

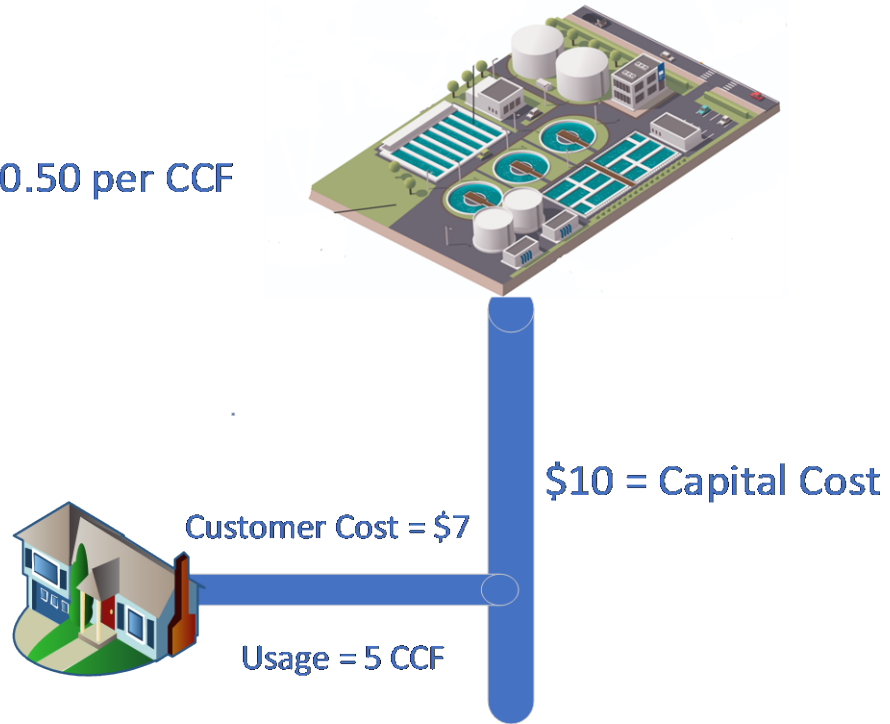


December 2, 2021
Rate Overview



Cost Recovery Example #1

Water Cost = \$0.50 per CCF



Cost \$19.50 = Revenue \$10 + \$7 + (5 * \$0.50)

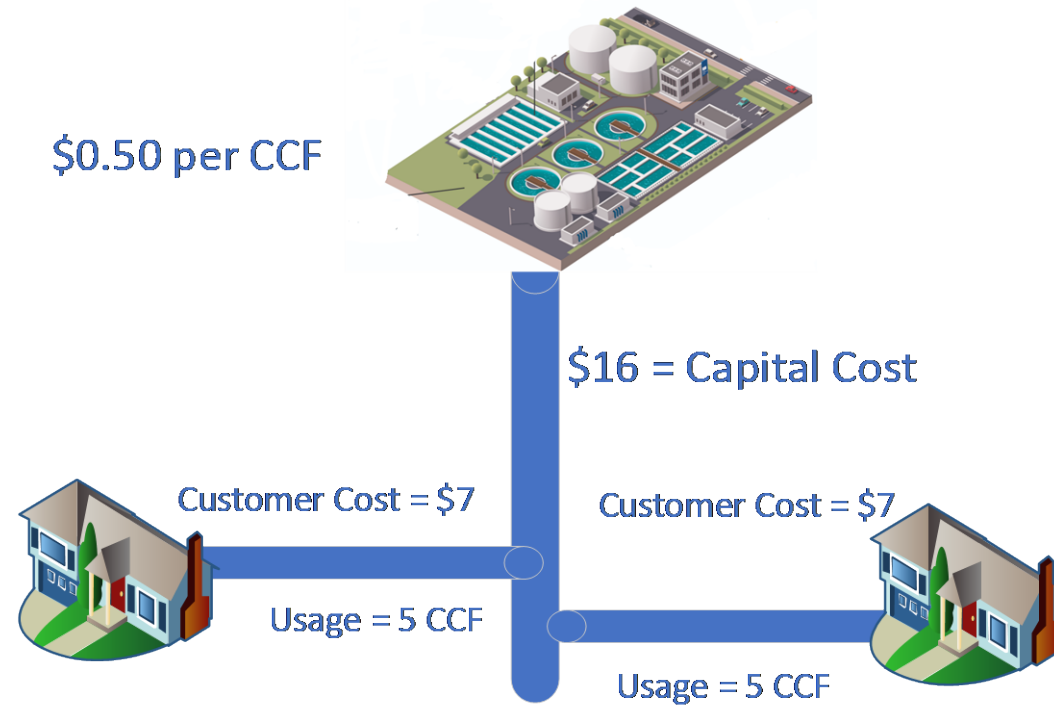
Cost Recovery Example #2



$$\text{Cost } \$19.50 = \text{Revenue } \$10 + \$7 + (5 * \$0.50)$$

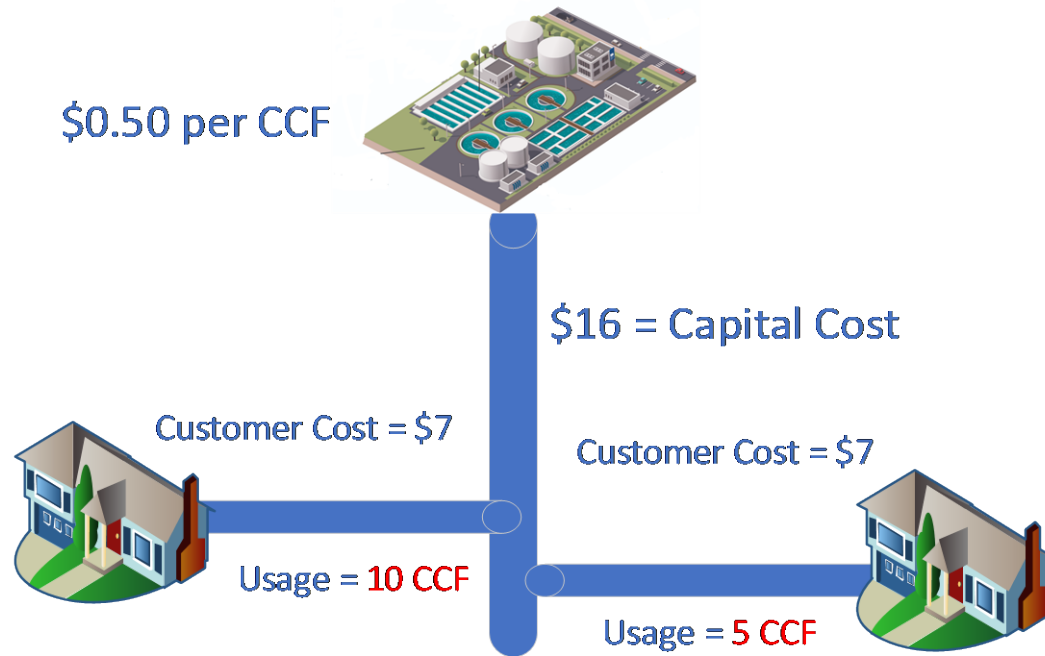
$$\text{Cost } \$19.50 = \text{Revenue } \$10 + \$7 + (5 * \$0.50)$$

Cost Recovery Example #3



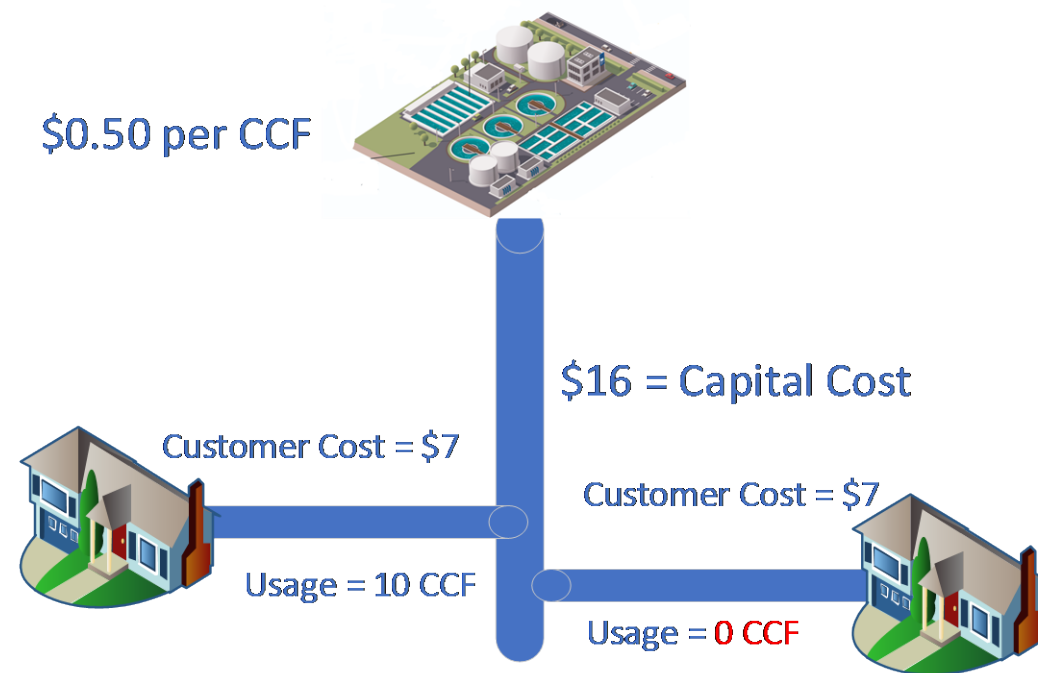
Cost $\$35 =$ Customer 1 Revenue? + Customer 2 Revenue?

Cost Recovery Example #4



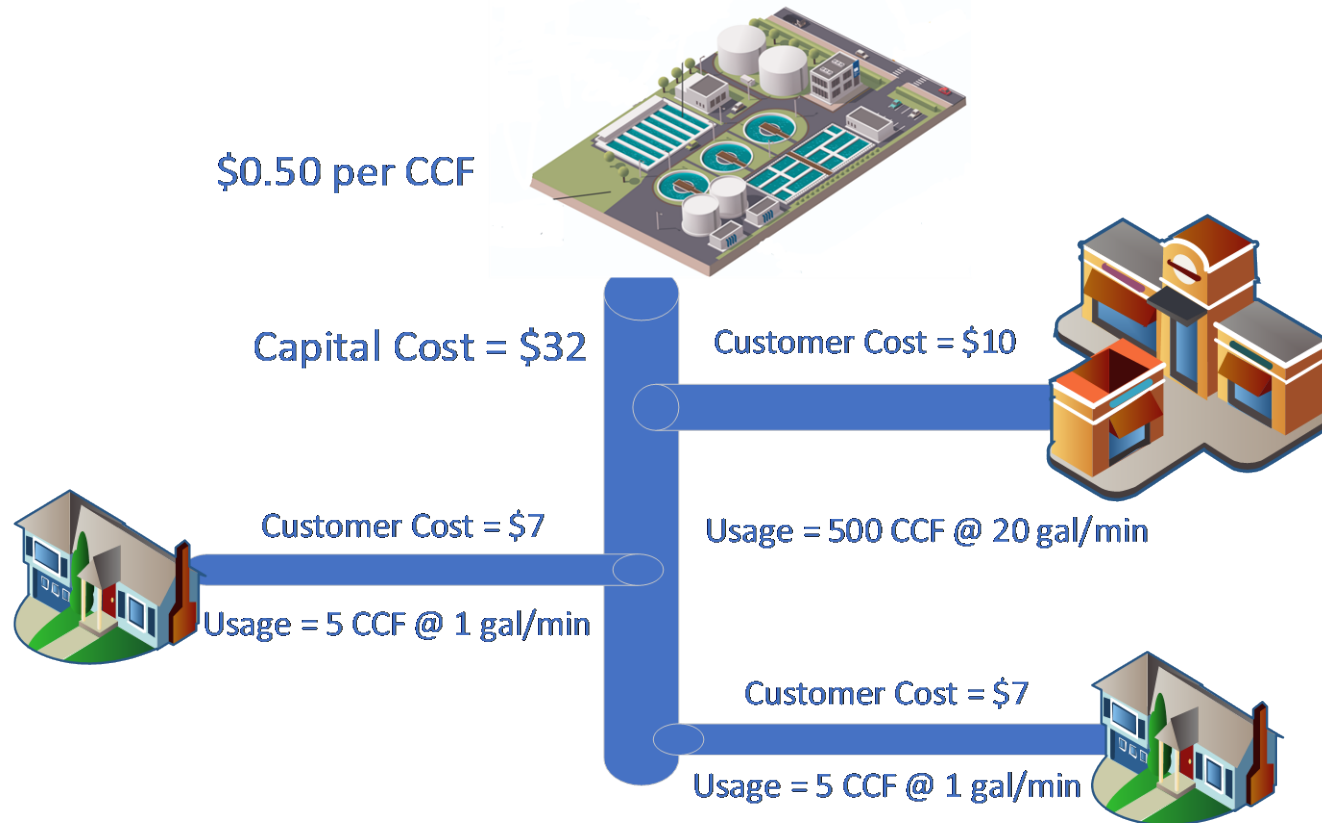
Cost $\$37.50$ = Customer 1 Revenue? + Customer 2 Revenue?

Cost Recovery Example #5



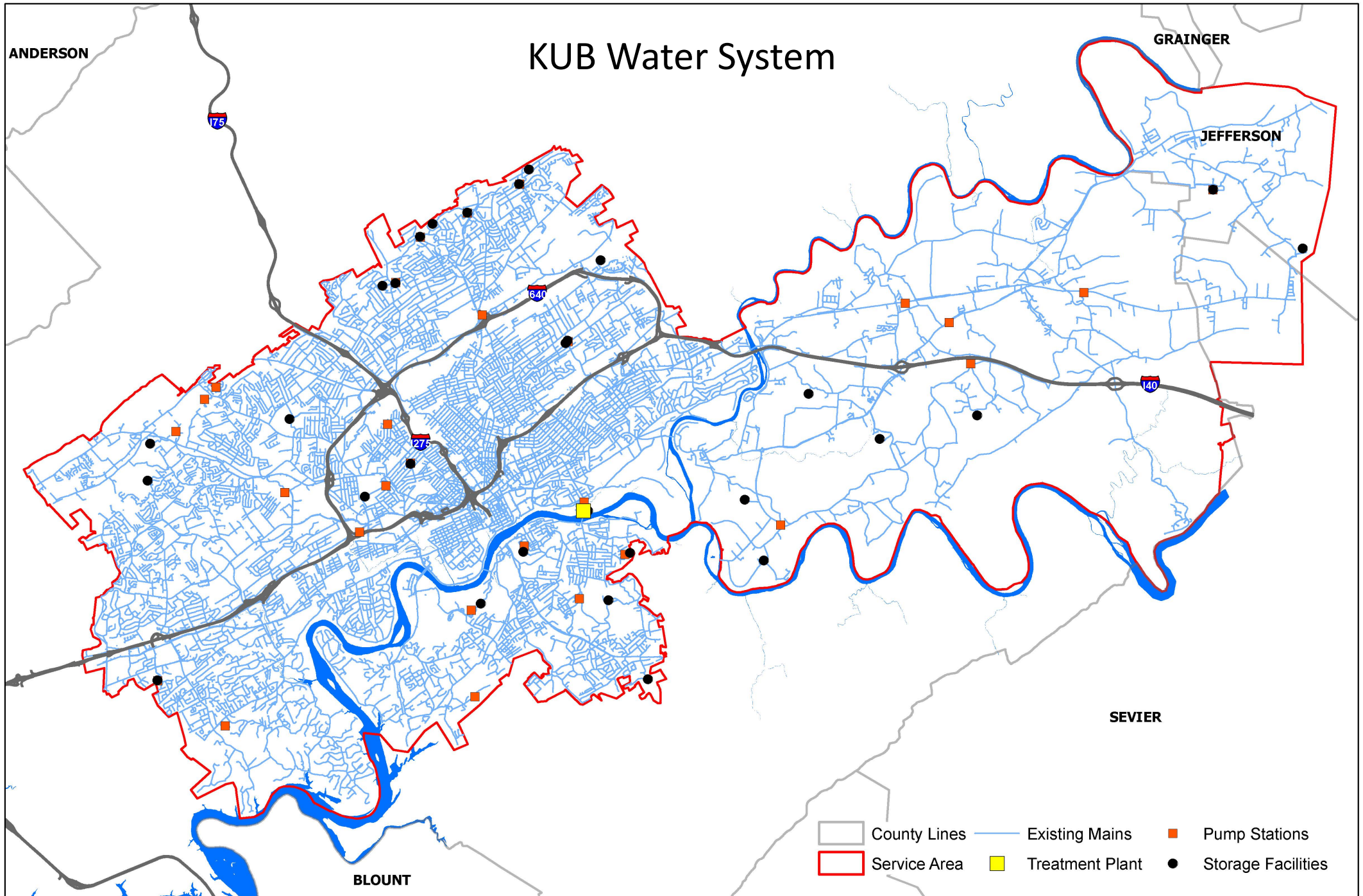
Cost \$35.00 = Customer 1 Revenue? + Customer 2 Revenue?

Cost Recovery Example #6



Cost \$311.00 = Customer 1 Revenue? + Customer 2 Revenue? + Commercial?

KUB Water System



Key Findings from Cost-of-Service Studies

- Similar results in all four divisions
- Residential paying below cost of service
- Commercial classes paying above cost of service
- Most basic service charges below cost of service
- KUB's cost of service typical of other utilities
- Exception: KUB capital investment in wastewater and water systems above average

Electric Cost of Service Summary Results

Size	Rate Class	Customers In Class	Cost of Service	Projected Revenues	Percent Change
Small	Residential	181,000	\$285,410,595	\$261,608,765	9.1%
Small Commercial	GSA1	19,400	\$41,145,944	\$47,984,671	-14.3%
Medium	GSA2	2,800	\$129,376,255	\$141,662,949	-8.7%
Large	GSA3 Secondary	41	\$23,041,056	\$26,814,929	-14.1%
	GSA3 Primary	12	\$10,605,689	\$12,463,030	-14.9%
	Non-Standard	13	\$58,374,612	\$57,945,256	0.7%
Small	Outdoor Lighting	23,100	\$9,950,346	\$9,406,603	5.8%
	Total		\$557,904,496	\$557,886,204	

Gas Cost of Service Summary Results

Rate Class	Customers in Class	Cost of Service	Projected Revenues	% Change
Residential	93,000	\$65,973,820	\$60,406,095	9.2%
Small Commercial	9,000	\$23,603,035	\$28,479,239	-17.1%
Medium/Large Commercial	250	\$ 7,870,233	\$ 8,705,664	- 9.6%
Large/Non-Standard	<30	\$11,509,853	\$11,365,943	1.3%
Total		\$108,956,941	\$108,956,941	

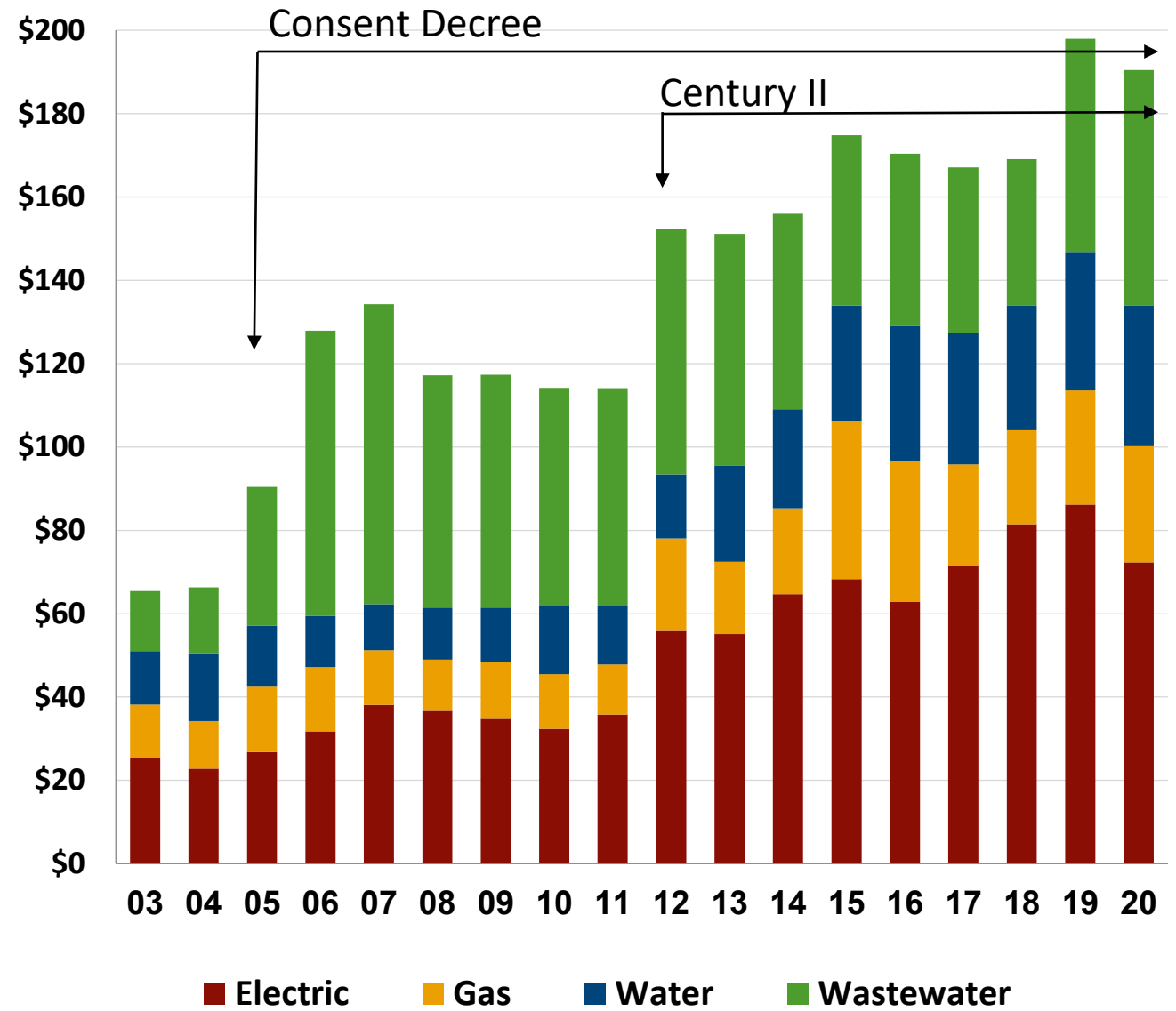
Water Cost of Service Summary Results

Rate Schedule	Customers in Class	Cost of Service	Projected Revenues	% Change
Residential	69,170	\$ 28,662,011	\$ 23,749,615	20.7%
Nonresidential	9,009	\$ 21,166,385	\$ 26,175,085	-19.1%
Fire Protection	1,597	\$ 8,115,848	\$ 8,247,493	- 1.6%
Wholesale	2	\$ 1,502,463	\$ 1,276,807	17.7%
Total		\$ 59,446,707	\$ 59,449,000	

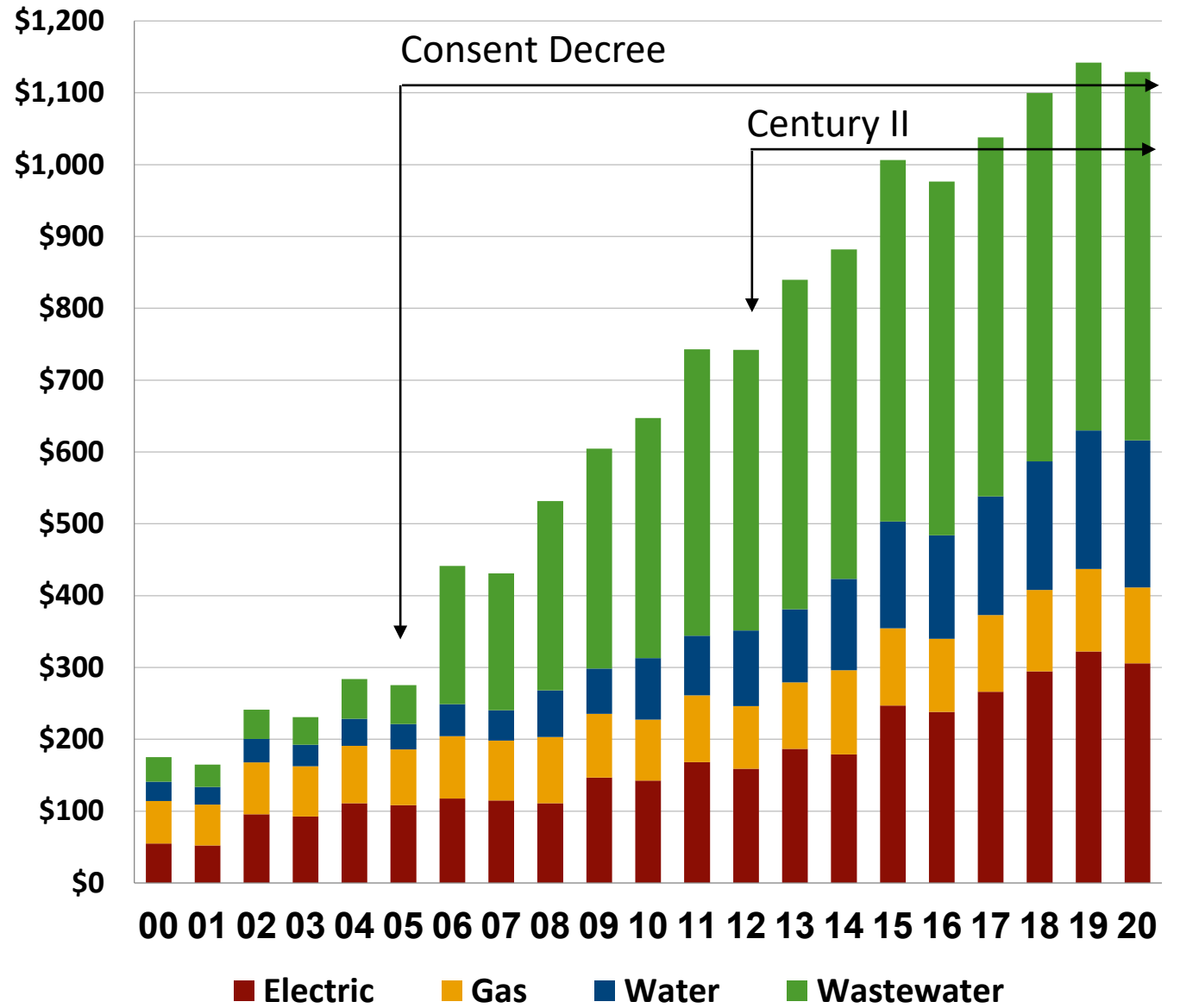
Wastewater Cost of Service Summary Results

Rate Schedule	Customers in Class	Cost of Service	Projected Revenues	% Change
Residential	63,200	\$51,841,782	\$47,339,887	9.5%
Nonresidential	7,842	\$45,659,637	\$50,325,388	- 9.3%
Hauled Waste	10	\$ 739,260	\$ 679,581	8.8%
Wholesale	1	\$ 522,668	\$ 417,189	25.3%
Total		\$ 98,763,348	\$ 98,762,045	

Capital Investment in Millions

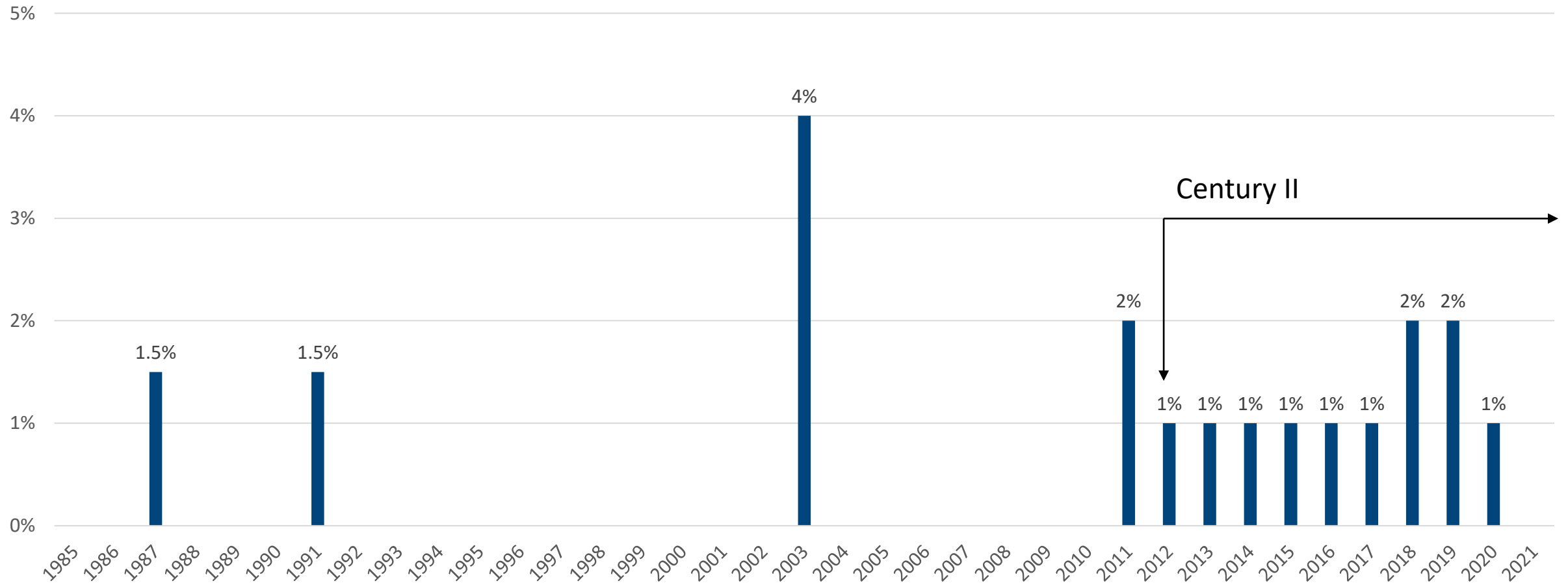


Debt in Millions



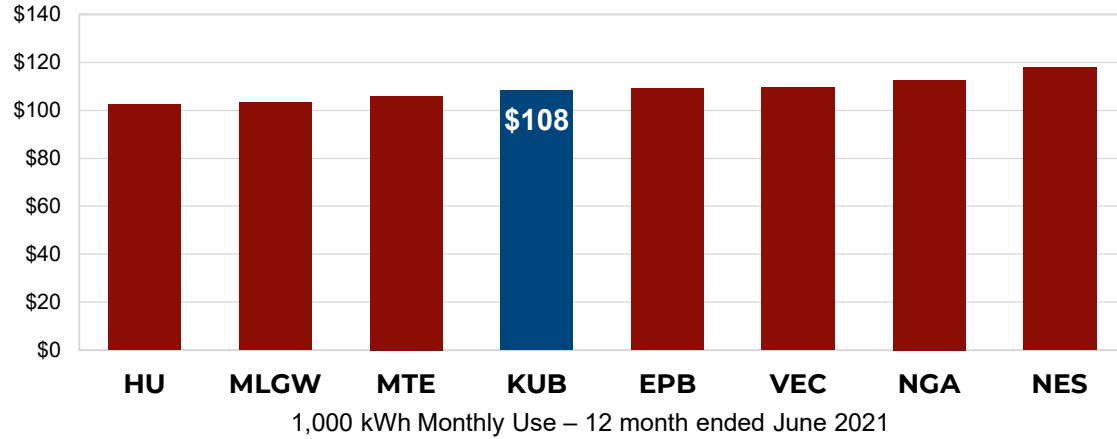
Electric Rate Increase History

Electric System

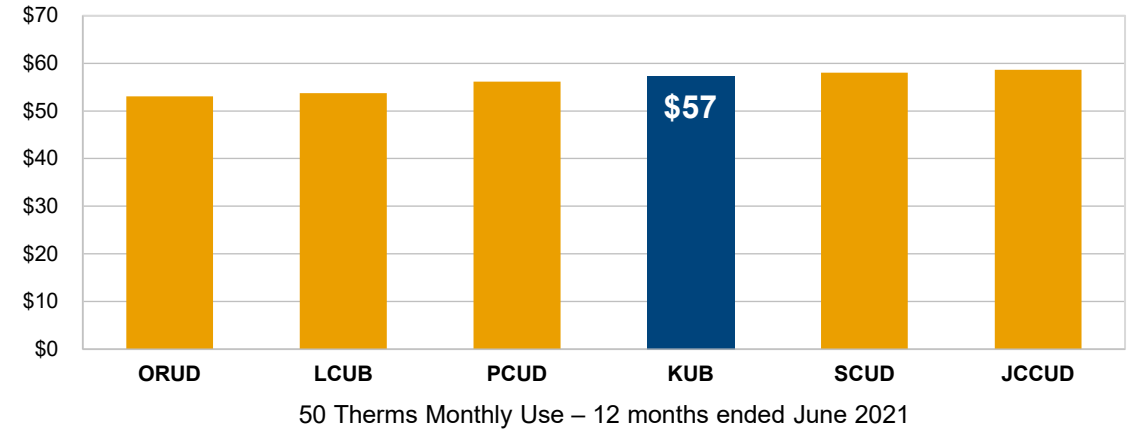


KUB Residential Rates Are Competitive

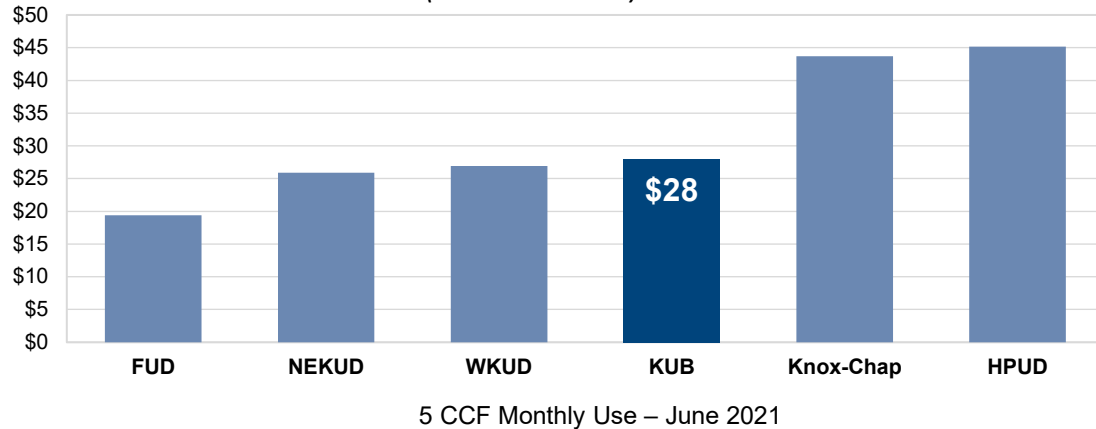
Electric Bill Comparison
("Big 8" TVA Distributors)



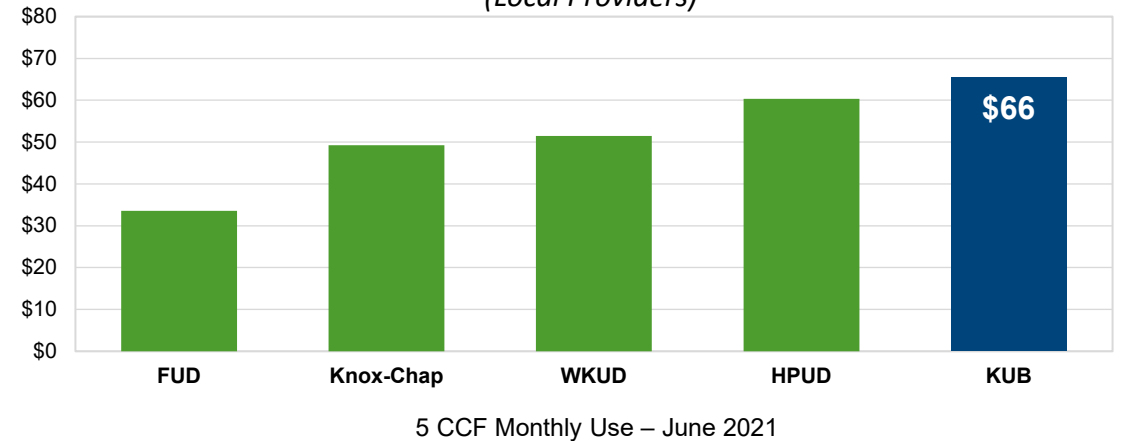
Gas Bill Comparison
(Regional Gas Distribution Companies)



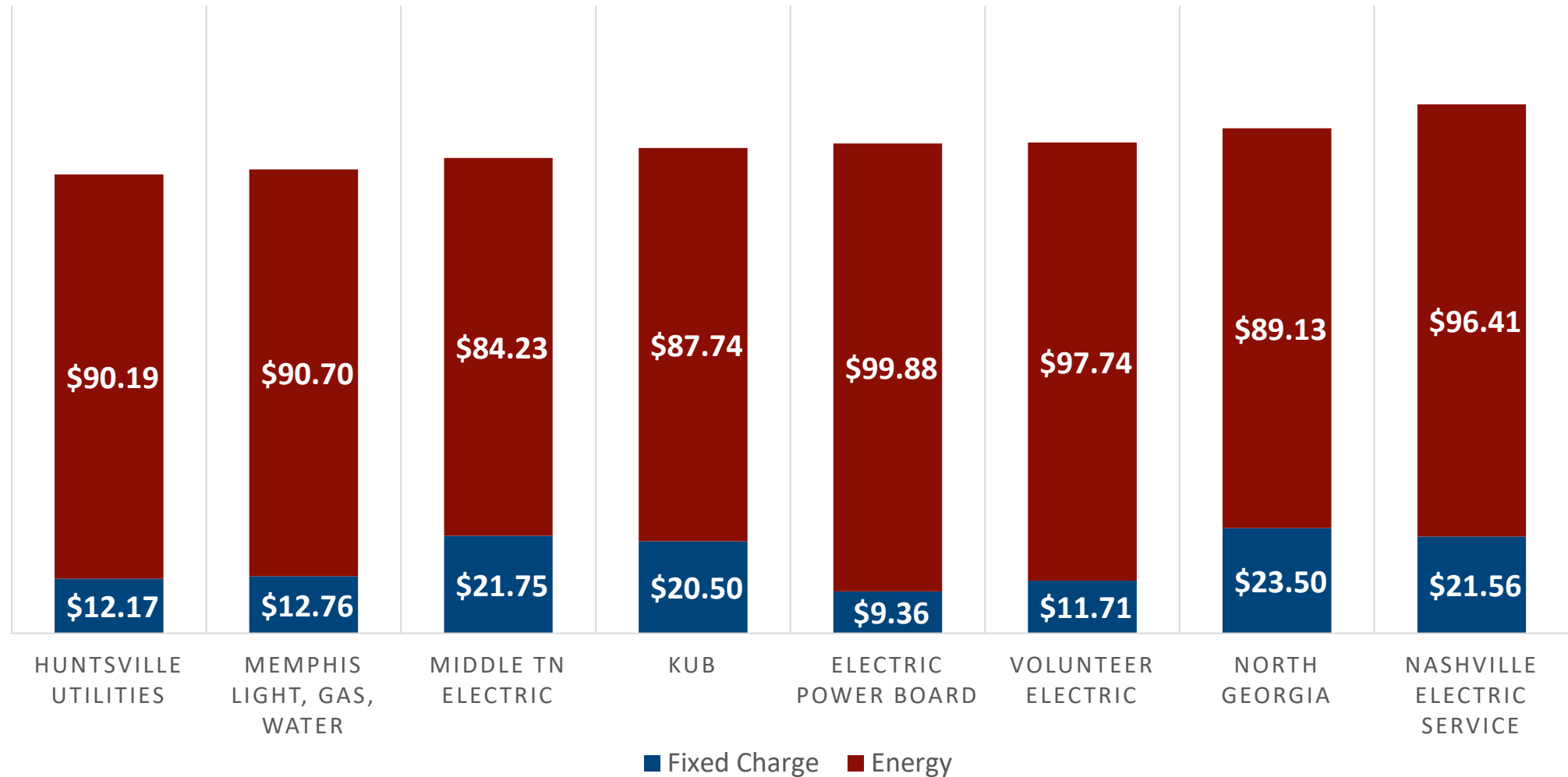
Water Bill Comparison
(Local Providers)



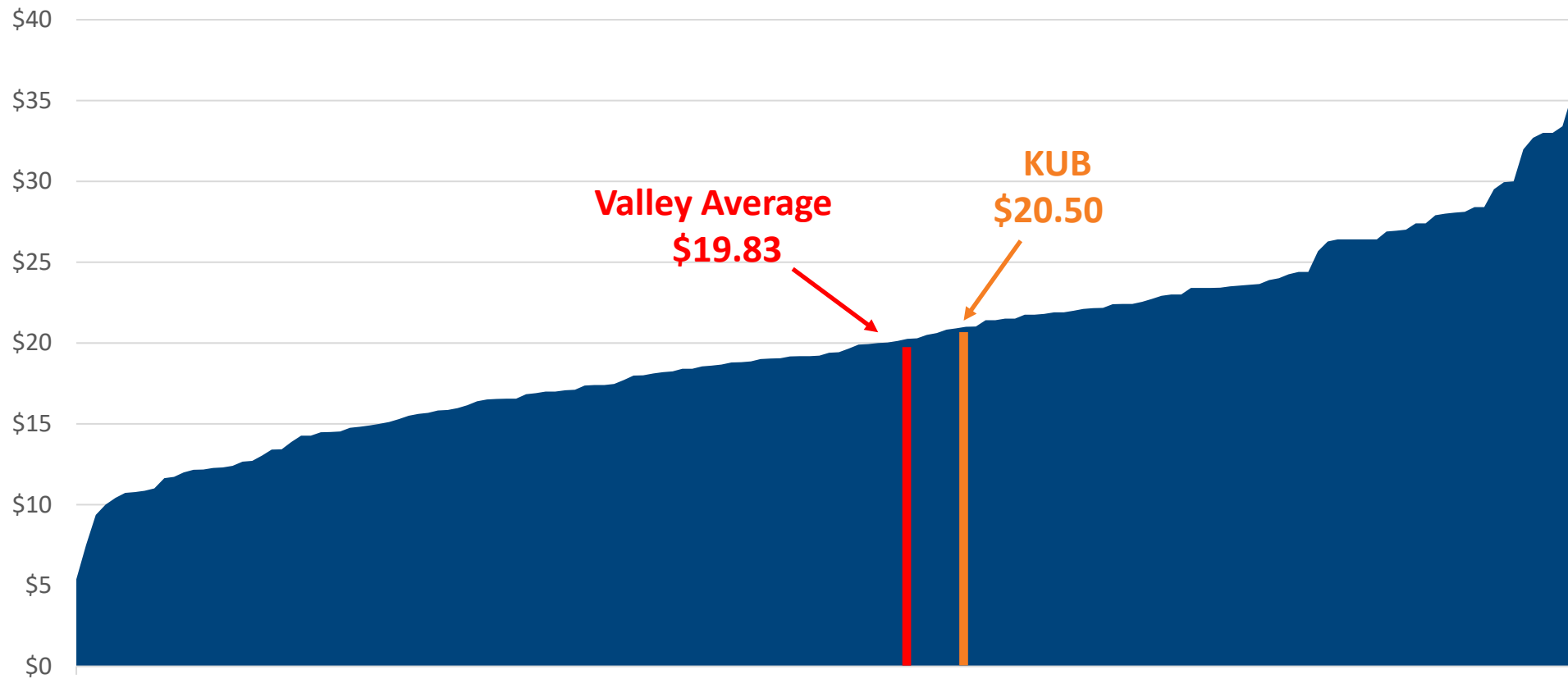
Wastewater Bill Comparison
(Local Providers)



Electric Residential Bill Comparison of “Big 8” TVA Distributors



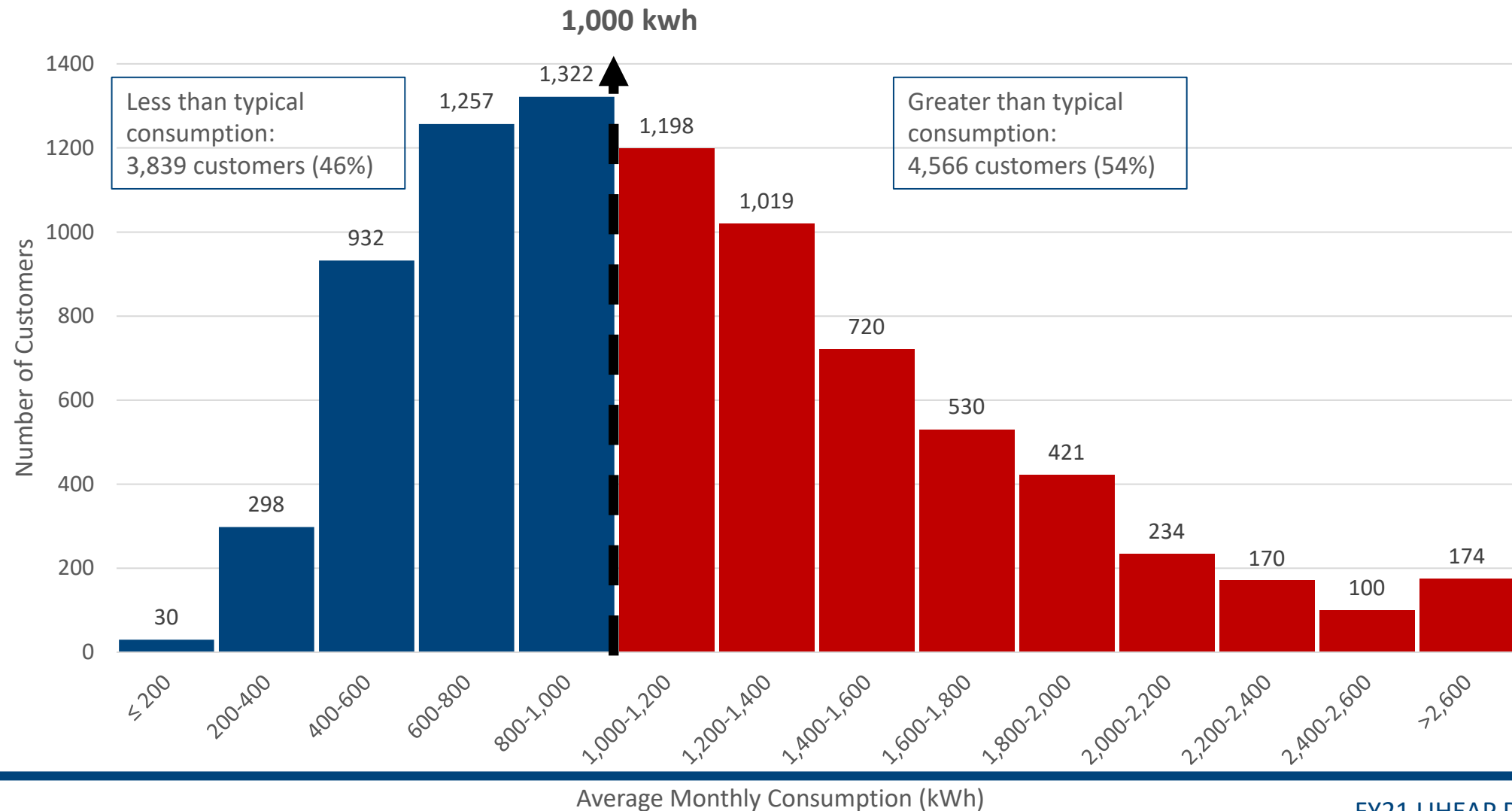
KUB Electric Residential Basic Service Charge is Competitive



Electric Residential Bill Comparison of “Big 8” TVA Distributors

	EPB	VEC	HU	MLGW	KUB	NES	MTE	N GA
Fixed Charge	\$9.36	\$11.71	\$12.17	\$12.76	\$20.50	\$21.56	\$21.75	\$23.50
	HU	MLGW	EPB	VEC	NES	MTE	KUB	N GA
500 kWh Total Bill	\$57.14	\$58.25	\$59.30	\$60.58	\$63.81	\$63.87	\$64.37	\$68.07
	HU	MLGW	MTE	KUB	EPB	VEC	N GA	NES
1,000 kWh Total Bill	\$102.36	\$103.46	\$105.98	\$108.24	\$109.24	\$109.45	\$112.63	\$117.97
	MTE	MLGW	KUB	HU	N GA	VEC	EPB	NES
2,000 kWh Total Bill	\$190.22	\$193.88	\$195.99	\$197.83	\$201.77	\$207.20	\$209.11	\$214.39

Low Income Home Energy Assistance Program (LIHEAP) Customer Usage



KUB