over 50,000 dekatherms

Unauthorized Gas Charge: \$25.00 per dekatherm of Unauthorized Gas, plus the total of the cost per dekatherm of obtaining such gas on the open market as determined by the applicable Gulf Cost Price Index for the applicable day as published in Gas Daily, Natural Gas Intelligence, Intercontinental Exchange, or other index as deemed reasonable for use by the gas industry. KUB will select an industry recognized index at its sole discretion.

In determining the appropriate rate block to bill Transportation Charges for Redelivered and Unauthorized Gas, the following volumes shall be combined: Interruptible Gas, Supplemental Gas, Transport Gas, and Unauthorized Gas.

Adjustment

The Commodity Charge for Firm Gas and Interruptible Gas shall be subject to KUB's Purchased Gas Adjustment. Rates shown above are inclusive of the Purchased Gas Adjustment for the current month.

Determination of Demand

Demand shall be the daily quantity of gas contracted for as Firm Gas by the Customer. Customer, with the consent of KUB, may from time to time change the amount of Firm Gas by providing written notice to KUB at least three (3) business days prior to the beginning of the monthly billing period for which Customer desires the change to be effective; provided, however, that such changes shall not effect a reduction in the previously specified Firm Gas, unless the previously specified Firm Gas has been in effect for the entire twelve month period immediately preceding the date the requested change is to become effective.

Unauthorized Gas Charge

No Customer shall take Unauthorized Gas. Customer must immediately notify KUB if it has taken, or anticipates taking, Unauthorized Gas. In the event Customer takes Unauthorized Gas, Customer shall be charged the Unauthorized Gas Charge for all Unauthorized Gas delivered by KUB to Customer. In addition, KUB may suspend or terminate service and/or pursue any other remedy available to it under applicable law. The existence of an Unauthorized Gas Charge shall not be construed to give Customer the right to take Unauthorized Gas. The penalty portion of the Unauthorized Gas Charge may be waived or reduced by KUB on a non-discriminatory basis.

Priority of Service

Interruptible gas service is supplied to customers of KUB under Rate Schedules G-7 and G-11. Except as may be otherwise determined by KUB in its sole discretion, Periods of Interruption shall generally be imposed on interruptible customers of KUB in the following order:

- (1) If the Period of Interruption is necessary due to an emergency or capacity limitation on KUB's gas distribution system, then the interruption of service to all interruptible customers of KUB shall be handled on a pro rata or other equitable basis as determined by KUB.
- (2) If the capacity limitation affects only a restricted geographic area of KUB's gas distribution system, then only interruptible customers of KUB within the restricted area will have their service interrupted. The interruption of such customers shall be handled on a pro rata or other equitable basis as determined by KUB.
- (3) If the Period of Interruption is necessary due to a shortage of KUB's normal gas supply, whether caused by a capacity limitation of KUB's connecting pipeline(s) or by an actual shortage of gas, then:

- (a) The first service interrupted shall be Rate Schedule G-7 Customers (other than Redeliveries of Supplemental Gas and Transport Gas) who have not heretofore been interrupted as provided above.

- (b) The second service interrupted shall be Redeliveries of Supplemental Gas to Rate Schedule G-7 Customers. Even though KUB may have acquired Supplemental Gas for the account of a Customer under Rate Schedule G-7, this service may be interrupted to the extent necessary to provide service to KUB's Firm Gas customers.

Within each category, the interruption of such customers shall be handled on a pro rata or other equitable basis as determined by KUB.

Insofar as Transport Gas has been Delivered to KUB for any customer receiving service under Rate Schedule G-7 or Rate Schedule G-11, and insofar as the Period of Interruption is not due to an emergency or capacity limitation on KUB's gas distribution system, the delivery of Transport Gas by KUB to those customers will not be interrupted.

- (4) If the Period of Interruption is necessary due to a lack of confirmation by any connecting pipeline of deliveries for any Rate Schedule G-11 customers or to any Customers receiving Transportation Service under Rate Schedule G-7, then only service to the affected Rate Schedule G-11 customers or to the affected Customers receiving Transportation Service under Rate Schedule G-7, as applicable, will be interrupted.

Notices

To the extent possible, KUB shall give Customer at least a one hour Notice of Interruption before a Period of Interruption begins. A Notice of Interruption may be provided by KUB by any means including written, verbal or electronic, and shall be sufficient if given by KUB to the person or persons designated from time to time by the Customer as authorized to receive such notices. If a Period of Interruption involves only a reduction in the amount of gas that may be purchased, the Notice of Interruption shall state the daily and/or hourly quantity of gas which Customer may purchase. A Period of Interruption shall continue in effect until KUB notifies Customer that the Period of Interruption has terminated or until the time specified in the Notice of Interruption expires.

Minimum Bill

The minimum bill for each monthly billing period shall be the sum of the Customer Charge and the Demand Charge.

Contract for Service

Each Customer receiving service under this rate shall execute a contract with KUB for at least twelve (12) months to end on the November 1st specified in said contract or such other period as Customer and KUB agree upon. Transportation Service under this rate shall be provided only after such customer executes a contract with KUB providing for Transportation Service.

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

TRANSPORTATION GAS SERVICE

RATE SCHEDULE G-11

Definitions

"Customer" means a person or entity contracting with or otherwise receiving service from KUB for transportation gas service under this rate.

"Day" means a period of twenty-four (24) consecutive hours, beginning and ending at 10:00 A.M. prevailing Knoxville time or such other period as may be established by the applicable connecting pipeline(s) to KUB's system.

"Delivery" means the delivery of Transport Gas to KUB.

"Firm Gas" means the amount of gas designated as such in a written contract between KUB and the Customer; Firm Gas is not subject to interruption or curtailment except for emergency or other causes as provided for in KUB's Rules and Regulations.

"Imbalance" means the difference between Deliveries to KUB for a Customer and Redeliveries by KUB to the Customer.

"Notice of Interruption" means the notice given by KUB to a Customer that a Period of Interruption has commenced or will commence.

"Operational Flow Order" means any directive issued to a Customer by KUB which requires the Customer to adjust Deliveries to KUB or deliveries of non-Firm gas to the Customer by KUB.

"Period of Interruption" means any period of time during which KUB shall interrupt or curtail the delivery of gas to the Customer.

"Redelivery" means the delivery of gas, excluding Firm Gas and Unauthorized Gas, to a Customer by KUB.

"Scheduled Daily Amount" means the amount of Transport Gas approved by KUB from time to time to be Delivered by a Customer to KUB and delivered to the Customer by KUB on a daily basis.

"Transport Gas" means the gas purchased by a Customer from a supplier other than KUB that Customer has arranged to have Delivered to KUB for delivery to the Customer by KUB.

"Transportation Service Agreement" means the contract between KUB and the Customer whereby KUB agrees to provide transportation gas service to the Customer.

"Unauthorized Gas" means (a) the quantity of gas taken by Customer exceeding the amount which is permitted during a Period of Interruption or (b) the difference (whether positive or negative) between the quantity of gas taken by Customer and the volumes provided for under an Operational Flow Order.

Availability

Service under Rate Schedule G-11 shall be available to any customer who meets the following conditions:

(a) Customer's annual gas usage (excluding Firm Gas), on an actual or projected basis, shall not be less than 25,000 dekatherms (one dekatherm is equivalent to ten therms);

(b) Customer shall be permitted to purchase only one (1) dekatherm of Firm Gas under Rate Schedule G-11 for each two (2) dekatherms of Transport Gas delivered by KUB to the Customer;

(c) Customer must have standby equipment of sufficient capacity capable of providing Customer's normal gas service requirements for a period of five (5) working days without replenishment when Transport Gas is completely interrupted. Customer shall maintain such equipment ready for operation at any time and shall utilize a fuel other than gas furnished by KUB and shall be subject to periodic inspections by KUB to ensure compliance with this provision;

Condition (c) shall be optional for any Customer who meets the following requirements: (1) annual gas usage (excluding Firm Gas) is equal to or greater than 25,000 dekatherms; (2) primary use of gas is for industrial or process use; and (3) provides satisfactory evidence to KUB of its ability and willingness to have its gas service interrupted or curtailed by KUB in accordance with the terms and conditions of this Rate Schedule.

(d) Customer's use under this rate shall not work a hardship on any other customers of KUB, nor adversely affect any other class of KUB's customers and further provided the Customer's use under this rate shall not adversely affect KUB's gas purchase plans and/or effective utilization of the daily demands under KUB's gas purchase contracts with its suppliers, as solely determined by KUB.

(e) KUB must determine that its existing distribution system facilities are adequate and available for the requested service; and

(f) Customer must execute a Transportation Service Agreement for transportation gas service.

In the event Customer shall fail at any time to meet conditions (a) through (d) service under Rate Schedule G-11 shall no longer be available; but at KUB's option, gas service may be provided to the Customer under other KUB rate schedules.

Notwithstanding the foregoing, any Customer which received service under Rate Schedule G-11 prior to November 1, 1997 may receive service under Rate Schedule G-11 without fulfilling conditions (a) and (b). Any such Customer shall comply with all other terms and conditions of Rate Schedule G-11.

Character of Service

Pursuant to a Transportation Service Agreement and Rate Schedule G-11, and subject to Periods of Interruption determined by KUB in its sole discretion, KUB shall deliver to the Customer up to the Contract Amount of Transport Gas received from one or more connected interstate natural gas pipelines for Customer's account.

The first gas delivered to the Customer on a daily basis under Rate Schedule G-11 shall be considered Firm Gas up to the daily quantity contracted for as Firm Gas by the Customer.

Gas purchased or transported under Rate Schedule G-11 shall be used only by the Customer at its facilities and shall be delivered at a single point of delivery located within the service area of KUB and shall not be resold by the Customer.

Rates

Customer Charge:	\$1,650.00 per month
Monthly Demand Charge:	\$22.00 per dekatherm of demand.
Monthly Firm Gas Charge:	\$7.520 per dekatherm.
Monthly Transportation Charge:	\$3.026 per dekatherm for the first 3,000 dekatherms of non-Firm gas delivered to Customer; \$2.348 per dekatherm for each dekatherm from 3,000 to and including 20,000 dekatherms of non-Firm gas delivered to Customer; \$1.445 per dekatherm for each dekatherm from 20,000 to and including 50,000 dekatherms of non-Firm gas delivered to Customer; \$0.864 per dekatherm for the excess over 50,000 dekatherms of non-Firm gas delivered to Customer.
Monthly Unauthorized Gas Charge:	\$25.00 per dekatherm of Unauthorized Gas as a

penalty, plus (a), the total cost per dekatherm of obtaining such gas on the open market, as defined below, plus (b), the costs incurred by KUB in transporting such Unauthorized Gas via connecting pipelines to one or more of KUB's delivery points. The cost per dekatherm of obtaining such gas on the open market, (a) above, is defined as an index price based on the High Common price for "Transco Zone 5 Delivered" or "Tennessee 500 Leg", whichever is higher for the applicable Day as published in Gas Daily, Natural Gas Intelligence, Intercontinental Exchange, or other index as deemed reasonable for use by the gas industry. KUB will select an industry recognized index at its sole discretion.

Monthly Other Charges:

Imbalance Charges (as herein defined), and any pipeline scheduling, balancing, transportation, or other similar charges incurred by KUB in connection with the transportation of gas on behalf of the Customer, as applicable.

Adjustment

The Firm Gas Charge shall be subject to KUB's Purchased Gas Adjustment. Rates shown above are inclusive of the Purchased Gas Adjustment for the current month.

Determination of Demand

Demand shall be the daily quantity of gas contracted for as Firm Gas by the Customer. Customer, with the consent of KUB, may from time to time change the amount of Firm Gas by providing written notice to KUB at least three (3) business days prior to the beginning of the monthly billing period for which the Customer desires the change to be effective; provided, however, that such changes shall not effect a reduction in the previously specified Firm Gas, unless the previously specified Firm Gas has been in effect for the entire twelve month period immediately preceding the date the requested change is to become effective.

Scheduling of Service

At least three (3) business days prior to the first calendar day of the month, Customer shall submit to KUB its schedule showing the proposed daily volumes of Transport Gas the Customer desires to deliver to KUB via connecting pipelines and have delivered to the Customer by KUB during the succeeding month ("Delivery Schedule"). Any proposed Delivery of gas in excess of the Transport Gas portion of the Contract Amount shall be specifically noted in the Delivery Schedule. At least one business day prior to the beginning of the applicable calendar month, KUB shall notify the Customer in writing of the volumes of Transport Gas for such Customer which have been approved for Delivery to KUB and delivery to the Customer by KUB on a daily basis during such month ("Scheduled Daily Amount"). The Customer must notify and obtain written approval of KUB for any changes in the Scheduled Daily Amount during a month at least twenty-four (24) hours prior to the proposed commencement of such change.

KUB shall have the right, in its sole discretion, to issue an Operational Flow Order ("OFO") which shall require the Customer to adjust Deliveries to KUB or deliveries of non-Firm gas to the Customer by KUB in order to address one or more of the following situations: (1) to maintain system operations at pressures required to provide efficient and reliable service, (2) to have adequate gas supplies in the system to deliver on demand, (3) to maintain service to all firm gas customers and for all firm gas services, (4) to avoid penalties from connecting pipelines, or (5) any other situation which may threaten the operational integrity of KUB's gas distribution system.

To the extent possible, KUB shall give at least one hour notice prior to issuing an OFO. Notice may be provided by KUB by any means including written, verbal or electronic, and shall be sufficient if given by KUB to the person or person(s) designated from time to time by the Customer as authorized to receive such notices. The OFO shall include but not be limited to the following information: (1) time and date of issuance, (2) action Customer is required to take, (3) time at which Customer must be in compliance with the OFO, (4) anticipated duration of the OFO, and (5) any other terms and conditions that KUB may reasonably require to ensure the effectiveness of the OFO.

Any volumes of gas delivered to the Customer by KUB in excess of the volumes provided for under the OFO shall be subject to the entire Unauthorized Gas Charge. If the volumes of gas delivered to the Customer by KUB are less than the volumes required to be delivered to the Customer under the OFO, the volumes not delivered to the Customer shall be subject only to the penalty portion of the Unauthorized Gas Charge.

Unauthorized Gas Charge

No Customer shall take Unauthorized Gas. A Customer must immediately notify KUB if it has taken, or anticipates taking, Unauthorized Gas. In the event a Customer takes Unauthorized Gas, the Customer shall be charged for all Unauthorized Gas delivered by

KUB to the Customer the Unauthorized Gas Charge. In addition, KUB may suspend or terminate service and/or pursue any other remedy available to it under applicable law. The existence of an Unauthorized Gas Charge shall not be construed to give any Customer the right to take Unauthorized Gas. The penalty portion of the Unauthorized Gas Charge may be waived or reduced by KUB on a non-discriminatory basis.

Balancing of Deliveries

As nearly as practical, Deliveries and Redeliveries shall be at uniform rates of flow. Due to Customer operating conditions, the quantities of gas Delivered to KUB and Redelivered to Customer during any particular period may not balance. It shall be the responsibility of the Customer to adjust Deliveries and Redeliveries of gas to maintain a daily balance of Deliveries and Redeliveries.

KUB will endeavor to monitor Deliveries and Redeliveries and, to the extent practical, inform the Customer of Imbalances which have occurred. KUB's failure to notify the Customer of an Imbalance shall not affect Customer's obligations under Rate Schedule G-11. All efforts to correct Imbalances by a Customer shall be coordinated with KUB.

KUB shall have the right to take any and all action necessary to limit Imbalances from connecting pipelines or which affect the integrity of KUB's system.

Resolution of Imbalances

The Customer's Imbalance for the month shall be the net total of daily Imbalances for the month. KUB shall divide the monthly Imbalance by the sum of the Deliveries to KUB for the Customer for each Day of the month to determine the percentage (%) monthly Imbalance. KUB shall resolve the monthly Imbalance according to the following schedules ("Imbalance Charges"):

Schedule A. Redeliveries exceed Deliveries - Customer shall pay KUB for excess volumes at the applicable percentage of the Index Price (as defined in this Schedule A) for those volumes within the corresponding % monthly imbalance range.

<u>% Monthly Imbalance</u>	<u>Price</u>
0 - 5%	100% of Index Price
> 5 - 10%	115% of Index Price
>10 - 15%	130% of Index Price
>15 - 20%	140% of Index Price
>20%	150% of Index Price

The Index Price shall be the total of: (a) the average of daily prices for the applicable Gulf Coast Price Index for the applicable month, as published in Gas Daily, Natural Gas Intelligence, Intercontinental Exchange, or other index as deemed reasonable for use by the gas industry. KUB will select an industry recognized index at its sole discretion. and (b) the costs incurred by KUB in transporting such excess volumes via connecting pipelines to one or more of KUB's delivery points.

Schedule B. Deliveries exceed Redeliveries - KUB shall pay the Customer for excess volumes at the applicable percentage of the Index Price (as defined in this Schedule B) for those volumes within the corresponding % monthly imbalance range.

<u>% Monthly Imbalance</u>	<u>Price</u>
0 - 5%	100% of Index Price
> 5 - 10%	85% of Index Price
>10 - 15%	70% of Index Price
>15 - 20%	60% of Index Price
>20%	50% of Index Price

The Index Price shall be the total of: (a) the average of daily prices for the applicable Gulf Coast Price Index for the applicable month, as published in Gas Daily, Natural Gas Intelligence, Intercontinental Exchange, or other index as deemed reasonable for use by the gas industry. KUB will select an industry recognized index at its sole discretion. and (b) the costs incurred by KUB in transporting such excess volumes via connecting pipelines to one or more of KUB's delivery points.

Priority of Service

Interruptible gas service is supplied to customers of KUB under Rate Schedules G-7 and G-11. Except as may be otherwise determined by KUB in its sole discretion, Periods of Interruption shall generally be imposed on interruptible customers of KUB in the following order:

(1) If the Period of Interruption is necessary due to an emergency or a capacity limitation on KUB's gas distribution system, then the interruption of service to all interruptible customers of KUB shall be handled on a pro rata or other equitable basis as determined by KUB.

(2) If the capacity limitation affects only a restricted geographic area of KUB's gas distribution system, then only interruptible customers of KUB within the restricted area will have their service interrupted. The interruption of such customers shall be handled on a pro rata or other equitable basis as determined by KUB.

(3) If the Period of Interruption is necessary due to a shortage of KUB's normal gas supply, whether caused by a capacity limitation of KUB's connecting pipeline(s) or by an actual shortage of gas, then the first service interrupted shall be Rate Schedule G-7

customers (other than redeliveries of supplemental gas and transport gas) who have not heretofore been interrupted as provided above. Even though KUB may have acquired supplemental gas for the account of a customer under Rate Schedule G-7 this service may be interrupted to the extent necessary to provide service to KUB's Firm Gas customers. The interruption of such customers shall be handled on a pro rata or other equitable basis as determined by KUB.

Insofar as Transport Gas has been Delivered to KUB for any customer receiving service under Rate Schedule G-7 or Rate Schedule G-11, and insofar as the Period of Interruption is not due to an emergency or capacity limitation on KUB's gas distribution system, the delivery of Transport Gas by KUB to those customers will not be interrupted.

(4) If the Period of Interruption is necessary due to a lack of confirmation by any connecting pipeline of Deliveries for any Rate Schedule G-11 Customers or to any customers receiving transportation service under Rate Schedule G-7, then only service to the affected Rate Schedule G-11 Customers or to the affected customers receiving transportation service under Rate Schedule G-7, as applicable, will be interrupted.

Notices

To the extent possible, KUB shall give Customer at least a one hour Notice of Interruption before a Period of Interruption begins. A Notice of Interruption may be provided by KUB by any means including written, verbal or electronic, and shall be sufficient if given by KUB to the person or persons designated from time to time by the Customer as authorized to receive such notices. If a Period of Interruption involves only a reduction in the amount of gas that may be transported, the Notice of Interruption shall state the daily and/or hourly quantity of gas which Customer may transport. A Period of Interruption shall continue in effect until KUB notifies Customer that the Period of Interruption has terminated or until the time specified in the Notice of Interruption expires.

Minimum Bill

The minimum bill for each monthly billing period shall be the sum of the Customer Charge and the Demand Charge.

Contract for Service

Each Customer receiving service under Rate Schedule G-11 shall execute a contract with KUB for at least twelve (12) months to end on the November 1st specified in said contract or such other period as Customer and KUB agree upon.

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

G-13

DISCOUNT GAS SERVICE RIDER

Definitions

"Agreement" means a Discount Gas Service Agreement for gas service under Rate Schedule G-13 between the Customer and KUB. The Agreement shall serve as an amendment to the Contract.

"Alternate Fuel" means any source of fuel used by a customer at its facilities as an alternative to natural gas.

"Bypass" means the delivery of natural gas directly to the facilities of a customer within the gas service territory of KUB by (1) a connecting interstate or intrastate natural gas pipeline or (2) a connecting alternate natural gas distribution system, without the transportation of such gas on KUB's natural gas distribution system.

"Contract" means an agreement for gas service from KUB under a commercial and industrial rate schedule between a customer and KUB.

"Customer" means a person or entity contracting with or otherwise receiving service from KUB under the Discount Gas Service Rider ("Rider").

"Purchased Gas Cost Component" means the portion of a rate charged by KUB to its customers for gas service which reflects the cost of purchasing gas and transporting it to the facilities of KUB for resale to its customers.

Availability

The Discount Gas Service Rider (the "Rider") is designed to permit KUB to discount rates set forth in the Gas Division's rate schedules for commercial and industrial gas service for any customer receiving gas service from KUB under a commercial and industrial rate schedule provided such customer meets the terms and conditions set forth herein.

Service under the Rider shall be available only (1) to meet competitive Alternate Fuel prices or (2) to avoid Bypass of KUB's natural gas distribution system, under the circumstances described below:

Alternate Fuel Prices

Customer's use of Alternate Fuel sources must, in the sole judgment of KUB, be deemed economically feasible and practical. Customer shall be required to provide

KUB with an affidavit stating the Customer's intent to use Alternate Fuel sources absent service from KUB under the Rider. Customer shall also be required to provide KUB with documentation demonstrating to KUB that its Alternate Fuel source is available to Customer and the cost of the Alternate Fuel source is less than the otherwise applicable commercial and industrial gas rates charged to the Customer by KUB.

Bypass of Distribution System

Customer's facilities must be located within such distance of (1) an interstate or intrastate natural gas pipeline providing gas transportation or sales service or (2) an alternate natural gas distribution system, so that Bypass of KUB's natural gas distribution system is, in the sole judgment of KUB, deemed economically feasible and practical.

Customer shall provide KUB with an affidavit stating the Customer's intent to Bypass KUB's natural gas distribution system absent service from KUB under the Rider. Customer shall also provide KUB with any other such documentation requested by KUB to verify the investment required on part of the Customer to take gas service directly from the applicable interstate or intrastate natural gas pipeline or alternate natural gas distribution system.

Additional Conditions

In addition, any Customer receiving service under the Rider must meet the following conditions:

- (a) Customer's annual gas consumption, on an actual or projected basis, shall not be less than 25,000 dekatherms (one dekatherm is equivalent to ten therms);
- (b) Customer must have executed a Contract to receive gas service from KUB under a commercial and industrial rate schedule; and
- (c) Customer must execute a Discount Gas Service Agreement .

If, for any reason, Customer shall fail to satisfy the conditions necessary for service under the Rider, service under the Rider shall no longer be available; however, Customer may continue to receive gas service from KUB under the applicable commercial and industrial rate schedule provided the Customer continues to satisfy the conditions required for service under such rate schedule.

Character of Service

Customer must make a written request to KUB for service under the Rider. The request must describe the circumstances under which the customer is seeking to receive service under the Rider (Alternate Fuel prices or Bypass). Customer's request for

service under the Rider and the amount of any discount provided Customer under the Rider must be previously approved by the President of KUB (or such designated agent authorized by the President of KUB to act on the President's behalf) prior to the Customer receiving service under the Rider. Customer must have previously executed a Contract prior to receiving service under the Rider.

Unless expressly stated otherwise in the Agreement for service under the Rider, all the terms and conditions of the Customer's applicable commercial and industrial rate schedule shall remain in effect while the Customer is receiving service under the Rider.

KUB shall conduct an economic analysis of the circumstances under which the customer is seeking to receive service under the Rider (Alternate Fuel prices or Bypass). Customer shall, at the request of KUB, provide any and all information necessary for KUB to conduct such an analysis. The analysis shall determine, among other things, the cost to the customer of using an Alternate Fuel or the cost to the customer to Bypass KUB's natural gas distribution system, as applicable. If Customer is approved for service under the Rider, KUB shall discount the rates set forth in the Customer's applicable commercial and industrial rate schedule in such a manner that the Customer's cost of receiving gas service from KUB is competitive with the Customer's cost of using an Alternate Fuel or Bypassing KUB's natural gas distribution system, as applicable.

The following charges specified in KUB's commercial and industrial gas rate schedules shall be subject to being discounted under the Rider: Customer Charges, Demand Charges, Commodity Charges for Firm Gas and/or Interruptible Gas, and Transportation Charges. Commodity Charges for Firm Gas and/or Interruptible Gas shall not be discounted below the applicable Purchased Gas Cost Component plus \$.10 (ten cents) per dekatherm. Transportation Charges shall not be discounted below \$.10 (ten cents) per dekatherm.

Discounted rates are subject to adjustment by KUB on a periodic basis, as determined by KUB in its sole discretion; provided, however, that the circumstances under which the Customer warranted service under the Rider shall be evaluated by KUB on no less than a biannual basis for such period of time Customer is receiving service under the Rider. Customer shall, at the request of KUB, provide any and all information necessary for KUB to evaluate the circumstances by which Customer was granted service under the Rider. Based upon an analysis of information received from the Customer or obtained by KUB of its own accord, KUB shall have the right to adjust the discount provided to the Customer up to the point of ceasing to provide service to the Customer under the Rider.

Discount Gas Service Agreement

Customer shall enter into an Agreement with KUB for service under the Rider. The Agreement shall serve as an amendment to the Customer's previously executed Contract for commercial and industrial gas service with KUB. Subject to KUB's right to

re-evaluate and adjust the discount provided for under the Agreement, the Agreement shall specify the discount to be provided by KUB to the Customer and any other such terms and conditions as KUB determines are necessary to effectuate service under the Rider.

KUB may amend the Agreement, at its sole discretion, to provide for an adjustment in the discount provided to the Customer. KUB shall provide such notice to the Customer, as deemed appropriate by KUB, of any adjustment in the discount provided to the Customer under the Agreement. Any such adjustment in the discount provided the Customer shall be in accordance with KUB's periodic evaluation of the circumstances warranting service under the Rider.

ALTERNATIVE GAS PRICING RIDER

Definitions

"Alternative Gas Pricing Agreement" means the agreement between KUB and the Customer providing the Customer gas service under the Alternative Gas Pricing Rider ("Pricing Rider") and shall be considered an amendment to the Contract to provide gas between KUB and the Customer.

"Alternative Gas Pricing Guidelines" means the policies and procedures established by KUB for the implementation and administration of the Pricing Rider.

"Customer" means a person or entity receiving service from KUB under the Pricing Rider.

"Firm Gas Adder" means the component of the Customer's commodity gas rate for the costs incurred by KUB for reserving interstate natural gas pipeline and storage capacity by KUB on behalf of the Customer.

"KUB System Supply Price" means the weighted average cost of gas delivered to KUB's gas distribution system for a given month for resale to customers on the KUB gas distribution system (excluding gas sold to customers under the Pricing Rider).

"KUB System Transportation Charge" means the cost of transporting gas on KUB's gas distribution system on behalf of the Customer to the facilities of the Customer as determined by the KUB Board of Commissioners in their sole discretion.

"Locked-Price Gas" means gas whose rate is pre-determined.

"Market-Price Gas" means gas whose rate is based upon a first-of-the-month natural gas price for Tennessee, Zone 0 as published in as published in Gas Daily, Natural Gas Intelligence, Intercontinental Exchange, or other index as deemed reasonable for use by the gas industry. KUB will select an industry recognized index at its sole discretion.

"Price Cashout" means the monthly reconciliation process between the Customer and KUB in which the Customer's gas volume obligations for Locked-Price Gas are reconciled with KUB.

Availability

The Pricing Rider is designed to provide large commercial and industrial customers receiving gas service from KUB with the opportunity and means to manage the cost of their natural gas purchases from KUB by providing pricing alternatives for the applicable

commodity gas rates set forth in their applicable commercial and industrial rate schedules.

Service under the Pricing Rider shall be available to G-7 or G-11 commercial and industrial customers receiving gas service from KUB under the terms and conditions set forth below

(a) Customer's annual gas usage, on an actual or projected basis, shall not be less than 25,000 dekatherms.

(b) For a Customer receiving service under Rate Schedule G-11, Transportation Gas Service, pricing alternatives shall be applicable only to Firm Gas.

(c) Customer may be required to provide KUB with appropriate financial information prior to receiving service under the Pricing Rider and subsequently on a periodic basis, for the purpose of evaluating the Customer's creditworthiness. KUB reserves the right, in its sole discretion, to deny any Customer service under the Pricing Rider based upon KUB's evaluation of the Customer's creditworthiness or authorize any appropriate security arrangement, if necessary, for the Customer to receive service under the Pricing Rider. KUB also reserves the right, in its sole discretion, to refuse to execute any particular alternative price transaction on behalf of a Customer based upon KUB's initial or any subsequent evaluation of the Customer's creditworthiness.

(d) Customer must execute an Alternative Gas Pricing Agreement which shall serve as an amendment to the Customer's existing contract to receive gas service from KUB. Customer must have previously executed a contract to receive gas service from KUB prior to receiving service under the Pricing Rider.

(e) Customer must comply with any other terms and conditions required for service under the Pricing Rider which may be set forth in the Alternative Gas Pricing Guidelines.

In the event a Customer fails to satisfy the conditions necessary for service under the Pricing Rider, service under the Pricing Rider, as determined by KUB in its sole discretion, may no longer be available; however, the Customer may continue to receive gas service from KUB under the applicable commercial and industrial rate schedule provided the Customer continues to satisfy the conditions required for service under such rate schedule and the Customer's Contract, as amended with KUB.

Upon determination that service under the Pricing Rider is no longer available to a Customer, the Customer shall still be permitted to receive service under the Pricing Rider until such point in time that the Customer's outstanding Locked-Price Gas commitments have been fulfilled.

Unless expressly provided for otherwise in the Pricing Rider or in the Alternative Gas Pricing Guidelines, all the terms and conditions of the Customer's applicable commercial and industrial rate schedule shall remain in effect while the Customer is receiving service under the Pricing Rider.

Character of Service

Alternative pricing shall be applicable only for the Customer's Commodity Gas Rates for Firm Gas and Interruptible Gas ("Commodity Gas Rates"). Interruptible Gas shall still be subject to periods of interruption under the terms and conditions set forth in the Customer's applicable commercial and industrial rate schedule.

For a Customer receiving service under the Pricing Rider, the Commodity Gas Rates set forth in the Customer's applicable commercial and industrial rate schedule shall not be effective. Commodity Gas Rates for a Customer receiving service under the Pricing Rider shall be based upon the pricing alternative selected by the Customer as described below and agreed upon by KUB.

(a) Locked-Price Gas: Commodity Gas Rates shall be locked or pre-determined at the time KUB executes the pricing transaction on behalf of the Customer. The Commodity Gas Rate shall consist of the cost incurred by KUB for purchasing the gas on the open market for the benefit of the Customer plus the cost of transporting the gas on connecting interstate natural gas pipelines to KUB's gas distribution system plus the KUB System Transportation Charge; or

(b) Market-Price Gas: Commodity Gas Rates shall consist of the applicable market index, supplier premium, and the cost of transporting the gas on connecting interstate natural gas pipelines to KUB's gas distribution system plus the KUB System Transportation Charge.

Regardless of the pricing alternative utilized by the Customer, the Customer's commodity gas rate for Firm Gas shall also include a Firm Gas Adder for the costs incurred by KUB for interstate natural gas pipeline and storage capacity reservation charges.

The Market-Price alternative shall be the default pricing mechanism for Commodity Gas Charges. If KUB does not execute any Locked-Price transactions on behalf of a Customer for a given month, the Customer's Commodity Gas Charges for that particular month shall be based upon the Market-Price alternative. The Commodity Gas Charges for any gas delivered by KUB to the facilities of the Customer for a given month in excess of Locked-Price Gas shall be Market-Price Gas (excluding Transport Gas, Supplemental Gas, and Unauthorized Gas).

KUB incurs an obligation for Locked-Price Gas volumes when it executes transactions on behalf of a Customer. If, for whatever reason, the gas volumes delivered by KUB to the Customer for any month are less than the gas volumes the Customer has locked for such month, the net difference (excluding Transport Gas, Supplemental Gas, and Unauthorized Gas) shall be reconciled on a monthly basis through a Price Cashout.

If the price of the Locked-Price Gas delivered to KUB exceeds the KUB System Supply Price, the Customer shall pay a Price Cashout Charge equal to the excess price multiplied by the applicable volumes not delivered by KUB to the Customer for such

month. If the KUB System Supply Price exceeds the price of the Locked-Price Gas delivered to KUB on behalf of the Customer, the Customer shall receive a Price Cashout Credit equal to the excess price multiplied by the applicable volumes not delivered by KUB to the Customer for such month.

A Customer receiving service under the Pricing Rider shall not be permitted to revert to the Commodity Gas Rates set forth in its applicable commercial and industrial rate schedule so long as the Customer has any outstanding Locked-Price Gas commitments.

Alternative Gas Pricing Guidelines

The President and Chief Executive Officer of KUB shall have the authority to adopt and amend such Alternative Gas Pricing Guidelines as are necessary to establish policies and procedures to implement the pricing alternatives set forth in the Pricing Rider.

All service provided under the Pricing Rider shall be subject to the Alternative Gas Pricing Guidelines which from time to time shall be in effect.

**RESOLUTION 1493
EXHIBIT G
RATE SCHEDULES OF THE WATER DIVISION
EFFECTIVE JULY 1, 2025**

Water Residential Rate Schedule

Availability

Service under this rate schedule shall be available only to residential customers served individually through a separate meter or through a KUB-approved multiple meter configuration designed as a single billing point.

Rates

The Water Service Charge shall be based on the customer's meter size and monthly water usage.

For meters greater than 5/8", the Customer Charges listed in the Water Nonresidential Rate Schedule shall be utilized. In the event more than one meter is utilized to determine billed consumption, multiple basic service charges may apply. Charges will apply without regard to ownership of the meter(s).

KUB may, at its sole discretion, bill water using the same rates converted to a rate per gallon for usage measured in gallons: 1 Ccf equals 748 gallons.

Inside City Rates are for water furnished to premises entirely within the corporate limits of the City of Knoxville. Outside City Rates are for water furnished to premises upon which any water faucet or other outlet is outside the corporate limits of the City of Knoxville.

<u>Monthly Basic Service Charge</u>	<u>Inside City</u>	<u>Outside City</u>
5/8" meter	\$18.00	\$19.40
<u>Monthly Commodity Charge</u>	<u>Inside City</u>	<u>Outside City</u>
First 2 Ccf	\$2.40 per Ccf	\$2.60 per Ccf
Over 2 Ccf	\$4.10 per Ccf	\$4.90 per Ccf

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

Water Nonresidential Rate Schedule

Availability

Service under this rate schedule shall be available to any commercial or industrial customer.

An existing customer or applicant for service under this schedule may be required to execute a contract specifying, among other things, a minimum bill and minimum term for service under this schedule.

Rates

The Water Service Charge shall be calculated using the applicable rate tables provided below, based on the customer's meter size and monthly water usage.

In the event more than one meter is utilized to determine billed consumption, multiple customer charges may apply. Charges will apply without regard to ownership of the meter(s).

KUB may, at its sole discretion, bill water using the same rates converted to a rate per gallon for usage measured in gallons: 1 Ccf equals 748 gallons.

Inside City and Industrial Park Rates are for water furnished to premises entirely within the corporate limits of the City of Knoxville or within the boundaries of an area recognized as an industrial park by the Tennessee Department of Economic and Community Development. Outside City Rates are for water furnished to premises upon which any water faucet or other outlet is outside the corporate limits of the City of Knoxville, excluding premises within the boundaries of an area recognized as an industrial park by the Tennessee Department of Economic and Community Development.

<u>Monthly Customer Charge</u>	<u>Inside City</u> <u>Industrial Park</u>	<u>Outside City</u>
5/8" meter	\$ 23.25	\$ 25.85
1" meter	\$ 38.00	\$ 42.00
1½" meter	\$ 88.00	\$ 98.00
2" meter	\$ 126.00	\$ 139.00
3" meter	\$ 244.00	\$ 271.00
4" meter	\$ 368.00	\$ 406.00
6" meter	\$ 680.00	\$ 768.00
8" meter	\$1,089.00	\$1,293.00
10" meter	\$1,623.00	\$1,926.00
12" meter	\$2,590.00	\$3,020.00

<u>Monthly Commodity Charge</u>	<u>Inside City Industrial Park</u>	<u>Outside City</u>
First 2 Ccf	\$3.60 per Ccf	\$4.00 per Ccf
Next 8 Ccf	\$5.85 per Ccf	\$6.55 per Ccf
Next 90 Ccf	\$6.15 per Ccf	\$7.05 per Ccf
Next 300 Ccf	\$5.85 per Ccf	\$6.55 per Ccf
Next 4,600 Ccf	\$3.30 per Ccf	\$3.85 per Ccf
Over 5,000 Ccf	\$1.50 per Ccf	\$1.70 per Ccf

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

Water Private Fire Service Rate Schedule

Availability

Under this schedule, KUB provides water supply to privately owned automatic sprinklers or hose outlets. Such service is available to any residential, commercial, or industrial customer.

Rates

The Private Fire Service Charge shall be calculated using the table below based on the customer's fire line connections.

Monthly Service Charge per Connection

Connection less than 4"	\$ 48.00
4" Connection	\$104.00
6" Connection	\$227.00
8" Connection	\$398.00
10" Connection	\$596.00
12" Connection and greater	\$894.00

These service charges shall be in addition to the charge for any water use through fire line connections. The amount of unmetered water so used, as determined by KUB, shall be paid for at KUB's applicable rate schedules.

No charge under this rate schedule shall be made where the water supply to private fire protection facilities is through one or more metered connection(s) for which payment is made under the Water Nonresidential Rate Schedule.

No credit for charges under this rate schedule shall be allowed against the Water Nonresidential Rate Schedule charge for water supplied through a fire line to one or more metered connection(s) where the fire line serves as a connecting line between the metered connection(s) and KUB's mains.

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

Water Unmetered Government Service Rate Schedule

Availability

For water used from KUB's mains with KUB's permission by any department of a governmental entity through unmetered fire hydrants for purposes other than for public fire service:

Inside – City Rate

The total amount of water used monthly by each department of a governmental entity for such purposes through a fire hydrant within the corporate limits of the City of Knoxville shall be billed to each such department at the Inside City rates set forth in the Water Nonresidential Rate Schedule.

Outside – City Rate

The total amount of water used monthly by each department of a governmental entity for such purposes through a fire hydrant outside the corporate limits of the City of Knoxville shall be billed to each such department at the Outside City rates set forth in the Water Nonresidential Rate Schedule.

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

Water Public Fire Protection Service Rate Schedule

Availability

Service under this schedule shall be available only to a governmental entity that undertakes to provide public fire protection service for an area that contains at least four square miles. KUB reserves the right to require any applicant for service under this schedule to execute a contract specifying, among other things, a minimum bill and minimum term for service.

Rate

For public fire protection service rendered, the governmental entity shall pay KUB a fire protection service charge at the rate of \$656.00 per year for each KUB owned public fire hydrant located within the jurisdictional boundaries of the governmental entity and within areas provided public fire protection service by such governmental entity. In addition to the fire protection service charge, the governmental entity shall pay for all water used for fire fighting at rates set forth in the Water Nonresidential Rate Schedule.

KUB may contract with other utility providers to supply public fire protection service to an eligible governmental entity in any service area (or portion thereof), where KUB determines it desirable to do so. Charges to a governmental entity for fire protection service provided under such a contract shall be at the same rate specified above, and the hydrants of the utility provider utilized under such a contract shall be deemed to be facilities owned by KUB for the sole purpose of calculating charges under this schedule.

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

Water Wholesale Rate Schedule

Availability

For water purchased on an interruptible basis for resale by a customer that does not use KUB as its sole supplier of water. This service shall be available only on an interruptible basis and only to the extent, in KUB's sole opinion, that such service can be supplied through existing facilities without adversely affecting water service to any other customer of KUB. Nothing contained herein shall prevent KUB from providing water for resale under the Water Nonresidential Rate Schedule.

Monthly Commodity Charge

\$1.57 per Ccf

KUB may, at its sole discretion, bill water using the same rates converted to a rate per gallon for usage measured in gallons: 1 Ccf equals 748 gallons.

Any unauthorized usage under this tariff shall be billed at the Outside City rates set forth in the Water Nonresidential Rate Schedule.

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

**RESOLUTION 1493
EXHIBIT H
RATE SCHEDULES OF THE WATER DIVISION
EFFECTIVE JULY 1, 2026**

Water Residential Rate Schedule

Availability

Service under this rate schedule shall be available only to residential customers served individually through a separate meter or through a KUB-approved multiple meter configuration designed as a single billing point.

Rates

The Water Service Charge shall be based on the customer's meter size and monthly water usage.

For meters greater than 5/8", the Customer Charges listed in the Water Nonresidential Rate Schedule shall be utilized. In the event more than one meter is utilized to determine billed consumption, multiple basic service charges may apply. Charges will apply without regard to ownership of the meter(s).

KUB may, at its sole discretion, bill water using the same rates converted to a rate per gallon for usage measured in gallons: 1 Ccf equals 748 gallons.

Inside City Rates are for water furnished to premises entirely within the corporate limits of the City of Knoxville. Outside City Rates are for water furnished to premises upon which any water faucet or other outlet is outside the corporate limits of the City of Knoxville.

<u>Monthly Basic Service Charge</u>	<u>Inside City</u>	<u>Outside City</u>
5/8" meter	\$18.00	\$19.40
<u>Monthly Commodity Charge</u>	<u>Inside City</u>	<u>Outside City</u>
First 2 Ccf	\$2.80 per Ccf	\$3.05 per Ccf
Over 2 Ccf	\$4.55 per Ccf	\$5.35 per Ccf

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

Water Nonresidential Rate Schedule

Availability

Service under this rate schedule shall be available to any commercial or industrial customer.

An existing customer or applicant for service under this schedule may be required to execute a contract specifying, among other things, a minimum bill and minimum term for service under this schedule.

Rates

The Water Service Charge shall be calculated using the applicable rate tables provided below, based on the customer's meter size and monthly water usage.

In the event more than one meter is utilized to determine billed consumption, multiple customer charges may apply. Charges will apply without regard to ownership of the meter(s).

KUB may, at its sole discretion, bill water using the same rates converted to a rate per gallon for usage measured in gallons: 1 Ccf equals 748 gallons.

Inside City and Industrial Park Rates are for water furnished to premises entirely within the corporate limits of the City of Knoxville or within the boundaries of an area recognized as an industrial park by the Tennessee Department of Economic and Community Development. Outside City Rates are for water furnished to premises upon which any water faucet or other outlet is outside the corporate limits of the City of Knoxville, excluding premises within the boundaries of an area recognized as an industrial park by the Tennessee Department of Economic and Community Development.

<u>Monthly Customer Charge</u>	<u>Inside City</u> <u>Industrial Park</u>	<u>Outside City</u>
5/8" meter	\$ 24.50	\$ 27.45
1" meter	\$ 41.00	\$ 45.00
1½" meter	\$ 94.00	\$ 105.00
2" meter	\$ 135.00	\$ 150.00
3" meter	\$ 262.00	\$ 296.00
4" meter	\$ 394.00	\$ 441.00
6" meter	\$ 726.00	\$ 813.00
8" meter	\$1,156.00	\$1,328.00
10" meter	\$1,681.00	\$1,931.00
12" meter	\$2,790.00	\$3,180.00

<u>Monthly Commodity Charge</u>	<u>Inside City Industrial Park</u>	<u>Outside City</u>
First 2 Ccf	\$3.85 per Ccf	\$4.30 per Ccf
Next 8 Ccf	\$6.25 per Ccf	\$6.95 per Ccf
Next 90 Ccf	\$6.45 per Ccf	\$7.30 per Ccf
Next 300 Ccf	\$6.25 per Ccf	\$6.95 per Ccf
Next 4,600 Ccf	\$3.50 per Ccf	\$4.00 per Ccf
Over 5,000 Ccf	\$1.60 per Ccf	\$1.80 per Ccf

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

Water Private Fire Service Rate Schedule

Availability

Under this schedule, KUB provides water supply to privately owned automatic sprinklers or hose outlets. Such service is available to any residential, commercial, or industrial customer.

Rates

The Private Fire Service Charge shall be calculated using the table below based on the customer's fire line connections.

Monthly Service Charge per Connection

Connection less than 4"	\$ 53.00
4" Connection	\$111.00
6" Connection	\$240.00
8" Connection	\$422.00
10" Connection	\$632.00
12" Connection and greater	\$948.00

These service charges shall be in addition to the charge for any water use through fire line connections. The amount of unmetered water so used, as determined by KUB, shall be paid for at KUB's applicable rate schedules.

No charge under this rate schedule shall be made where the water supply to private fire protection facilities is through one or more metered connection(s) for which payment is made under the Water Nonresidential Rate Schedule.

No credit for charges under this rate schedule shall be allowed against the Water Nonresidential Rate Schedule charge for water supplied through a fire line to one or more metered connection(s) where the fire line serves as a connecting line between the metered connection(s) and KUB's mains.

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

Water Unmetered Government Service Rate Schedule

Availability

For water used from KUB's mains with KUB's permission by any department of a governmental entity through unmetered fire hydrants for purposes other than for public fire service:

Inside – City Rate

The total amount of water used monthly by each department of a governmental entity for such purposes through a fire hydrant within the corporate limits of the City of Knoxville shall be billed to each such department at the Inside City rates set forth in the Water Nonresidential Rate Schedule.

Outside – City Rate

The total amount of water used monthly by each department of a governmental entity for such purposes through a fire hydrant outside the corporate limits of the City of Knoxville shall be billed to each such department at the Outside City rates set forth in the Water Nonresidential Rate Schedule.

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

Water Public Fire Protection Service Rate Schedule

Availability

Service under this schedule shall be available only to a governmental entity that undertakes to provide public fire protection service for an area that contains at least four square miles. KUB reserves the right to require any applicant for service under this schedule to execute a contract specifying, among other things, a minimum bill and minimum term for service.

Rate

For public fire protection service rendered, the governmental entity shall pay KUB a fire protection service charge at the rate of \$695.00 per year for each KUB owned public fire hydrant located within the jurisdictional boundaries of the governmental entity and within areas provided public fire protection service by such governmental entity. In addition to the fire protection service charge, the governmental entity shall pay for all water used for fire fighting at rates set forth in the Water Nonresidential Rate Schedule.

KUB may contract with other utility providers to supply public fire protection service to an eligible governmental entity in any service area (or portion thereof), where KUB determines it desirable to do so. Charges to a governmental entity for fire protection service provided under such a contract shall be at the same rate specified above, and the hydrants of the utility provider utilized under such a contract shall be deemed to be facilities owned by KUB for the sole purpose of calculating charges under this schedule.

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

Water Wholesale Rate Schedule

Availability

For water purchased on an interruptible basis for resale by a customer that does not use KUB as its sole supplier of water. This service shall be available only on an interruptible basis and only to the extent, in KUB's sole opinion, that such service can be supplied through existing facilities without adversely affecting water service to any other customer of KUB. Nothing contained herein shall prevent KUB from providing water for resale under the Water Nonresidential Rate Schedule.

Monthly Commodity Charge

\$1.67 per Ccf

KUB may, at its sole discretion, bill water using the same rates converted to a rate per gallon for usage measured in gallons: 1 Ccf equals 748 gallons.

Any unauthorized usage under this tariff shall be billed at the Outside City rates set forth in the Water Nonresidential Rate Schedule.

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

**RESOLUTION 1493
EXHIBIT I
RATE SCHEDULES OF THE WATER DIVISION
EFFECTIVE JULY 1, 2027**

Water Residential Rate Schedule

Availability

Service under this rate schedule shall be available only to residential customers served individually through a separate meter or through a KUB-approved multiple meter configuration designed as a single billing point.

Rates

The Water Service Charge shall be based on the customer's meter size and monthly water usage.

For meters greater than 5/8", the Customer Charges listed in the Water Nonresidential Rate Schedule shall be utilized. In the event more than one meter is utilized to determine billed consumption, multiple basic service charges may apply. Charges will apply without regard to ownership of the meter(s).

KUB may, at its sole discretion, bill water using the same rates converted to a rate per gallon for usage measured in gallons: 1 Ccf equals 748 gallons.

Inside City Rates are for water furnished to premises entirely within the corporate limits of the City of Knoxville. Outside City Rates are for water furnished to premises upon which any water faucet or other outlet is outside the corporate limits of the City of Knoxville.

<u>Monthly Basic Service Charge</u>	<u>Inside City</u>	<u>Outside City</u>
5/8" meter	\$18.00	\$19.40
<u>Monthly Commodity Charge</u>	<u>Inside City</u>	<u>Outside City</u>
First 2 Ccf	\$3.35 per Ccf	\$3.65 per Ccf
Over 2 Ccf	\$4.95 per Ccf	\$5.75 per Ccf

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

Water Nonresidential Rate Schedule

Availability

Service under this rate schedule shall be available to any commercial or industrial customer.

An existing customer or applicant for service under this schedule may be required to execute a contract specifying, among other things, a minimum bill and minimum term for service under this schedule.

Rates

The Water Service Charge shall be calculated using the applicable rate tables provided below, based on the customer's meter size and monthly water usage.

In the event more than one meter is utilized to determine billed consumption, multiple customer charges may apply. Charges will apply without regard to ownership of the meter(s).

KUB may, at its sole discretion, bill water using the same rates converted to a rate per gallon for usage measured in gallons: 1 Ccf equals 748 gallons.

Inside City and Industrial Park Rates are for water furnished to premises entirely within the corporate limits of the City of Knoxville or within the boundaries of an area recognized as an industrial park by the Tennessee Department of Economic and Community Development. Outside City Rates are for water furnished to premises upon which any water faucet or other outlet is outside the corporate limits of the City of Knoxville, excluding premises within the boundaries of an area recognized as an industrial park by the Tennessee Department of Economic and Community Development.

<u>Monthly Customer Charge</u>	<u>Inside City</u>	<u>Outside City</u>
5/8" meter	\$ 26.00	\$ 29.00
1" meter	\$ 44.00	\$ 49.00
1½" meter	\$ 100.00	\$ 113.00
2" meter	\$ 143.00	\$ 162.00
3" meter	\$ 280.00	\$ 318.00
4" meter	\$ 418.00	\$ 476.00
6" meter	\$ 776.00	\$ 861.00
8" meter	\$1,231.00	\$1,365.00
10" meter	\$1,746.00	\$1,936.00
12" meter	\$3,010.00	\$3,350.00

<u>Monthly Commodity Charge</u>	<u>Inside City Industrial Park</u>	<u>Outside City</u>
First 2 Ccf	\$4.15 per Ccf	\$4.65 per Ccf
Next 8 Ccf	\$6.70 per Ccf	\$7.50 per Ccf
Next 90 Ccf	\$6.70 per Ccf	\$7.50 per Ccf
Next 300 Ccf	\$6.70 per Ccf	\$7.50 per Ccf
Next 4,600 Ccf	\$3.75 per Ccf	\$4.25 per Ccf
Over 5,000 Ccf	\$1.70 per Ccf	\$1.90 per Ccf

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

Water Private Fire Service Rate Schedule

Availability

Under this schedule, KUB provides water supply to privately owned automatic sprinklers or hose outlets. Such service is available to any residential, commercial, or industrial customer.

Rates

The Private Fire Service Charge shall be calculated using the table below based on the customer's fire line connections.

Monthly Service Charge per Connection

Connection less than 4"	\$ 59.00
4" Connection	\$118.00
6" Connection	\$254.00
8" Connection	\$447.00
10" Connection	\$670.00
12" Connection and greater	\$1,005.00

These service charges shall be in addition to the charge for any water use through fire line connections. The amount of unmetered water so used, as determined by KUB, shall be paid for at KUB's applicable rate schedules.

No charge under this rate schedule shall be made where the water supply to private fire protection facilities is through one or more metered connection(s) for which payment is made under the Water Nonresidential Rate Schedule.

No credit for charges under this rate schedule shall be allowed against the Water Nonresidential Rate Schedule charge for water supplied through a fire line to one or more metered connection(s) where the fire line serves as a connecting line between the metered connection(s) and KUB's mains.

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

Water Unmetered Government Service Rate Schedule

Availability

For water used from KUB's mains with KUB's permission by any department of a governmental entity through unmetered fire hydrants for purposes other than for public fire service:

Inside – City Rate

The total amount of water used monthly by each department of a governmental entity for such purposes through a fire hydrant within the corporate limits of the City of Knoxville shall be billed to each such department at the Inside City rates set forth in the Water Nonresidential Rate Schedule.

Outside – City Rate

The total amount of water used monthly by each department of a governmental entity for such purposes through a fire hydrant outside the corporate limits of the City of Knoxville shall be billed to each such department at the Outside City rates set forth in the Water Nonresidential Rate Schedule.

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

Water Public Fire Protection Service Rate Schedule

Availability

Service under this schedule shall be available only to a governmental entity that undertakes to provide public fire protection service for an area that contains at least four square miles. KUB reserves the right to require any applicant for service under this schedule to execute a contract specifying, among other things, a minimum bill and minimum term for service.

Rate

For public fire protection service rendered, the governmental entity shall pay KUB a fire protection service charge at the rate of \$737.00 per year for each KUB owned public fire hydrant located within the jurisdictional boundaries of the governmental entity and within areas provided public fire protection service by such governmental entity. In addition to the fire protection service charge, the governmental entity shall pay for all water used for fire fighting at rates set forth in the Water Nonresidential Rate Schedule.

KUB may contract with other utility providers to supply public fire protection service to an eligible governmental entity in any service area (or portion thereof), where KUB determines it desirable to do so. Charges to a governmental entity for fire protection service provided under such a contract shall be at the same rate specified above, and the hydrants of the utility provider utilized under such a contract shall be deemed to be facilities owned by KUB for the sole purpose of calculating charges under this schedule.

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

Water Wholesale Rate Schedule

Availability

For water purchased on an interruptible basis for resale by a customer that does not use KUB as its sole supplier of water. This service shall be available only on an interruptible basis and only to the extent, in KUB's sole opinion, that such service can be supplied through existing facilities without adversely affecting water service to any other customer of KUB. Nothing contained herein shall prevent KUB from providing water for resale under the Water Nonresidential Rate Schedule.

Monthly Commodity Charge

\$1.77 per Ccf

KUB may, at its sole discretion, bill water using the same rates converted to a rate per gallon for usage measured in gallons: 1 Ccf equals 748 gallons.

Any unauthorized usage under this tariff shall be billed at the Outside City rates set forth in the Water Nonresidential Rate Schedule.

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

**RESOLUTION 1493
EXHIBIT J
RATE SCHEDULES OF THE WASTEWATER DIVISION
EFFECTIVE JULY 1, 2025**

Wastewater Residential Rate Schedule

Availability

Service under this rate schedule shall be available only to residential customers served individually through a separate meter or through a KUB-approved multiple meter configuration designed as a single billing point.

Rates

The Wastewater Service Charge shall be based on the customer's water meter size and monthly water usage with the following exceptions:

- 1) For customers whose wastewater discharge volumes are metered separately from their water usage, the metered wastewater discharge volumes will be used to calculate Commodity Charges under this schedule. The meter size used to calculate the Basic Service Charge under this schedule will be the equivalent water meter size as determined by KUB.
- 2) If neither the customer's water usage nor wastewater discharge volumes are metered, the average water usage and water meter size of comparable metered customers as determined by KUB will be used to calculate the charges under this schedule.

For meters greater than 5/8", the Customer Charges listed in the Wastewater Nonresidential Rate Schedule shall be utilized.

In the event more than one meter is utilized to determine billed consumption, multiple basic service charges may apply. Charges will apply without regard to ownership of the meter(s).

KUB may, at its sole discretion, bill wastewater using the same rates converted to a rate per gallon for usage measured in gallons: 1 Ccf equals 748 gallons.

Inside City Rates are applicable for wastewater services furnished to premises entirely within the corporate limits of the City of Knoxville. Outside City Rates are applicable for wastewater services furnished to premises entirely or partly outside the corporate limits of the City of Knoxville.

<u>Monthly Basic Service Charge</u>	<u>Inside City</u>	<u>Outside City</u>
5/8" meter	\$35.90	\$39.90
<u>Monthly Commodity Charge</u>	<u>Inside City</u>	<u>Outside City</u>
First 2 Ccf	\$2.90 per Ccf	\$3.20 per Ccf
Over 2 Ccf	\$11.10 per Ccf	\$12.20 per Ccf

Additional Charges

In addition to the wastewater service charge, users whose wastewater has strength characteristics in excess of normal domestic wastewater shall pay an Extra Strength Surcharge as set forth in the Wastewater Extra Strength Surcharge Rate Schedule. A Sewer Improvement Charge may also be payable as set forth in the Wastewater Sewer Improvement Charge Rate Schedule.

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

Wastewater Nonresidential Rate Schedule

Availability

Service under this rate schedule shall be available to any commercial or industrial customer.

An existing customer or applicant for service under this schedule may be required to execute a contract specifying, among other things, a minimum bill and minimum term for service under this schedule.

Rates

The Wastewater Service Charge shall be calculated using the applicable rate tables provided below, based on the customer's water meter size and monthly water usage with the following exceptions:

- 1) For customers whose wastewater discharge volumes are metered separately from their water usage, the metered wastewater discharge volumes will be used to calculate Service Charges under this schedule. The meter size used to calculate the Additional Monthly Charge under this schedule will be the largest equivalent water meter size as determined by KUB.
- 2) If neither the customer's water usage nor wastewater discharge volumes are metered, the average water usage and water meter size of comparable metered customers as determined by KUB will be used to calculate the charges under this schedule.

In the event more than one meter is utilized to determine billed consumption, multiple customer charges may apply. Charges will apply without regard to ownership of the meter(s).

KUB may, at its sole discretion, bill wastewater using the same rates converted to a rate per gallon for usage measured in gallons: 1 Ccf equals 748 gallons.

Inside City Rates are for wastewater service provided to premises entirely within the corporate limits of the City of Knoxville. Outside City Rates are for wastewater service provided to premises entirely or partly outside the corporate limits of the City of Knoxville.

<u>Monthly Customer Charge</u>	<u>Inside City</u>	<u>Outside City Industrial Park</u>
5/8" meter	\$ 36.00	\$ 40.00
1" meter	\$ 56.00	\$ 63.00
1½" meter	\$ 75.00	\$ 82.00
2" meter	\$ 107.00	\$ 118.00
3" meter	\$ 200.00	\$ 220.00
4" meter	\$ 326.00	\$ 356.00
6" meter	\$ 679.00	\$ 749.00
8" meter	\$1,180.00	\$1,295.00
10" meter	\$1,795.00	\$1,980.00
12" meter	\$2,975.00	\$3,260.00

<u>Monthly Commodity Charge</u>	<u>Inside City</u>	<u>Outside City Industrial Park</u>
First 2 Ccf	\$ 4.10 per Ccf	\$ 4.50 per Ccf
Next 8 Ccf	\$13.05 per Ccf	\$14.35 per Ccf
Next 90 Ccf	\$12.80 per Ccf	\$14.25 per Ccf
Next 300 Ccf	\$11.40 per Ccf	\$12.60 per Ccf
Next 4,600 Ccf	\$ 9.25 per Ccf	\$10.15 per Ccf
Over 5,000 Ccf	\$ 5.45 per Ccf	\$ 6.00 per Ccf

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

Wastewater Extra Strength Surcharge Rate Schedule

Applicability

For user whose discharge of wastewater contains a quantity of BOD in excess of 2,000 pounds per million gallons (240 mg/l), and a quantity of suspended solids in excess of 2,500 pounds per million gallons (300 mg/l), an additional charge, based on the following schedule, shall be applied to the excess contribution, as determined by laboratory analysis of the user's discharge. This Extra Strength Surcharge is in addition to all other charges that may be applicable under KUB's wastewater rate schedules.

Monthly Rates

BOD	\$28.25 per hundred pounds of excess
Suspended Solids	\$27.00 per hundred pounds of excess

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

Wastewater Hauled Waste and Special Waste Charges Rate Schedule

(A) Domestic Waste (Commercial Waste Disposal)

For users engaged in the business of cleaning wastewater and wastewater residues from septic tanks and other private disposal systems, a domestic waste discharge permit is required and certain fees and charges are assessed against those users.

(1) Annual Access Fee:

The annual access fee for the use of KUB's disposal facilities shall be \$105.00 per fiscal year, per permitted vehicle. The full fee shall be payable for any fraction of the fiscal year. Bills under this section will be rendered annually at the beginning of KUB's fiscal year or such later time during the fiscal year that service is commenced.

(2) Domestic Waste Discharge Rate:

Each load of Domestic Waste discharged to KUB's facilities shall be subject to a Discharge Rate of \$119.12 per 1,000 gallons per month.

(B) Special Waste

For users who dispose of any other waste from any tank, pond, pit or other source into the KUB system, a special waste discharge permit is required, and the following fees and charges will be assessed against those users.

(1) Special Waste Discharge Permit Application Fee:

A special Wastewater Discharge Permit must be obtained before any Special Waste may be discharged into KUB's facilities. The application fee for such permit is \$80.00. The application fee is non-refundable and is applicable whether or not the application is approved or the permit issued. The fee must be paid prior to discharge.

(2) Special Waste Discharge Fee:

Due to the widely differing character of Special Wastes, the Discharge Fee shall vary, but, at a minimum, the Fee will be the sum of the Wastewater Service Charge as set forth by the Wastewater Nonresidential Rate Schedule plus the Extra Strength Surcharges as set forth in this rate schedule. In addition to those charges set forth in the aforementioned schedules, the Customer will be required to pay the cost to KUB of analyzing, or providing special handling for, the Customer's Special Waste, plus a reasonable charge for the impact that the Special Waste is expected to have on the KUB treatment facilities as determined by KUB. Bills under this section will be rendered upon completion of the discharge.

(C) Leachate Disposal Service:

Service under this rate shall be provided only after a customer executes a contract with KUB. Users who dispose of acceptable leachate at KUB's Wastewater Treatment Plant will be subject to a Special Waste Impact Charge of \$32.15 per 1,000 gallons per month.

(D) Operating Procedures

KUB shall establish operating procedures including such items as permit issuance, acceptable wastes, disposal locations, reporting and billing methods for the implementation of this rate schedule, which may be changed from time to time by KUB.

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

Wastewater Sewer Improvement Charge Rate Schedule

(A) Applicable Charges - All properties connected or having access to the wastewater system shall be subject to a Sewer Improvement Charge which shall be determined as follows:

(1) For all users not described in paragraph A (2), or A (3), the Sewer Improvement Charge shall be an amount equal to the Contribution in Aid of Construction determined in accordance with the provisions of Section 33-19 of the Rules and Regulations for the Wastewater Division that may from time to time be in effect. Any contribution in Aid of Construction that is assessed under Section 33-19 (b) of the Rules and Regulations on or after December 1, 1992 may, at the customer's option, be paid as a part of the customer's utility bill in monthly installments for a period not to exceed ten (10) years at an annual interest rate of nine percent (9%).

(2) For all users that: (i) on December 1, 1992 are being assessed, or which properly should be assessed, a Sewer Improvement Charge under the terms of this rate schedule as it existed immediately prior to December 1, 1992 or, (ii) which are located in areas annexed into the corporate limits of the City of Knoxville pursuant to Ordinance No. 0-31-87, the Sewer Improvement Charge shall be calculated on multiples of a basic charge (the "Basic Charge"), which shall be Six Hundred Seventy-Five Dollars (\$675.00). At the customer's option, the Sewer Improvement Charge may be paid as a part of the customer's utility bill in monthly installments of Three and 25/100 dollars (\$3.25) for the three hundred sixty (360) months. Sewer Improvement Charges assessed under the terms of this paragraph A (2) shall be calculated as follows:

(a) Each user consisting of a single-family dwelling shall pay a Sewer Improvement Charge equal to the Basic Charge, regardless of area.

(b) Each multifamily, commercial or industrial user shall pay a Sewer Improvement Charge based on the greater of the following two calculations:

(i) Area/meter basis: The lesser of (a) the Basic charge times the square footage of the area of the property divided by 15,000 or (b) the Basic Charge times the following multiples based on meter size:

<u>Meter Size</u>	<u>Multiple</u>
5/8"	1
3/4"	1.5
1"	2.5
1 1/2"	5
2"	8
3"	15
4"	25
6"	50
8"	80
10"	120
12"	155

* If a user is served by more than one meter, the multiple used shall be the sum of the multiple computed on each meter.

(ii) Frontage Basis – the Basic Charge times the total frontage of the property measured in feet at the building line parallel to the street along which the property lies for the greater distance divided by 100.

(c) For service to users located entirely or partly outside the corporate limits of the City of Knoxville, the Sewer Improvement Charge imposed under this paragraph A (2) shall be one and one-half (1-1/2) times the above schedule of charges.

(d) Any user charged a Sewer Improvement Charge under this paragraph A (2) that reconnects to the Wastewater system on or after December 1, 1992 because of a change in the level or character of the user's wastewater service shall upon such reconnection be subject to the Sewer Improvement Charge calculated under paragraph A (1) hereof.

(3) For all property located in a Transfer Area, that is subject to a Fee Agreement, the user shall be subject to a Sewer Improvement Charge equal in amount to the payments that would have been owed under the Fee Agreement for the affected property, assuming the Fee Agreement remained in effect for its duration, adjusted in accordance with KUB's policies for any additional property users as permitted under the Fee Agreement, less a credit for any payments actually paid to KUB under the Fee Agreement. Except as otherwise provided herein, Sewer Improvement Charges assessed under this paragraph A (3) shall be paid on the same terms provided in the Fee Agreement for the affected property. As used herein" (i) the term "Transfer Area" shall mean an area: (a) that was previously provided wastewater service by a municipal utility (other than KUB) or a utility district, and (b) with respect to which KUB acquired or otherwise succeeded to the right to provide wastewater service; and (ii) the term "Fee Agreement" shall mean a contract or other agreement entered into between the owner or other user of a tract of property and a municipal utility

(other than KUB) or a utility district, by the terms of which the owner or other user of the property agrees to pay all or any part of the cost of extending wastewater lines and facilities to such property or otherwise making wastewater service available to such property.

- (B) Deferral of Payment – A Sewer Improvement Charge shall not be billed or collectible for any monthly billing for any period for which a wastewater service charge is not payable.
- (C) Prepayment – A customer who has elected to pay the Sewer Improvement Charge in monthly installments may thereafter prepay the balance of such charge in whole (but not in part) in an amount equal to the unamortized balance of the Sewer Improvement charge as of the date of such prepayment.
- (D) Installment Terms – A customer who has elected to pay the Sewer Improvement Charge in monthly installments pursuant to paragraph A (1) shall be obligated to make such payments at the rate of interest and length of payment period specified in this rate schedule as of the date of the customer's election, notwithstanding customer's right of prepayment.
- (E) Definitions – The defined terms in this rate schedule shall have the meanings given to them from time to time in the Rules and Regulations for Wastewater Division.

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

Wastewater Wholesale Treatment Rate Schedule

Availability

Service under this schedule shall be available only to governmental entities, including Utility Districts, that deliver through their wastewater collection system all or portions of their wastewater flow to KUB facilities for treatment. Applicants under this schedule may be required to execute a contract specifying, among other things, a minimum bill and minimum term for service under this schedule.

Monthly Rates

Metered Flows	\$6.04 per Thousand Gallons
Unmetered Flows	\$6.88 per Thousand Gallons

For the purpose of determining billing volumes, metered flows are those flows metered at the point of delivery to KUB's collection system, pumping station or treatment facility; unmetered flows are those flows based upon the actual water use of the customers served by the collection system discharging to KUB's facilities, said water use being determined by the water meter readings furnished by the water service provider.

KUB may, at its sole discretion, bill wastewater using the same rates converted to a rate per Ccf for usage measured in Ccf: 1 Ccf equals 748 gallons.

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

**RESOLUTION 1493
EXHIBIT K
RATE SCHEDULES OF THE WASTEWATER DIVISION
EFFECTIVE JULY 1, 2026**

Wastewater Residential Rate Schedule

Availability

Service under this rate schedule shall be available only to residential customers served individually through a separate meter or through a KUB-approved multiple meter configuration designed as a single billing point.

Rates

The Wastewater Service Charge shall be based on the customer's water meter size and monthly water usage with the following exceptions:

- 1) For customers whose wastewater discharge volumes are metered separately from their water usage, the metered wastewater discharge volumes will be used to calculate Commodity Charges under this schedule. The meter size used to calculate the Basic Service Charge under this schedule will be the equivalent water meter size as determined by KUB.
- 2) If neither the customer's water usage nor wastewater discharge volumes are metered, the average water usage and water meter size of comparable metered customers as determined by KUB will be used to calculate the charges under this schedule.

For meters greater than 5/8", the Customer Charges listed in the Wastewater Nonresidential Rate Schedule shall be utilized.

In the event more than one meter is utilized to determine billed consumption, multiple basic service charges may apply. Charges will apply without regard to ownership of the meter(s).

KUB may, at its sole discretion, bill wastewater using the same rates converted to a rate per gallon for usage measured in gallons: 1 Ccf equals 748 gallons.

Inside City Rates are applicable for wastewater services furnished to premises entirely within the corporate limits of the City of Knoxville. Outside City Rates are applicable for wastewater services furnished to premises entirely or partly outside the corporate limits of the City of Knoxville.

<u>Monthly Basic Service Charge</u>	<u>Inside City</u>	<u>Outside City</u>
5/8" meter	\$35.90	\$39.90
<u>Monthly Commodity Charge</u>	<u>Inside City</u>	<u>Outside City</u>
First 2 Ccf	\$3.20 per Ccf	\$3.50 per Ccf
Over 2 Ccf	\$11.40 per Ccf	\$12.55 per Ccf

Additional Charges

In addition to the wastewater service charge, users whose wastewater has strength characteristics in excess of normal domestic wastewater shall pay an Extra Strength Surcharge as set forth in the Wastewater Extra Strength Surcharge Rate Schedule. A Sewer Improvement Charge may also be payable as set forth in the Wastewater Sewer Improvement Charge Rate Schedule.

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

Wastewater Nonresidential Rate Schedule

Availability

Service under this rate schedule shall be available to any commercial or industrial customer.

An existing customer or applicant for service under this schedule may be required to execute a contract specifying, among other things, a minimum bill and minimum term for service under this schedule.

Rates

The Wastewater Service Charge shall be calculated using the applicable rate tables provided below, based on the customer's water meter size and monthly water usage with the following exceptions:

- 1) For customers whose wastewater discharge volumes are metered separately from their water usage, the metered wastewater discharge volumes will be used to calculate Service Charges under this schedule. The meter size used to calculate the Additional Monthly Charge under this schedule will be the largest equivalent water meter size as determined by KUB.
- 2) If neither the customer's water usage nor wastewater discharge volumes are metered, the average water usage and water meter size of comparable metered customers as determined by KUB will be used to calculate the charges under this schedule.

In the event more than one meter is utilized to determine billed consumption, multiple customer charges may apply. Charges will apply without regard to ownership of the meter(s).

KUB may, at its sole discretion, bill wastewater using the same rates converted to a rate per gallon for usage measured in gallons: 1 Ccf equals 748 gallons.

Inside City Rates are for wastewater service provided to premises entirely within the corporate limits of the City of Knoxville. Outside City Rates are for wastewater service provided to premises entirely or partly outside the corporate limits of the City of Knoxville.

<u>Monthly Customer Charge</u>	<u>Inside City</u>	<u>Outside City Industrial Park</u>
5/8" meter	\$ 36.00	\$ 40.00
1" meter	\$ 58.00	\$ 65.00
1½" meter	\$ 77.00	\$ 85.00
2" meter	\$ 111.00	\$ 122.00
3" meter	\$ 207.00	\$ 228.00
4" meter	\$ 337.00	\$ 370.00
6" meter	\$ 704.00	\$ 780.00
8" meter	\$1,230.00	\$1,350.00
10" meter	\$1,870.00	\$2,060.00
12" meter	\$3,250.00	\$3,560.00

<u>Monthly Commodity Charge</u>	<u>Inside City</u>	<u>Outside City Industrial Park</u>
First 2 Ccf	\$ 4.15 per Ccf	\$ 4.55 per Ccf
Next 8 Ccf	\$13.15 per Ccf	\$14.45 per Ccf
Next 90 Ccf	\$13.00 per Ccf	\$14.40 per Ccf
Next 300 Ccf	\$11.60 per Ccf	\$12.85 per Ccf
Next 4,600 Ccf	\$ 9.40 per Ccf	\$10.35 per Ccf
Over 5,000 Ccf	\$ 5.60 per Ccf	\$ 6.10 per Ccf

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

Wastewater Extra Strength Surcharge Rate Schedule

Applicability

For user whose discharge of wastewater contains a quantity of BOD in excess of 2,000 pounds per million gallons (240 mg/l), and a quantity of suspended solids in excess of 2,500 pounds per million gallons (300 mg/l), an additional charge, based on the following schedule, shall be applied to the excess contribution, as determined by laboratory analysis of the user's discharge. This Extra Strength Surcharge is in addition to all other charges that may be applicable under KUB's wastewater rate schedules.

Monthly Rates

BOD	\$35.30 per hundred pounds of excess
Suspended Solids	\$33.75 per hundred pounds of excess

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

Wastewater Hauled Waste and Special Waste Charges Rate Schedule

(A) Domestic Waste (Commercial Waste Disposal)

For users engaged in the business of cleaning wastewater and wastewater residues from septic tanks and other private disposal systems, a domestic waste discharge permit is required and certain fees and charges are assessed against those users.

(1) Annual Access Fee:

The annual access fee for the use of KUB's disposal facilities shall be \$105.00 per fiscal year, per permitted vehicle. The full fee shall be payable for any fraction of the fiscal year. Bills under this section will be rendered annually at the beginning of KUB's fiscal year or such later time during the fiscal year that service is commenced.

(2) Domestic Waste Discharge Rate:

Each load of Domestic Waste discharged to KUB's facilities shall be subject to a Discharge Rate of \$122.69 per 1,000 gallons per month.

(B) Special Waste

For users who dispose of any other waste from any tank, pond, pit or other source into the KUB system, a special waste discharge permit is required, and the following fees and charges will be assessed against those users.

(1) Special Waste Discharge Permit Application Fee:

A special Wastewater Discharge Permit must be obtained before any Special Waste may be discharged into KUB's facilities. The application fee for such permit is \$80.00. The application fee is non-refundable and is applicable whether or not the application is approved or the permit issued. The fee must be paid prior to discharge.

(2) Special Waste Discharge Fee:

Due to the widely differing character of Special Wastes, the Discharge Fee shall vary, but, at a minimum, the Fee will be the sum of the Wastewater Service Charge as set forth by the Wastewater Nonresidential Rate Schedule plus the Extra Strength Surcharges as set forth in this rate schedule. In addition to those charges set forth in the aforementioned schedules, the Customer will be required to pay the cost to KUB of analyzing, or providing special handling for, the Customer's Special Waste, plus a reasonable charge for the impact that the Special Waste is expected to have on the KUB treatment facilities as determined by KUB. Bills under this section will be rendered upon completion of the discharge.

(C) Leachate Disposal Service:

Service under this rate shall be provided only after a customer executes a contract with KUB. Users who dispose of acceptable leachate at KUB's Wastewater Treatment Plant will be subject to a Special Waste Impact Charge of \$33.11 per 1,000 gallons per month.

(D) Operating Procedures

KUB shall establish operating procedures including such items as permit issuance, acceptable wastes, disposal locations, reporting and billing methods for the implementation of this rate schedule, which may be changed from time to time by KUB.

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

Wastewater Sewer Improvement Charge Rate Schedule

(A) Applicable Charges - All properties connected or having access to the wastewater system shall be subject to a Sewer Improvement Charge which shall be determined as follows:

- (1) For all users not described in paragraph A (2), or A (3), the Sewer Improvement Charge shall be an amount equal to the Contribution in Aid of Construction determined in accordance with the provisions of Section 33-19 of the Rules and Regulations for the Wastewater Division that may from time to time be in effect. Any contribution in Aid of Construction that is assessed under Section 33-19 (b) of the Rules and Regulations on or after December 1, 1992 may, at the customer's option, be paid as a part of the customer's utility bill in monthly installments for a period not to exceed ten (10) years at an annual interest rate of nine percent (9%).
- (2) For all users that: (i) on December 1, 1992 are being assessed, or which properly should be assessed, a Sewer Improvement Charge under the terms of this rate schedule as it existed immediately prior to December 1, 1992 or, (ii) which are located in areas annexed into the corporate limits of the City of Knoxville pursuant to Ordinance No. 0-31-87, the Sewer Improvement Charge shall be calculated on multiples of a basic charge (the "Basic Charge"), which shall be Six Hundred Seventy -Five Dollars (\$675.00). At the customer's option, the Sewer Improvement Charge may be paid as a part of the customer's utility bill in monthly installments of Three and 25/100 dollars (\$3.25) for the three hundred sixty (360) months. Sewer Improvement Charges assessed under the terms of this paragraph A (2) shall be calculated as follows:
 - (a) Each user consisting of a single-family dwelling shall pay a Sewer Improvement Charge equal to the Basic Charge, regardless of area.
 - (b) Each multifamily, commercial or industrial user shall pay a Sewer Improvement Charge based on the greater of the following two calculations:
 - (i) Area/meter basis: The lesser of (a) the Basic charge times the square footage of the area of the property divided by 15,000 or (b) the Basic Charge times the following multiples based on meter size:

<u>Meter Size</u>	<u>Multiple</u>
5/8"	1
3/4"	1.5
1"	2.5
1 1/2"	5
2"	8
3"	15
4"	25
6"	50
8"	80
10"	120
12"	155

* If a user is served by more than one meter, the multiple used shall be the sum of the multiple computed on each meter.

(ii) Frontage Basis – the Basic Charge times the total frontage of the property measured in feet at the building line parallel to the street along which the property lies for the greater distance divided by 100.

(c) For service to users located entirely or partly outside the corporate limits of the City of Knoxville, the Sewer Improvement Charge imposed under this paragraph A (2) shall be one and one-half (1-1/2) times the above schedule of charges.

(d) Any user charged a Sewer Improvement Charge under this paragraph A (2) that reconnects to the Wastewater system on or after December 1, 1992 because of a change in the level or character of the user's wastewater service shall upon such reconnection be subject to the Sewer Improvement Charge calculated under paragraph A (1) hereof.

(3) For all property located in a Transfer Area, that is subject to a Fee Agreement, the user shall be subject to a Sewer Improvement Charge equal in amount to the payments that would have been owed under the Fee Agreement for the affected property, assuming the Fee Agreement remained in effect for its duration, adjusted in accordance with KUB's policies for any additional property users as permitted under the Fee Agreement, less a credit for any payments actually paid to KUB under the Fee Agreement. Except as otherwise provided herein, Sewer Improvement Charges assessed under this paragraph A (3) shall be paid on the same terms provided in the Fee Agreement for the affected property. As used herein" (i) the term "Transfer Area" shall mean an area: (a) that was previously provided wastewater service by a municipal utility (other than KUB) or a utility district, and (b) with respect to which KUB acquired or otherwise succeeded to the right to provide wastewater service; and (ii) the term "Fee Agreement" shall mean a contract or other agreement entered into between the owner or other user of a tract of property and a municipal utility

(other than KUB) or a utility district, by the terms of which the owner or other user of the property agrees to pay all or any part of the cost of extending wastewater lines and facilities to such property or otherwise making wastewater service available to such property.

- (B) Deferral of Payment – A Sewer Improvement Charge shall not be billed or collectible for any monthly billing for any period for which a wastewater service charge is not payable.
- (C) Prepayment – A customer who has elected to pay the Sewer Improvement Charge in monthly installments may thereafter prepay the balance of such charge in whole (but not in part) in an amount equal to the unamortized balance of the Sewer Improvement charge as of the date of such prepayment.
- (D) Installment Terms – A customer who has elected to pay the Sewer Improvement Charge in monthly installments pursuant to paragraph A (1) shall be obligated to make such payments at the rate of interest and length of payment period specified in this rate schedule as of the date of the customer's election, notwithstanding customer's right of prepayment.
- (E) Definitions – The defined terms in this rate schedule shall have the meanings given to them from time to time in the Rules and Regulations for Wastewater Division.

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

Wastewater Wholesale Treatment Rate Schedule

Availability

Service under this schedule shall be available only to governmental entities, including Utility Districts, that deliver through their wastewater collection system all or portions of their wastewater flow to KUB facilities for treatment. Applicants under this schedule may be required to execute a contract specifying, among other things, a minimum bill and minimum term for service under this schedule.

Monthly Rates

Metered Flows	\$6.34 per Thousand Gallons
Unmetered Flows	\$7.22 per Thousand Gallons

For the purpose of determining billing volumes, metered flows are those flows metered at the point of delivery to KUB's collection system, pumping station or treatment facility; unmetered flows are those flows based upon the actual water use of the customers served by the collection system discharging to KUB's facilities, said water use being determined by the water meter readings furnished by the water service provider.

KUB may, at its sole discretion, bill wastewater using the same rates converted to a rate per Ccf for usage measured in Ccf: 1 Ccf equals 748 gallons.

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

**RESOLUTION 1493
EXHIBIT L
RATE SCHEDULES OF THE WASTEWATER DIVISION
EFFECTIVE JULY 1, 2027**

Wastewater Residential Rate Schedule

Availability

Service under this rate schedule shall be available only to residential customers served individually through a separate meter or through a KUB-approved multiple meter configuration designed as a single billing point.

Rates

The Wastewater Service Charge shall be based on the customer's water meter size and monthly water usage with the following exceptions:

- 1) For customers whose wastewater discharge volumes are metered separately from their water usage, the metered wastewater discharge volumes will be used to calculate Commodity Charges under this schedule. The meter size used to calculate the Basic Service Charge under this schedule will be the equivalent water meter size as determined by KUB.
- 2) If neither the customer's water usage nor wastewater discharge volumes are metered, the average water usage and water meter size of comparable metered customers as determined by KUB will be used to calculate the charges under this schedule.

For meters greater than 5/8", the Customer Charges listed in the Wastewater Nonresidential Rate Schedule shall be utilized.

In the event more than one meter is utilized to determine billed consumption, multiple basic service charges may apply. Charges will apply without regard to ownership of the meter(s).

KUB may, at its sole discretion, bill wastewater using the same rates converted to a rate per gallon for usage measured in gallons: 1 Ccf equals 748 gallons.

Inside City Rates are applicable for wastewater services furnished to premises entirely within the corporate limits of the City of Knoxville. Outside City Rates are applicable for wastewater services furnished to premises entirely or partly outside the corporate limits of the City of Knoxville.

<u>Monthly Basic Service Charge</u>	<u>Inside City</u>	<u>Outside City</u>
5/8" meter	\$35.90	\$39.90
<u>Monthly Commodity Charge</u>	<u>Inside City</u>	<u>Outside City</u>
First 2 Ccf	\$3.60 per Ccf	\$3.90 per Ccf
Over 2 Ccf	\$11.65 per Ccf	\$12.85 per Ccf

Additional Charges

In addition to the wastewater service charge, users whose wastewater has strength characteristics in excess of normal domestic wastewater shall pay an Extra Strength Surcharge as set forth in the Wastewater Extra Strength Surcharge Rate Schedule. A Sewer Improvement Charge may also be payable as set forth in the Wastewater Sewer Improvement Charge Rate Schedule.

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

Wastewater Nonresidential Rate Schedule

Availability

Service under this rate schedule shall be available to any commercial or industrial customer.

An existing customer or applicant for service under this schedule may be required to execute a contract specifying, among other things, a minimum bill and minimum term for service under this schedule.

Rates

The Wastewater Service Charge shall be calculated using the applicable rate tables provided below, based on the customer's water meter size and monthly water usage with the following exceptions:

- 1) For customers whose wastewater discharge volumes are metered separately from their water usage, the metered wastewater discharge volumes will be used to calculate Service Charges under this schedule. The meter size used to calculate the Additional Monthly Charge under this schedule will be the largest equivalent water meter size as determined by KUB.
- 2) If neither the customer's water usage nor wastewater discharge volumes are metered, the average water usage and water meter size of comparable metered customers as determined by KUB will be used to calculate the charges under this schedule.

In the event more than one meter is utilized to determine billed consumption, multiple customer charges may apply. Charges will apply without regard to ownership of the meter(s).

KUB may, at its sole discretion, bill wastewater using the same rates converted to a rate per gallon for usage measured in gallons: 1 Ccf equals 748 gallons.

Inside City Rates are for wastewater service provided to premises entirely within the corporate limits of the City of Knoxville. Outside City Rates are for wastewater service provided to premises entirely or partly outside the corporate limits of the City of Knoxville.

<u>Monthly Customer Charge</u>	<u>Inside City</u>	<u>Outside City Industrial Park</u>
5/8" meter	\$ 36.00	\$ 40.00
1" meter	\$ 60.00	\$ 66.00
1½" meter	\$ 80.00	\$ 88.00
2" meter	\$ 115.00	\$ 126.00
3" meter	\$ 215.00	\$ 236.00
4" meter	\$ 350.00	\$ 385.00
6" meter	\$ 730.00	\$ 805.00
8" meter	\$1,280.00	\$1,405.00
10" meter	\$1,940.00	\$2,140.00
12" meter	\$3,525.00	\$3,860.00

<u>Monthly Commodity Charge</u>	<u>Inside City</u>	<u>Outside City Industrial Park</u>
First 2 Ccf	\$ 4.20 per Ccf	\$ 4.60 per Ccf
Next 8 Ccf	\$13.25 per Ccf	\$14.55 per Ccf
Next 90 Ccf	\$13.25 per Ccf	\$14.55 per Ccf
Next 300 Ccf	\$11.80 per Ccf	\$12.95 per Ccf
Next 4,600 Ccf	\$ 9.55 per Ccf	\$10.45 per Ccf
Over 5,000 Ccf	\$ 5.65 per Ccf	\$ 6.20 per Ccf

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

Wastewater Extra Strength Surcharge Rate Schedule

Applicability

For user whose discharge of wastewater contains a quantity of BOD in excess of 2,000 pounds per million gallons (240 mg/l), and a quantity of suspended solids in excess of 2,500 pounds per million gallons (300 mg/l), an additional charge, based on the following schedule, shall be applied to the excess contribution, as determined by laboratory analysis of the user's discharge. This Extra Strength Surcharge is in addition to all other charges that may be applicable under KUB's wastewater rate schedules.

Monthly Rates

BOD	\$44.10 per hundred pounds of excess
Suspended Solids	\$42.25 per hundred pounds of excess

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

Wastewater Hauled Waste and Special Waste Charges Rate Schedule

(A) Domestic Waste (Commercial Waste Disposal)

For users engaged in the business of cleaning wastewater and wastewater residues from septic tanks and other private disposal systems, a domestic waste discharge permit is required and certain fees and charges are assessed against those users.

(1) Annual Access Fee:

The annual access fee for the use of KUB's disposal facilities shall be \$110.00 per fiscal year, per permitted vehicle. The full fee shall be payable for any fraction of the fiscal year. Bills under this section will be rendered annually at the beginning of KUB's fiscal year or such later time during the fiscal year that service is commenced.

(2) Domestic Waste Discharge Rate:

Each load of Domestic Waste discharged to KUB's facilities shall be subject to a Discharge Rate of \$126.37 per 1,000 gallons per month.

(B) Special Waste

For users who dispose of any other waste from any tank, pond, pit or other source into the KUB system, a special waste discharge permit is required, and the following fees and charges will be assessed against those users.

(1) Special Waste Discharge Permit Application Fee:

A special Wastewater Discharge Permit must be obtained before any Special Waste may be discharged into KUB's facilities. The application fee for such permit is \$80.00. The application fee is non-refundable and is applicable whether or not the application is approved or the permit issued. The fee must be paid prior to discharge.

(2) Special Waste Discharge Fee:

Due to the widely differing character of Special Wastes, the Discharge Fee shall vary, but, at a minimum, the Fee will be the sum of the Wastewater Service Charge as set forth by the Wastewater Nonresidential Rate Schedule plus the Extra Strength Surcharges as set forth in this rate schedule. In addition to those charges set forth in the aforementioned schedules, the Customer will be required to pay the cost to KUB of analyzing, or providing special handling for, the Customer's Special Waste, plus a reasonable charge for the impact that the Special Waste is expected to have on the KUB treatment facilities as determined by KUB. Bills under this section will be rendered upon completion of the discharge.

(C) Leachate Disposal Service:

Service under this rate shall be provided only after a customer executes a contract with KUB. Users who dispose of acceptable leachate at KUB's Wastewater Treatment Plant will be subject to a Special Waste Impact Charge of \$34.10 per 1,000 gallons per month.

(D) Operating Procedures

KUB shall establish operating procedures including such items as permit issuance, acceptable wastes, disposal locations, reporting and billing methods for the implementation of this rate schedule, which may be changed from time to time by KUB.

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

Wastewater Sewer Improvement Charge Rate Schedule

(A) Applicable Charges - All properties connected or having access to the wastewater system shall be subject to a Sewer Improvement Charge which shall be determined as follows:

- (1) For all users not described in paragraph A (2), or A (3), the Sewer Improvement Charge shall be an amount equal to the Contribution in Aid of Construction determined in accordance with the provisions of Section 33-19 of the Rules and Regulations for the Wastewater Division that may from time to time be in effect. Any contribution in Aid of Construction that is assessed under Section 33-19 (b) of the Rules and Regulations on or after December 1, 1992 may, at the customer's option, be paid as a part of the customer's utility bill in monthly installments for a period not to exceed ten (10) years at an annual interest rate of nine percent (9%).
- (2) For all users that: (i) on December 1, 1992 are being assessed, or which properly should be assessed, a Sewer Improvement Charge under the terms of this rate schedule as it existed immediately prior to December 1, 1992 or, (ii) which are located in areas annexed into the corporate limits of the City of Knoxville pursuant to Ordinance No. 0-31-87, the Sewer Improvement Charge shall be calculated on multiples of a basic charge (the "Basic Charge"), which shall be Six Hundred Seventy-Five Dollars (\$675.00). At the customer's option, the Sewer Improvement Charge may be paid as a part of the customer's utility bill in monthly installments of Three and 25/100 dollars (\$3.25) for the three hundred sixty (360) months. Sewer Improvement Charges assessed under the terms of this paragraph A (2) shall be calculated as follows:
 - (a) Each user consisting of a single-family dwelling shall pay a Sewer Improvement Charge equal to the Basic Charge, regardless of area.
 - (b) Each multifamily, commercial or industrial user shall pay a Sewer Improvement Charge based on the greater of the following two calculations:
 - (i) Area/meter basis: The lesser of (a) the Basic charge times the square footage of the area of the property divided by 15,000 or (b) the Basic Charge times the following multiples based on meter size:

<u>Meter Size</u>	<u>Multiple</u>
5/8"	1
3/4"	1.5
1"	2.5
1 1/2"	5
2"	8
3"	15
4"	25
6"	50
8"	80
10"	120
12"	155

* If a user is served by more than one meter, the multiple used shall be the sum of the multiple computed on each meter.

(ii) Frontage Basis – the Basic Charge times the total frontage of the property measured in feet at the building line parallel to the street along which the property lies for the greater distance divided by 100.

(c) For service to users located entirely or partly outside the corporate limits of the City of Knoxville, the Sewer Improvement Charge imposed under this paragraph A (2) shall be one and one-half (1-1/2) times the above schedule of charges.

(d) Any user charged a Sewer Improvement Charge under this paragraph A (2) that reconnects to the Wastewater system on or after December 1, 1992 because of a change in the level or character of the user's wastewater service shall upon such reconnection be subject to the Sewer Improvement Charge calculated under paragraph A (1) hereof.

(3) For all property located in a Transfer Area, that is subject to a Fee Agreement, the user shall be subject to a Sewer Improvement Charge equal in amount to the payments that would have been owed under the Fee Agreement for the affected property, assuming the Fee Agreement remained in effect for its duration, adjusted in accordance with KUB's policies for any additional property users as permitted under the Fee Agreement, less a credit for any payments actually paid to KUB under the Fee Agreement. Except as otherwise provided herein, Sewer Improvement Charges assessed under this paragraph A (3) shall be paid on the same terms provided in the Fee Agreement for the affected property. As used herein" (i) the term "Transfer Area" shall mean an area: (a) that was previously provided wastewater service by a municipal utility (other than KUB) or a utility district, and (b) with respect to which KUB acquired or otherwise succeeded to the right to provide wastewater service; and (ii) the term "Fee Agreement" shall mean a contract or other agreement entered into between the owner or other user of a tract of property and a municipal utility

(other than KUB) or a utility district, by the terms of which the owner or other user of the property agrees to pay all or any part of the cost of extending wastewater lines and facilities to such property or otherwise making wastewater service available to such property.

- (B) Deferral of Payment – A Sewer Improvement Charge shall not be billed or collectible for any monthly billing for any period for which a wastewater service charge is not payable.
- (C) Prepayment – A customer who has elected to pay the Sewer Improvement Charge in monthly installments may thereafter prepay the balance of such charge in whole (but not in part) in an amount equal to the unamortized balance of the Sewer Improvement charge as of the date of such prepayment.
- (D) Installment Terms – A customer who has elected to pay the Sewer Improvement Charge in monthly installments pursuant to paragraph A (1) shall be obligated to make such payments at the rate of interest and length of payment period specified in this rate schedule as of the date of the customer's election, notwithstanding customer's right of prepayment.
- (E) Definitions – The defined terms in this rate schedule shall have the meanings given to them from time to time in the Rules and Regulations for Wastewater Division.

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

Wastewater Wholesale Treatment Rate Schedule

Availability

Service under this schedule shall be available only to governmental entities, including Utility Districts, that deliver through their wastewater collection system all or portions of their wastewater flow to KUB facilities for treatment. Applicants under this schedule may be required to execute a contract specifying, among other things, a minimum bill and minimum term for service under this schedule.

Monthly Rates

Metered Flows	\$6.65 per Thousand Gallons
Unmetered Flows	\$7.58 per Thousand Gallons

For the purpose of determining billing volumes, metered flows are those flows metered at the point of delivery to KUB's collection system, pumping station or treatment facility; unmetered flows are those flows based upon the actual water use of the customers served by the collection system discharging to KUB's facilities, said water use being determined by the water meter readings furnished by the water service provider.

KUB may, at its sole discretion, bill wastewater using the same rates converted to a rate per Ccf for usage measured in Ccf: 1 Ccf equals 748 gallons.

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

RESOLUTION NO. 1494

A Resolution Making and Fixing the Annual Budget Appropriations of the Knoxville Utilities Board from the Funds of the Electric Division, the Gas Division, the Water Division, the Wastewater Division, and the Fiber Division for the Fiscal Year Beginning July 1, 2024, Providing for Expenditures Paid for the Period Beginning July 1, 2024, and Ending June 30, 2025

Whereas, Section 1109 of the Charter of the City of Knoxville provides that “No money shall be drawn from the treasury of the system nor shall any obligation for the expenditure of money be incurred except in pursuance of appropriations made by the board”; and

Whereas, Article IX.B.2. of the Knoxville Utilities Board of Commissioners (the “Board”) Bylaws provides that: “The Board shall be furnished the proposed budget at least forty-five (45) days prior to the beginning of the forthcoming fiscal year”; “the Board shall require the vice president serving as the chief financial officer to certify the availability of funds adequate to fund the proposed budget”; and “the Board shall approve a budget for the forthcoming fiscal year no later than fifteen (15) days prior to its beginning”; and

Whereas, KUB staff formally presented the proposed budget appropriations for the fiscal year beginning July 1, 2024, to the Board at the Board’s budget workshop on April 18, 2024, and the Board has found their adoption to be in the best interest of KUB and its customers; and

Whereas, the Chief Financial Officer (CFO) of the Knoxville Utilities Board (“KUB”) has certified the availability of funds to support the proposed budget appropriations pursuant to the Board’s By-Laws.

Now, Therefore, Be It Hereby Resolved by the Board of Commissioners of the Knoxville Utilities Board:

Section 1. That budget appropriations for the fiscal year beginning July 1, 2024, and ending June 30, 2025, providing for expenditures paid for said fiscal year, be and the same are hereby made from the funds of the Electric Division, for the purposes and in the amount as follows:

Appropriations of the Electric Division (including appropriations for operation, maintenance, construction, administrative expenses, interest, bond retirements, bond funds, and payments in lieu of taxes), of which amount funds for construction may be taken from the proceeds from the sale of any electric system revenue bonds or notes, in the amount of **\$793,415,000.**

Included in the stated appropriated amount, in accordance with Tennessee Code Annotated §7-52-603, the Electric Division is hereby authorized to lend to the Fiber Division funds in the amount of Eleven Million Dollars (\$11,000,000) to acquire, construct and provide working capital for the KUB fiber system communications network, plant and equipment necessary to provide broadband services.

Section 2. That budget appropriations for the fiscal year beginning July 1, 2024, and ending June 30, 2025, providing for expenditures paid for said fiscal year, be and the same are hereby made from the funds of the Gas Division, for the purposes and in the amount as follows:

Appropriations of the Gas Division (including appropriations for operation, maintenance, construction, administrative expenses, interest, bond retirements, bond funds, and payments in lieu of taxes), of which amount funds for construction may be taken from the proceeds from the sale of any gas system revenue bonds or notes, in the amount of **\$134,869,000.**

Section 3. That budget appropriations for the fiscal year beginning July 1, 2024, and ending June 30, 2025, providing for expenditures paid for said fiscal year, be and the same are hereby made from the funds of the Water Division, for the purposes and in the amount as follows:

Appropriations of the Water Division (including appropriations for operation, maintenance, construction, administrative expenses, interest, bond retirements, bond funds, and payments in lieu of taxes), of which amount funds for construction may be taken from the proceeds from the sale of any water system revenue bonds or notes, in the amount of **\$119,556,000.**

Section 4. That appropriations for the fiscal year beginning July 1, 2024, and ending June 30, 2025, be and the same are hereby made from the funds of the Wastewater Division, for the purposes and in the amount as follows:

Appropriations of the Wastewater Division (including appropriations for operation, maintenance, construction, administrative expenses, interest, bond retirements, bond funds, and payments in lieu of taxes), of which amount funds for construction may be taken from the proceeds from the sale of any wastewater system revenue bonds or notes, in the amount of **\$127,346,000.**

Section 5. That budget appropriations for the fiscal year beginning July 1, 2024, and ending June 30, 2025, providing for expenditures paid for said fiscal year, be and the same are hereby made from the funds of the Fiber Division, for the purposes and in the amount as follows:

Appropriations of the Fiber Division (including appropriations for operation, maintenance, construction, administrative expenses, interest, loan retirements, and payments in lieu of taxes), of which amount funds for construction may be taken from the proceeds from the sale of any fiber system revenue bonds or notes, in the amount of **\$28,404,000**.

Section 6. That expenditures for the sole benefit of the electric system shall be charged to the foregoing appropriations and from the funds of the Electric Division. Expenditures for the sole benefit of the gas system shall be charged to the foregoing appropriations and from the funds of the Gas Division. Expenditures for the sole benefit of the water system shall be charged to the foregoing appropriations and from the funds of the Water Division. Expenditures for the sole benefit of the wastewater system shall be charged to the foregoing appropriations and from the funds of the Wastewater Division. Expenditures for the sole benefit of the fiber system shall be charged to the foregoing appropriations and from the funds of the Fiber Division. All expenditures for the joint benefit of the electric system, gas system, water system, wastewater system, and/or fiber system shall be charged to the foregoing appropriations and from the funds of such divisions in accordance with the applicable division cost allocations in effect at the time of said expenditure.

Section 7. That in addition to the foregoing appropriations, whenever any sums are due and payable under customers' deposit agreements, under agreements providing for refundable advances to the system in connection with the construction of additions to a system, or for refunds associated with overpayments by customers, the President and CEO of KUB, or his designee, is authorized to refund any or all such sums that are or become due and payable; and all sums necessary to make such refunds shall be and the same are hereby appropriated from the funds of the divisions properly chargeable therewith.

Section 8. That in addition to the foregoing appropriations, whenever any sums are due and payable during the fiscal year beginning July 1, 2024, and ending June 30, 2025, for the entire principal amount of any debt issued during the fiscal year beginning July 1, 2024, and ending June 30, 2025, the President and CEO of KUB, or his designee, is authorized to pay any or all such sums that are or become due and payable, and all sums necessary to make such payments shall be and the same are hereby appropriated from the funds of the divisions properly chargeable therewith.

Section 9. That in addition to the foregoing appropriations, whenever any sums are received by a division on behalf of an external entity, including but not limited to the collection of sales tax, such sums shall be and the same are hereby appropriated from the funds of said division, for the purpose of paying the cost of the functions in connection with which such sums are received.

Section 10. That in addition to the foregoing appropriations, whenever any sums are received by a division from an external entity for pandemic related assistance to KUB customers, such sums shall be and the same are hereby appropriated from the funds of said division for expenditures in connection with the purposes for which such sums are received by KUB.

Section 11. That in addition to the foregoing appropriations, whenever any sums are received by a division on behalf of another division, or through the misapplication of division cost allocations, such sums shall be and the same are hereby appropriated from the funds of said division, for the purpose of paying such sums received to the appropriate division.

Section 12. That the KUB organizational structure, as determined by the President and CEO, which supports the electric, gas, water, wastewater, and fiber systems that will benefit from expenditures charged to the foregoing appropriations, is hereby approved and ratified by the Board.

Section 13. That all appropriations made herein shall terminate effective July 1, 2025, and any unexpended balances of such appropriations shall revert to the general funds of the division from which originally appropriated.

Section 14. That funds will be available for each division to fund the expenditures to be paid for the fiscal year beginning July 1, 2024, as noted in Sections 1, 2, 3, 4 and 5 of this Resolution. The availability of funds has been certified by letter from the Senior Vice President and Chief Financial Officer, whereby said letter is attached to and incorporated by reference as part of this Resolution.

Section 15. That pursuant to the requirements of Tennessee Code Annotated Section 9-21-403, attached as Exhibit A is the KUB annual accrual budget for the fiscal year beginning July 1, 2024, and ending June 30, 2025, prepared in a form consistent with accepted governmental standards as approved by the Comptroller of the Treasury for the State of Tennessee which will be submitted to the Comptroller immediately upon adoption of this resolution.

Section 16. Be it Further Resolved that this Resolution shall take effect from and after its passage.

Adrienne Simpson-Brown/s
Adrienne Simpson-Brown, Chair

Mark Walker/s
Mark Walker, Board Secretary

APPROVED ON 1st
& FINAL READING: 5-16-24
EFFECTIVE DATE: 5-16-24
MINUTE BOOK 47 PAGE 12666-12676



May 10, 2024

Knoxville Utilities Board
445 S. Gay Street
Knoxville, Tennessee 37902-1109

Commissioners,

I hereby certify that within the meaning of Section 1109 of the City of Knoxville Charter and Article IX.B.2.c. of the Board's By-Laws there are sufficient funds adequate to fund the proposed budget appropriations for the fiscal year beginning July 1, 2024, as provided for in Resolution 1494, as follows:

<u>Division</u>	<u>Amount</u>
Electric	\$ 793,415,000
Gas	\$ 134,869,000
Water	\$ 119,556,000
Wastewater	\$ 127,346,000
Fiber	\$ 28,404,000

The availability of funds for budget appropriations is based on general fund cash and all available cash reserves of the respective divisions as of July 1, 2024, and all monies anticipated to come into the general fund of each division on or before June 30, 2025, from utility sales at rates approved by the KUB Board; from other fees, charges, sales proceeds, accounts and notes receivable, or other credits in the process of collection; and from proceeds of authorized debt issues and interdivision loans.

Please see the enclosed worksheet which demonstrates the availability of funds to support the proposed budget appropriations.

Respectfully submitted,

A handwritten signature in blue ink that reads 'Mark Walker'.

Mark Walker
Senior Vice President and Chief Financial Officer

Enclosure

May 2024 Certification of Available Funds - FY 2025 Budget Appropriations

Electric Division: Certification of Available Funds

	FY 2025
Beginning General Fund Cash (as of July 1, 2024)	\$49,522,000
Sales Revenues	\$656,533,000
Other Revenues	\$48,198,000
Bond Proceeds	\$91,000,000
Cash Reserves	\$52,184,000
Total	\$897,437,000
FY 2025 Budget Appropriations (Res. 1494)	\$793,415,000
Available Funds (as of June 30, 2025)	\$104,022,000

If positive, there are available funds to fund appropriations.

Gas Division: Certification of Available Funds

	FY 2025
Beginning General Fund Cash (as of July 1, 2024)	\$14,791,000
Sales Revenues	\$121,162,000
Other Revenues	\$6,167,000
Cash Reserves	\$16,322,000
Total	\$158,442,000
FY 2025 Budget Appropriations (Res. 1494)	\$134,869,000
Available Funds (as of June 30, 2025)	\$23,573,000

If positive, there are available funds to fund appropriations.

Water Division: Certification of Available Funds

	FY 2025
Beginning General Fund Cash (as of July 1, 2024)	\$16,656,000
Sales Revenues	\$75,008,000
Other Revenues	\$16,633,000
Bond Proceeds	\$20,000,000
Cash Reserves	\$17,583,000
Total	\$145,880,000
FY 2025 Budget Appropriations (Res. 1494)	\$119,556,000
Available Funds (as of June 30, 2025)	\$26,324,000

If positive, there are available funds to fund appropriations.

Wastewater Division: Certification of Available Funds

	FY 2025
Beginning General Fund Cash (as of July 1, 2024)	\$10,148,000
Sales Revenues	\$114,900,000
Other Revenues	\$8,753,000
Cash Reserves	\$30,105,000
Total	\$163,906,000
FY 2025 Budget Appropriations (Res. 1494)	\$127,346,000
Available Funds (as of June 30, 2025)	\$36,560,000

If positive, there are available funds to fund appropriations.

Fiber Division: Certification of Available Funds

	FY 2025
Beginning General Fund Cash (as of July 1, 2024)	\$8,490,000
Sales Revenues	\$17,017,000
Other Revenues	\$613,000
Loan Proceeds	\$11,000,000
Cash Reserves	\$0
Total	\$37,120,000
FY 2025 Budget Appropriations (Res. 1494)	\$28,404,000
Available Funds (as of June 30, 2025)	\$8,716,000

If positive, there are available funds to fund appropriations.

Exhibit A
Knoxville Utilities Board
Electric Division

Utility Fund- Cash Basis Reconciled to GAAP	Actual from Most Recent Audit	Estimated Actual for Last Fiscal Year	Projected Budget
Operating Revenue - CASH Basis (by source)			
Utility Sales	\$ 648,731,125.00	\$ 626,944,505.00	\$ 659,236,014.00
Tap Fees	\$ -	\$ -	\$ -
Reconnect Fees	\$ -	\$ -	\$ -
Penalties	\$ -	\$ -	\$ -
Operating Grants	\$ -	\$ 7,880,874.00	\$ 7,724,576.00
Other Operating Revenue	\$ 17,181,191.00	\$ 21,719,042.00	\$ 23,648,762.00
Miscellaneous	\$ 869,084.00	\$ 711,735.00	\$ 1,444.00
Total Operating Revenues	\$ 666,781,400.00	\$ 657,256,156.00	\$ 690,610,796.00
Operating Expenses - CASH Basis (by type)			
Wages	\$ 45,337,351.00	\$ 49,168,329.00	\$ 57,354,411.00
FICA	\$ 3,277,059.00	\$ 3,519,547.00	\$ 4,067,844.00
Pension Expense	\$ -	\$ -	\$ -
Electricity	\$ 482,962,995.00	\$ 446,820,652.00	\$ 455,398,253.00
Materials and Supplies	\$ 5,018,806.00	\$ 4,616,611.00	\$ 5,505,928.00
Chemicals	\$ -	\$ -	\$ -
Professional Fees (Legal, Accounting)	\$ -	\$ -	\$ -
Training	\$ -	\$ -	\$ -
Insurance - Property	\$ 1,288,555.00	\$ 2,061,804.00	\$ 1,505,184.00
Insurance - Health	\$ 7,994,709.00	\$ 7,536,858.00	\$ 8,189,171.00
Travel	\$ -	\$ -	\$ -
Contract Labor	\$ -	\$ -	\$ -
System Repair and Maintenance	\$ -	\$ -	\$ -
Telephone and Internet	\$ -	\$ -	\$ -
Fuel and Vehicle Maintenance	\$ -	\$ -	\$ -
Other Operating Expenses	\$ 24,538,479.00	\$ 27,721,713.00	\$ 25,008,361.00
Total Operating Expenses	\$ 570,417,954.00	\$ 541,445,514.00	\$ 557,029,152.00
Operating Income (Loss)	\$ 96,363,446.00	\$ 115,810,642.00	\$ 133,581,644.00
Nonoperating Revenues (Expenses) - CASH Basis			
Revenue: Interest Income	\$ 3,264,001.00	\$ 4,631,594.00	\$ 8,064,675.00
Other Nonoperating Income	\$ 8,212,120.00	\$ 8,710,921.00	\$ 8,759,119.00
Expense: Debt Service - Interest Payment	\$ 13,226,755.00	\$ 15,520,724.00	\$ 18,888,074.00
Debt Service - Principal Payment	\$ 15,470,000.00	\$ 17,320,000.00	\$ 17,434,420.00
Capital Purchases	\$ 115,940,237.00	\$ 150,180,578.00	\$ 168,421,672.00
Other Nonoperating Expenses	\$ -	\$ -	\$ -
Total Nonoperating Revenue (Expenses)	\$ (133,160,871.00)	\$ (169,678,787.00)	\$ (187,920,372.00)
Income (Loss) Before Capital Contributions and Transfers	\$ (36,797,425.00)	\$ (53,868,145.00)	\$ (54,338,728.00)
Capital Contributions - CASH Basis			
Capital Contributions - Tap Fees in Excess of Cost	\$ -	\$ -	\$ -
Capital Contributions - Grants	\$ -	\$ -	\$ -
Capital Contributions - Other	\$ -	\$ -	\$ -
Transfers In - from Other Funds	\$ 83,429,952.00	\$ 58,785,192.00	\$ 90,272,000.00
Transfers Out - to Other Funds (Payments in Lieu of Taxes)	\$ 46,293,876.00	\$ 29,508,355.00	\$ 34,642,396.00
Total Capital Contributions and Transfers	\$ 37,136,076.00	\$ 29,276,837.00	\$ 55,629,604.00
Change in Net Position - CASH Basis	\$ 338,651.00	\$ (24,591,308.00)	\$ 1,290,876.00
Beginning Net Position	\$ 73,461,760.00	\$ 73,800,411.00	\$ 49,209,103.00
Ending Net Position	\$ 73,800,411.00	\$ 49,209,103.00	\$ 50,499,979.00
GAAP Reconciliation			
Change in Net Position - CASH Basis	\$ 338,651.00	\$ (24,591,308.00)	\$ 1,290,876.00
Add:			
Debt Service - Principal	\$ 15,470,000.00	\$ 17,320,000.00	\$ 17,434,420.00
Capital Purchases	\$ 115,940,237.00	\$ 150,180,578.00	\$ 168,421,672.00
Subtract:			
Depreciation Expense	\$ 39,811,888.00	\$ 42,960,951.00	\$ 45,968,217.00
Change in Net Position GAAP Basis	\$ 91,937,000.00	\$ 99,948,319.00	\$ 141,178,751.00
Statutory Change in Net Position Reconciliation:			
Change in Net Position GAAP Basis	\$ 91,937,000.00	\$ 99,948,319.00	\$ 141,178,751.00
Subtract:			
Capital Contributions - Tap Fees in Excess of Cost	\$ -	\$ -	\$ -
Capital Contributions - Grants	\$ -	\$ -	\$ -
Capital Contributions - Other	\$ -	\$ -	\$ -
Operating Grants	\$ -	\$ 7,880,874.00	\$ 7,724,576.00
Transfers In - from Other Funds	\$ 83,429,952.00	\$ 58,785,192.00	\$ 90,272,000.00
Total amount subtracted for statutory change	\$ 83,429,952.00	\$ 66,666,066.00	\$ 97,996,576.00
Statutory Change in Net Position*	\$ 8,507,048.00	\$ 33,282,253.00	\$ 43,182,175.00

* Note: A statutory negative Change in Net Position for two consecutive years will result in the local government's referral to the Water and Wastewater Financing Board.

Exhibit A
Knoxville Utilities Board
Fiber Division

Utility Fund- Cash Basis Reconciled to GAAP	Actual from Most Recent Audit	Estimated Actual for Last Fiscal Year	Projected Budget
Operating Revenue - CASH Basis (by source)			
Utility Sales	\$ 865,448.00	\$ 6,348,810.00	\$ 17,017,283.00
Tap Fees	\$ -	\$ -	\$ -
Reconnect Fees	\$ -	\$ -	\$ -
Penalties	\$ -	\$ -	\$ -
Operating Grants	\$ -	\$ -	\$ -
Other Operating Revenue	\$ 14,884.00	\$ 26,181.00	\$ -
Miscellaneous	\$ -	\$ -	\$ -
Total Operating Revenues	\$ 880,332.00	\$ 6,374,991.00	\$ 17,017,283.00
Operating Expenses - CASH Basis (by type)			
Wages	\$ 2,472,723.00	\$ 3,175,106.00	\$ 3,844,681.00
FICA	\$ 183,974.00	\$ 217,527.00	\$ 296,950.00
Pension Expense	\$ -	\$ -	\$ -
Electricity	\$ -	\$ 419,108.00	\$ 1,926,749.00
Materials and Supplies	\$ 1,432,020.00	\$ 514,361.00	\$ 1,752,229.00
Chemicals	\$ -	\$ -	\$ -
Professional Fees (Legal, Accounting)	\$ -	\$ -	\$ -
Training	\$ -	\$ -	\$ -
Insurance - Property	\$ 228,445.00	\$ 260,943.00	\$ 92,725.00
Insurance - Health	\$ 492,437.00	\$ 359,499.00	\$ 522,713.00
Travel	\$ -	\$ -	\$ -
Contract Labor	\$ -	\$ -	\$ -
System Repair and Maintenance	\$ -	\$ -	\$ -
Telephone and Internet	\$ -	\$ -	\$ -
Fuel and Vehicle Maintenance	\$ -	\$ -	\$ -
Other Operating Expenses	\$ 5,423,512.00	\$ 8,270,335.00	\$ 14,006,340.00
Total Operating Expenses	\$ 10,233,111.00	\$ 13,216,879.00	\$ 22,442,387.00
Operating Income (Loss)	\$ (9,352,779.00)	\$ (6,841,888.00)	\$ (5,425,104.00)
Nonoperating Revenues (Expenses) - CASH Basis			
Revenue: Interest Income	\$ 430,719.00	\$ 458,105.00	\$ 613,433.00
Other Nonoperating Income	\$ 172.00	\$ 6,131.00	\$ -
Expense: Debt Service - Interest Payment	\$ 784,685.00	\$ 1,153,782.00	\$ 1,689,137.00
Debt Service - Principal Payment	\$ 883,333.00	\$ 1,529,167.00	\$ 2,262,500.00
Capital Purchases	\$ 334,239.00	\$ 872,260.00	\$ 1,892,952.00
Other Nonoperating Expenses	\$ 127,045.00	\$ 38,214.00	\$ 2,189.00
Total Nonoperating Revenue (Expenses)	\$ (1,698,411.00)	\$ (3,129,187.00)	\$ (5,233,345.00)
Income (Loss) Before Capital Contributions and Transfers	\$ (11,051,190.00)	\$ (9,971,075.00)	\$ (10,658,449.00)
Capital Contributions - CASH Basis			
Capital Contributions - Tap Fees in Excess of Cost	\$ -	\$ -	\$ -
Capital Contributions - Grants	\$ -	\$ -	\$ -
Capital Contributions - Other	\$ -	\$ -	\$ -
Transfers In - from Other Funds	\$ 20,000,000.00	\$ 7,000,000.00	\$ 11,000,000.00
Transfers Out - to Other Funds (Payments in Lieu of Taxes)	\$ 336,601.00	\$ 45,038.00	\$ 116,157.00
Total Capital Contributions and Transfers	\$ 19,663,399.00	\$ 6,954,962.00	\$ 10,883,843.00
Change in Net Position - CASH Basis	\$ 8,612,209.00	\$ (3,016,113.00)	\$ 225,394.00
Beginning Net Position	\$ 3,340,381.00	\$ 11,952,590.00	\$ 8,936,477.00
Ending Net Position	\$ 11,952,590.00	\$ 8,936,477.00	\$ 9,161,871.00
GAAP Reconciliation			
Change in Net Position - CASH Basis	\$ 8,612,209.00	\$ (3,016,113.00)	\$ 225,394.00
Add:			
Debt Service - Principal	\$ 883,333.00	\$ 1,529,167.00	\$ 2,262,500.00
Capital Purchases	\$ 334,239.00	\$ 872,260.00	\$ 1,892,952.00
Subtract:			
Depreciation Expense	\$ 33,298.00	\$ 69,691.00	\$ 73,176.00
Change in Net Position GAAP Basis	\$ 9,796,483.00	\$ (684,377.00)	\$ 4,307,670.00
Statutory Change in Net Position Reconciliation:			
Change in Net Position GAAP Basis	\$ 9,796,483.00	\$ (684,377.00)	\$ 4,307,670.00
Subtract:			
Capital Contributions - Tap Fees in Excess of Cost	\$ -	\$ -	\$ -
Capital Contributions - Grants	\$ -	\$ -	\$ -
Capital Contributions - Other	\$ -	\$ -	\$ -
Operating Grants	\$ -	\$ -	\$ -
Transfers In - from Other Funds	\$ 20,000,000.00	\$ 7,000,000.00	\$ 11,000,000.00
Total amount subtracted for statutory change	\$ 20,000,000.00	\$ 7,000,000.00	\$ 11,000,000.00
Statutory Change in Net Position*	\$ (10,203,517.00)	\$ (7,684,377.00)	\$ (6,692,330.00)

* Note: A statutory negative Change in Net Position for two consecutive years will result in the local government's referral to the Water and Wastewater Financing Board.

Exhibit A
Knoxville Utilities Board
Gas Division

Utility Fund- Cash Basis Reconciled to GAAP	Actual from Most Recent Audit	Estimated Actual for Last Fiscal Year	Projected Budget
Operating Revenue - CASH Basis (by source)			
Utility Sales	\$ 147,508,430.00	\$ 110,095,758.00	\$ 123,730,958.00
Tap Fees	\$ -	\$ -	\$ -
Reconnect Fees	\$ -	\$ -	\$ -
Penalties	\$ -	\$ -	\$ -
Operating Grants	\$ -	\$ 2,237.00	\$ -
Other Operating Revenue	\$ 3,503,118.00	\$ 3,855,349.00	\$ 4,133,443.00
Miscellaneous	\$ -	\$ -	\$ 3,675.00
Total Operating Revenues	\$ 151,011,548.00	\$ 113,953,344.00	\$ 127,868,076.00
Operating Expenses - CASH Basis (by type)			
Wages	\$ 15,752,519.00	\$ 16,227,356.00	\$ 18,339,753.00
FICA	\$ 1,053,681.00	\$ 1,099,822.00	\$ 1,249,353.00
Pension Expense	\$ -	\$ -	\$ -
Electricity	\$ 86,960,289.00	\$ 52,780,289.00	\$ 59,036,446.00
Materials and Supplies	\$ 1,028,251.00	\$ 1,460,880.00	\$ 1,232,563.00
Chemicals	\$ -	\$ -	\$ -
Professional Fees (Legal, Accounting)	\$ -	\$ -	\$ -
Training	\$ -	\$ -	\$ -
Insurance - Property	\$ 519,123.00	\$ 556,194.00	\$ 503,890.00
Insurance - Health	\$ 2,790,476.00	\$ 2,497,205.00	\$ 2,787,803.00
Travel	\$ -	\$ -	\$ -
Contract Labor	\$ -	\$ -	\$ -
System Repair and Maintenance	\$ -	\$ -	\$ -
Telephone and Internet	\$ -	\$ -	\$ -
Fuel and Vehicle Maintenance	\$ -	\$ -	\$ -
Other Operating Expenses	\$ 4,499,890.00	\$ 4,810,320.00	\$ 6,411,510.00
Total Operating Expenses	\$ 112,604,229.00	\$ 79,432,066.00	\$ 89,561,318.00
Operating Income (Loss)	\$ 38,407,319.00	\$ 34,521,278.00	\$ 38,306,758.00
Nonoperating Revenues (Expenses) - CASH Basis			
Revenue: Interest Income	\$ 1,173,287.00	\$ 1,664,064.00	\$ 1,710,634.00
Other Nonoperating Income	\$ 155,449.00	\$ 330,612.00	\$ 322,725.00
Expense: Debt Service - Interest Payment	\$ 3,267,819.00	\$ 2,956,494.00	\$ 2,645,327.00
Debt Service - Principal Payment	\$ 6,683,333.00	\$ 6,653,333.00	\$ 6,611,667.00
Capital Purchases	\$ 23,256,550.00	\$ 27,633,796.00	\$ 28,283,438.00
Other Nonoperating Expenses	\$ 59,396.00	\$ 538,218.00	\$ -
Total Nonoperating Revenue (Expenses)	\$ (31,938,362.00)	\$ (35,787,165.00)	\$ (35,507,073.00)
Income (Loss) Before Capital Contributions and Transfers	\$ 6,468,957.00	\$ (1,265,887.00)	\$ 2,799,685.00
Capital Contributions - CASH Basis			
Capital Contributions - Tap Fees in Excess of Cost	\$ -	\$ -	\$ -
Capital Contributions - Grants	\$ -	\$ -	\$ -
Capital Contributions - Other	\$ -	\$ -	\$ -
Transfers In - from Other Funds	\$ 3,977,276.00	\$ -	\$ 250,000.00
Transfers Out - to Other Funds (Payments in Lieu of Taxes)	\$ 7,131,007.00	\$ 7,259,130.00	\$ 7,767,271.00
Total Capital Contributions and Transfers	\$ (3,153,731.00)	\$ (7,259,130.00)	\$ (7,517,271.00)
Change in Net Position - CASH Basis	\$ 3,315,226.00	\$ (8,525,017.00)	\$ (4,717,586.00)
Beginning Net Position	\$ 23,085,843.00	\$ 26,401,069.00	\$ 17,876,052.00
Ending Net Position	\$ 26,401,069.00	\$ 17,876,052.00	\$ 13,158,466.00
GAAP Reconciliation			
Change in Net Position - CASH Basis	\$ 3,315,226.00	\$ (8,525,017.00)	\$ (4,717,586.00)
Add:			
Debt Service - Principal	\$ 6,683,333.00	\$ 6,653,333.00	\$ 6,611,667.00
Capital Purchases	\$ 23,256,550.00	\$ 27,633,796.00	\$ 28,283,438.00
Subtract:			
Depreciation Expense	\$ 15,486,592.00	\$ 15,984,104.00	\$ 16,303,786.00
Change in Net Position GAAP Basis	\$ 17,768,517.00	\$ 9,778,008.00	\$ 13,873,733.00
Statutory Change in Net Position Reconciliation:			
Change in Net Position GAAP Basis	\$ 17,768,517.00	\$ 9,778,008.00	\$ 13,873,733.00
Subtract:			
Capital Contributions - Tap Fees in Excess of Cost	\$ -	\$ -	\$ -
Capital Contributions - Grants	\$ -	\$ -	\$ -
Capital Contributions - Other	\$ -	\$ -	\$ -
Operating Grants	\$ -	\$ 2,237.00	\$ -
Transfers In - from Other Funds	\$ 3,977,276.00	\$ -	\$ 250,000.00
Total amount subtracted for statutory change	\$ 3,977,276.00	\$ 2,237.00	\$ 250,000.00
Statutory Change in Net Position*	\$ 13,791,241.00	\$ 9,775,771.00	\$ 13,623,733.00

* Note: A statutory negative Change in Net Position for two consecutive years will result in the local government's referral to the Water and Wastewater Financing Board.

Exhibit A
Knoxville Utilities Board
Water Division

Utility Fund- Cash Basis Reconciled to GAAP	Actual from Most Recent Audit	Estimated Actual for Last Fiscal Year	Projected Budget
Operating Revenue - CASH Basis (by source)			
Utility Sales	\$ 66,346,923.00	\$ 70,726,754.00	\$ 75,008,252.00
Tap Fees	\$ -	\$ -	\$ -
Reconnect Fees	\$ -	\$ -	\$ -
Penalties	\$ -	\$ -	\$ -
Operating Grants	\$ -	\$ 14,986,421.00	\$ 10,331,762.00
Other Operating Revenue	\$ 2,518,812.00	\$ 2,715,579.00	\$ 2,491,851.00
Miscellaneous	\$ -	\$ -	\$ -
Total Operating Revenues	\$ 68,865,735.00	\$ 88,428,754.00	\$ 87,831,865.00
Operating Expenses - CASH Basis (by type)			
Wages	\$ 15,610,550.00	\$ 16,483,792.00	\$ 18,367,741.00
FICA	\$ 1,172,355.00	\$ 1,224,103.00	\$ 1,368,917.00
Pension Expense	\$ -	\$ -	\$ -
Electricity	\$ -	\$ -	\$ -
Materials and Supplies	\$ 2,423,462.00	\$ 1,919,026.00	\$ 1,320,131.00
Chemicals	\$ 2,283,727.00	\$ 2,436,564.00	\$ 2,088,544.00
Professional Fees (Legal, Accounting)	\$ -	\$ -	\$ -
Training	\$ -	\$ -	\$ -
Insurance - Property	\$ 507,982.00	\$ 1,166,947.00	\$ 656,527.00
Insurance - Health	\$ 2,133,894.00	\$ 2,028,979.00	\$ 2,439,328.00
Travel	\$ -	\$ -	\$ -
Contract Labor	\$ -	\$ -	\$ -
System Repair and Maintenance	\$ -	\$ -	\$ -
Telephone and Internet	\$ -	\$ -	\$ -
Fuel and Vehicle Maintenance	\$ -	\$ -	\$ -
Other Operating Expenses	\$ 11,420,316.00	\$ 12,561,031.00	\$ 15,118,146.00
Total Operating Expenses	\$ 35,552,286.00	\$ 37,820,442.00	\$ 41,359,334.00
Operating Income (Loss)	\$ 33,313,449.00	\$ 50,608,312.00	\$ 46,472,531.00
Nonoperating Revenues (Expenses) - CASH Basis			
Revenue: Interest Income	\$ 1,286,960.00	\$ 1,749,874.00	\$ 1,948,817.00
Other Nonoperating Income	\$ 1,786,711.00	\$ 1,813,986.00	\$ 1,860,732.00
Expense: Debt Service - Interest Payment	\$ 6,597,486.00	\$ 6,710,915.00	\$ 7,430,635.00
Debt Service - Principal Payment	\$ 7,355,000.00	\$ 7,856,666.00	\$ 8,438,554.00
Capital Purchases	\$ 30,905,894.00	\$ 51,543,247.00	\$ 58,334,962.00
Other Nonoperating Expenses	\$ 120,449.00	\$ 73,513.00	\$ 31,847.00
Total Nonoperating Revenue (Expenses)	\$ (41,905,158.00)	\$ (62,620,481.00)	\$ (70,426,449.00)
Income (Loss) Before Capital Contributions and Transfers	\$ (8,591,709.00)	\$ (12,012,169.00)	\$ (23,953,918.00)
Capital Contributions - CASH Basis			
Capital Contributions - Tap Fees in Excess of Cost	\$ -	\$ -	\$ -
Capital Contributions - Grants	\$ -	\$ -	\$ -
Capital Contributions - Other	\$ -	\$ -	\$ -
Transfers In - from Other Funds	\$ 58,155.00	\$ 19,944,023.00	\$ 19,840,000.00
Transfers Out - to Other Funds (Payments in Lieu of Taxes)	\$ 3,646,197.00	\$ 3,629,903.00	\$ 3,992,894.00
Total Capital Contributions and Transfers	\$ (3,588,042.00)	\$ 16,314,120.00	\$ 15,847,106.00
Change in Net Position - CASH Basis	\$ (12,179,751.00)	\$ 4,301,951.00	\$ (8,106,812.00)
Beginning Net Position	\$ 25,633,820.00	\$ 13,454,069.00	\$ 17,756,020.00
Ending Net Position	\$ 13,454,069.00	\$ 17,756,020.00	\$ 9,649,208.00
GAAP Reconciliation			
Change in Net Position - CASH Basis	\$ (12,179,751.00)	\$ 4,301,951.00	\$ (8,106,812.00)
Add:			
Debt Service - Principal	\$ 7,355,000.00	\$ 7,856,666.00	\$ 8,438,554.00
Capital Purchases	\$ 30,905,894.00	\$ 51,543,247.00	\$ 58,334,962.00
Subtract:			
Depreciation Expense	\$ 12,242,058.00	\$ 12,095,509.00	\$ 12,337,419.00
Change in Net Position GAAP Basis	\$ 13,839,085.00	\$ 51,606,355.00	\$ 46,329,285.00
Statutory Change in Net Position Reconciliation:			
Change in Net Position GAAP Basis	\$ 13,839,085.00	\$ 51,606,355.00	\$ 46,329,285.00
Subtract:			
Capital Contributions - Tap Fees in Excess of Cost	\$ -	\$ -	\$ -
Capital Contributions - Grants	\$ -	\$ -	\$ -
Capital Contributions - Other	\$ -	\$ -	\$ -
Operating Grants	\$ -	\$ 14,986,421.00	\$ 10,331,762.00
Transfers In - from Other Funds	\$ 58,155.00	\$ 19,944,023.00	\$ 19,840,000.00
Total amount subtracted for statutory change	\$ 58,155.00	\$ 34,930,444.00	\$ 30,171,762.00
Statutory Change in Net Position*	\$ 13,780,930.00	\$ 16,675,911.00	\$ 16,157,523.00

* Note: A statutory negative Change in Net Position for two consecutive years will result in the local government's referral to the Water and Wastewater Financing Board.

Exhibit A
Knoxville Utilities Board
Wastewater Division

Utility Fund- Cash Basis Reconciled to GAAP	Actual from Most Recent Audit	Estimated Actual for Last Fiscal Year	Projected Budget
Operating Revenue - CASH Basis (by source)			
Utility Sales	\$ 106,519,140.00	\$ 110,786,558.00	\$ 114,900,219.00
Tap Fees	\$ -	\$ -	\$ -
Reconnect Fees	\$ -	\$ -	\$ -
Penalties	\$ -	\$ -	\$ -
Operating Grants	\$ -	\$ 30,771.00	\$ 1,802,970.00
Other Operating Revenue	\$ 3,098,460.00	\$ 2,735,224.00	\$ 3,473,795.00
Miscellaneous	\$ 179,037.00	\$ -	\$ -
Total Operating Revenues	\$ 109,796,637.00	\$ 113,552,553.00	\$ 120,176,984.00
Operating Expenses - CASH Basis (by type)			
Wages	\$ 15,063,183.00	\$ 16,024,151.00	\$ 17,904,809.00
FICA	\$ 1,117,761.00	\$ 1,164,486.00	\$ 1,222,815.00
Pension Expense	\$ -	\$ -	\$ -
Electricity	\$ -	\$ -	\$ -
Materials and Supplies	\$ 594,835.00	\$ 361,547.00	\$ 235,623.00
Chemicals	\$ 1,990,522.00	\$ 2,102,375.00	\$ 2,552,669.00
Professional Fees (Legal, Accounting)	\$ -	\$ -	\$ -
Training	\$ -	\$ -	\$ -
Insurance - Property	\$ 728,361.00	\$ 986,323.00	\$ 818,334.00
Insurance - Health	\$ 3,447,059.00	\$ 3,277,581.00	\$ 3,484,754.00
Travel	\$ -	\$ -	\$ -
Contract Labor	\$ -	\$ -	\$ -
System Repair and Maintenance	\$ -	\$ -	\$ -
Telephone and Internet	\$ -	\$ -	\$ -
Fuel and Vehicle Maintenance	\$ -	\$ -	\$ -
Other Operating Expenses	\$ 21,220,350.00	\$ 22,963,077.00	\$ 22,189,242.00
Total Operating Expenses	\$ 44,162,071.00	\$ 46,879,540.00	\$ 48,408,246.00
Operating Income (Loss)	\$ 65,634,566.00	\$ 66,673,013.00	\$ 71,768,738.00
Nonoperating Revenues (Expenses) - CASH Basis			
Revenue: Interest Income	\$ 1,929,708.00	\$ 2,844,278.00	\$ 2,964,223.00
Other Nonoperating Income	\$ 439,197.00	\$ 525,015.00	\$ 511,786.00
Expense: Debt Service - Interest Payment	\$ 18,913,022.00	\$ 18,456,513.00	\$ 17,902,950.00
Debt Service - Principal Payment	\$ 14,717,424.00	\$ 14,607,500.00	\$ 14,841,250.00
Capital Purchases	\$ 32,409,301.00	\$ 49,179,214.00	\$ 40,259,250.00
Other Nonoperating Expenses	\$ -	\$ 108,640.00	\$ -
Total Nonoperating Revenue (Expenses)	\$ (63,670,842.00)	\$ (78,982,574.00)	\$ (69,527,441.00)
Income (Loss) Before Capital Contributions and Transfers	\$ 1,963,724.00	\$ (12,309,561.00)	\$ 2,241,297.00
Capital Contributions - CASH Basis			
Capital Contributions - Tap Fees in Excess of Cost	\$ -	\$ -	\$ -
Capital Contributions - Grants	\$ -	\$ -	\$ -
Capital Contributions - Other	\$ -	\$ -	\$ -
Transfers In - from Other Funds	\$ 10,265,332.00	\$ -	\$ 3,700,000.00
Transfers Out - to Other Funds (Payments in Lieu of Taxes)	\$ 5,383,685.00	\$ 5,652,867.00	\$ 5,935,510.00
Total Capital Contributions and Transfers	\$ 4,881,647.00	\$ (5,652,867.00)	\$ (2,235,510.00)
Change in Net Position - CASH Basis	\$ 6,845,371.00	\$ (17,962,428.00)	\$ 5,787.00
Beginning Net Position	\$ 21,205,993.00	\$ 28,051,364.00	\$ 10,088,936.00
Ending Net Position	\$ 28,051,364.00	\$ 10,088,936.00	\$ 10,094,723.00
GAAP Reconciliation			
Change in Net Position - CASH Basis	\$ 6,845,371.00	\$ (17,962,428.00)	\$ 5,787.00
Add:			
Debt Service - Principal	\$ 14,717,424.00	\$ 14,607,500.00	\$ 14,841,250.00
Capital Purchases	\$ 32,409,301.00	\$ 49,179,214.00	\$ 40,259,250.00
Subtract:			
Depreciation Expense	\$ 24,224,303.00	\$ 24,290,792.00	\$ 24,576,608.00
Change in Net Position GAAP Basis	\$ 29,747,793.00	\$ 21,533,494.00	\$ 30,529,679.00
Statutory Change in Net Position Reconciliation:			
Change in Net Position GAAP Basis	\$ 29,747,793.00	\$ 21,533,494.00	\$ 30,529,679.00
Subtract:			
Capital Contributions - Tap Fees in Excess of Cost	\$ -	\$ -	\$ -
Capital Contributions - Grants	\$ -	\$ -	\$ -
Capital Contributions - Other	\$ -	\$ -	\$ -
Operating Grants	\$ -	\$ 30,771.00	\$ 1,802,970.00
Transfers In - from Other Funds	\$ 10,265,332.00	\$ -	\$ 3,700,000.00
Total amount subtracted for statutory change	\$ 10,265,332.00	\$ 30,771.00	\$ 5,502,970.00
Statutory Change in Net Position*	\$ 19,482,461.00	\$ 21,502,723.00	\$ 25,026,709.00

* Note: A statutory negative Change in Net Position for two consecutive years will result in the local government's referral to the Water and Wastewater Financing Board.

RESOLUTION NO. 1495

A Resolution Approving Commitment Appropriations for the Fiscal Year Beginning July 1, 2024, Thereby Authorizing the Commitment of Expenditures to be Paid Subsequent to June 30, 2025, for Contractual Commitments Executed and Other Obligations Incurred on or Before June 30, 2025

Whereas, Section 1109 of the Charter of the City of Knoxville provides that “No money shall be drawn from the treasury of the system nor shall any obligation for the expenditure of money be incurred except in pursuance of appropriations made by the board”; and

Whereas, as of July 1, 2024, the Knoxville Utilities Board (“KUB”) will have previously entered into contractual commitments and other obligations for goods and services to be received after June 30, 2025, resulting in the commitment of expenditures to be paid subsequent to June 30, 2025, for which said commitments were charged against a prior appropriation made by the KUB Board of Commissioners (the “Board”); and

Whereas, the amount of the prior appropriation for such commitments shall terminate as of July 1, 2024; and

Whereas, KUB staff anticipates KUB will enter into additional contracts and obligations during the period beginning July 1, 2024, and ending June 30, 2025, for goods and services to be received subsequent to June 30, 2025, resulting in the commitment of expenditures to be paid subsequent to June 30, 2025; and

Whereas, the appropriations provided for in this Resolution shall provide for the commitment of expenditures from KUB subsequent to June 30, 2025, for goods and services to be received by KUB subsequent to June 30, 2025, resulting from contractual commitments executed and other obligations incurred by KUB on or before June 30, 2025; and

Whereas, the Chief Financial Officer (CFO) has certified the availability of funds to support the proposed commitment appropriations; and

Whereas, the Board has found the adoption of the proposed commitment appropriations to be in the best interest of KUB and its customers.

Now, Therefore Be It Hereby Resolved by the Board of Commissioners of the Knoxville Utilities Board:

Section 1. That commitment appropriations for the fiscal year beginning July 1, 2024, and ending June 30, 2025, providing for the commitment of expenditures to be paid subsequent to June 30, 2025, for goods and services to be received subsequent to June 30, 2025, resulting from contractual commitments and other obligations incurred on or before June 30, 2025, be and the same are hereby made from the funds of the Electric Division, in the amount of **\$61,090,000**.

Section 2. That commitment appropriations for the fiscal year beginning July 1, 2024, and ending June 30, 2025, providing for the commitment of expenditures to be paid subsequent to June 30, 2025, for goods and services to be received subsequent to June 30, 2025, resulting from contractual commitments and other obligations incurred on or before June 30, 2025, be and the same are hereby made from the funds of the Gas Division, in the amount of **\$13,820,000**.

Section 3. That commitment appropriations for the fiscal year beginning July 1, 2024, and ending June 30, 2025, providing for the commitment of expenditures to be paid subsequent to June 30, 2025, for goods and services to be received subsequent to June 30, 2025, resulting from contractual commitments and other obligations incurred on or before June 30, 2025, be and the same are hereby made from the funds of the Water Division, in the amount of **\$27,500,000**.

Section 4. That commitment appropriations for the fiscal year beginning July 1, 2024, and ending June 30, 2025, providing for the commitment of expenditures to be paid subsequent to June 30, 2025, for goods and services to be received subsequent to June 30, 2025, resulting from contractual commitments and other obligations incurred on or before June 30, 2025, be and the same are hereby made from the funds of the Wastewater Division, in the amount of **\$38,450,000**.

Section 5. That commitment appropriations for the fiscal year beginning July 1, 2024, and ending June 30, 2025, providing for the commitment of expenditures to be paid subsequent to June 30, 2025, for goods and services to be received subsequent to June 30, 2025, resulting from contractual commitments and other obligations incurred on or before June 30, 2025, be and the same are hereby made from the funds of the Fiber Division, in the amount of **\$4,700,000**.

Section 6. That funds will be available for each division to fund the expenditures to be paid subsequent to June 30, 2025, for contractual commitments executed and other obligations incurred on or before June 30, 2025, as noted in Sections 1, 2, 3, 4 and 5 of this Resolution. The availability of funds has been certified by letter from the Senior Vice President and Chief Financial Officer, whereby said letter is attached to and incorporated by reference as part of this Resolution.

Section 7. That all appropriations made herein shall terminate effective July 1, 2025.

Section 8. Be it Further Resolved that this Resolution shall take effect from and after its passage.

Adrienne Simpson-Brown/s
Adrienne Simpson-Brown, Chair

Mark Walker/s
Mark Walker, Board Secretary

APPROVED ON 1st
& FINAL READING: 5-16-24
EFFECTIVE DATE: 5-16-24
MINUTE BOOK 47 PAGE 12677-12682



May 10, 2024

Knoxville Utilities Board
445 S. Gay Street
Knoxville, Tennessee 37902-1109

Commissioners,

I hereby certify that within the meaning of Section 1109 of the City of Knoxville Charter and Article IX.B.3.b. of the Board's By-Laws there are sufficient funds adequate to fund the proposed commitment appropriations for the fiscal year beginning July 1, 2024, as provided for in Resolution 1495 as follows:

<u>Division</u>	<u>Amount</u>
Electric	\$ 61,090,000
Gas	\$ 13,820,000
Water	\$ 27,500,000
Wastewater	\$ 38,450,000
Fiber	\$ 4,700,000

The availability of funds for commitment appropriations is based on general fund cash and all available cash reserves of the respective divisions as of July 1, 2025, and all monies anticipated to come into the general fund of each division prior to the maturity of the contractual commitments and other obligations from utility sales at rates approved by the KUB Board; from other fees, charges, sales proceeds, accounts and notes receivable, or other credits in the process of collection; and from proceeds of authorized debt issues.

Please see the enclosed worksheets which demonstrates the availability of funds to support the proposed commitment appropriations.

Respectfully submitted,

A handwritten signature in blue ink that reads 'Mark Walker'.

Mark Walker
Senior Vice President and Chief Financial Officer

Enclosures

May 2024: Certification of Available Funds - FY 2025 Commitment Appropriations

Electric Division: Certification of Available Funds

	<u>FY 2026</u>
Available Funds (as of July 1, 2025)	\$104,022,000
Sales Revenues	\$657,177,000
Other Revenues	\$48,758,000
Total	<u>\$809,957,000</u>
FY 2025 Commitment Appropriations (Res. 1495)	\$61,090,000
Available Funds (as of June 30, 2026)	<u>\$748,867,000</u>

If positive, there are available funds to fund appropriations.

Gas Division: Certification of Available Funds

	<u>FY 2026</u>
Available Funds (as of July 1, 2025)	\$23,573,000
Sales Revenues	\$121,310,000
Other Revenues	\$6,656,000
Total	<u>\$151,539,000</u>
FY 2025 Commitment Appropriations (Res. 1495)	\$13,820,000
Available Funds (as of June 30, 2026)	<u>\$137,719,000</u>

If positive, there are available funds to fund appropriations.

Water Division: Certification of Available Funds

	<u>FY 2026</u>
Available Funds (as of July 1, 2025)	\$26,324,000
Sales Revenues	\$75,401,000
Other Revenues	\$6,117,000
Total	<u>\$107,842,000</u>
FY 2025 Commitment Appropriations (Res. 1495)	\$27,500,000
Available Funds (as of June 30, 2026)	<u>\$80,342,000</u>

If positive, there are available funds to fund appropriations.

Wastewater Division: Certification of Available Funds

	<u>FY 2026</u>
Available Funds (as of July 1, 2025)	\$36,560,000
Sales Revenues	\$115,564,000
Other Revenues	\$8,239,000
Total	<u>\$160,363,000</u>
FY 2025 Commitment Appropriations (Res. 1495)	\$38,450,000
Available Funds (as of June 30, 2026)	<u>\$121,913,000</u>

If positive, there are available funds to fund appropriations.

Fiber Division: Certification of Available Funds

	<u>FY 2026</u>
Available Funds (as of July 1, 2025)	\$8,716,000
Sales Revenues	\$30,092,000
Other Revenues	\$505,000
Total	<u>\$39,313,000</u>
FY 2025 Commitment Appropriations (Res. 1495)	\$4,700,000
Available Funds (as of June 30, 2026)	<u>\$34,613,000</u>

If positive, there are available funds to fund appropriations.

May 2024 - Commitments for Future Year Expenditures

Electric Division	FY 2026	FY 2027+
Substation improvements	\$ 14,100,000	\$ -
Stock Purchases	\$ 4,500,000	\$ 150,000
Vegetation management circuit trimming	\$ 5,200,000	\$ -
Information technology	\$ 5,600,000	\$ 6,500,000
69kV transmission line improvements	\$ 4,500,000	\$ -
Vehicles and equipment	\$ 7,080,000	\$ 12,060,000
13kV distribution system improvements	\$ 350,000	\$ -
Properties upgrades	\$ 1,050,000	\$ -
	\$ 42,380,000	\$ 18,710,000

Gas Division	FY 2026	FY 2027+
Utility relocations for highway projects	\$ 2,040,000	\$ 115,000
Gate station improvements	\$ 1,300,000	\$ -
Connectors and extensions	\$ 1,650,000	\$ -
Information technology	\$ 1,900,000	\$ 2,300,000
Vehicles and equipment	\$ 1,660,000	\$ 1,680,000
Install residential and commercial service	\$ 100,000	\$ -
Steel main replacement projects	\$ 975,000	\$ -
Properties upgrades	\$ 100,000	\$ -
	\$ 9,725,000	\$ 4,095,000

Water Division	FY 2026	FY 2027+
MBW filters and backwash pumps	\$ 8,000,000	\$ -
Plant Improvements	\$ 3,100,000	\$ 2,400,000
Cast iron main replacements	\$ 3,700,000	\$ -
Information technology	\$ 1,600,000	\$ 2,000,000
Utility relocations for highway projects	\$ 3,700,000	\$ -
Booster pump station improvements	\$ 500,000	\$ -
System improvements waterline casings	\$ 500,000	\$ -
Properties upgrades	\$ 100,000	\$ -
Vehicles and equipment	\$ 700,000	\$ 1,200,000
	\$ 21,900,000	\$ 5,600,000

Wastewater Division	FY 2026	FY 2027+
Main rehabilitation & replacement	\$ 10,000,000	\$ -
Pump stations and forcemains	\$ 6,010,000	\$ 8,000,000
Plant improvements	\$ 5,700,000	\$ -
Utility relocations for highway projects	\$ 1,050,000	\$ -
Information technology	\$ 2,300,000	\$ 2,600,000
Vehicles and equipment	\$ 1,090,000	\$ 1,600,000
Properties upgrades	\$ 100,000	\$ -
	\$ 26,250,000	\$ 12,200,000

Fiber Division	FY 2026	FY 2027+
Information technology	\$ 600,000	\$ 1,200,000
Vehicles and equipment	\$ 900,000	\$ 1,900,000
Properties upgrades	\$ 100,000	\$ -
	\$ 1,600,000	\$ 3,100,000

THIS PAGE LEFT INTENTIONALLY BLANK