



August 21, 2025

FY25 Organizational Performance



FY25 Organizational Performance

- 11,219 new Fiber customers (22,416 total)
- Fiber system more than halfway complete
- MBW filter project approximately 90% complete
- 10 million outage minutes prevented through smart switches
- Century II programs on track
- 100% generation flexibility under contract
- \$1.1 million in flexibility savings in FY25
- Record for volunteer hours
- New leadership development class graduated
- Systems financially sound

FY25 Financial Performance

- Positive earnings
- All divisions under budget appropriations
- O&M \$18 million under budget
- Capital \$21 million under budget
- Sales margin up across all systems
- Cash positions solid
- \$14M in grant reimbursements
- Debt level rose \$64 million
- High-quality bond ratings (Gas outlook upgraded to positive)

FY25 Budget Expenditure Variance

	Electric	Gas	Water	Wastewater	Fiber	Total
Purchased Energy / COGS	(\$29,912)	\$540	---	---	\$872	(\$28,500)
O&M	5,613	3,955	3,558	3,389	1,894	18,409
Capital	5,939	3,878	2,697	7,421	1,384	21,319
Debt Service	194	22	(32)	11	429	624
Taxes & Equivalents	3,617	1,816	1,274	19	165	6,891
Loan to Fiber Division	4,000	---	---	---	---	4,000
Original Budget Variance	(\$10,549)	\$10,211	\$7,497	\$10,840	\$4,744	\$22,743
Additional Appropriations	22,000	---	---	---	---	\$22,000
	\$11,451	\$10,211	\$7,497	\$10,840	\$4,744	\$44,743

\$ in 000's () = Over Budget

FY25 Budget Revenue Variance

	Electric	Gas	Water	Wastewater	Fiber	Total
Sales Revenue	\$36,935	\$1,680	\$103	\$3,132	(\$86)	\$41,764
Other Revenue	897	1	125	(1,793)	52	(718)
Increase (Decrease)	\$37,832	\$1,681	\$228	\$1,339	(\$34)	\$41,046

\$ in 000's () = Under Budget

FY25 Budget Cash Impact

	Electric	Gas	Water	Wastewater	Fiber	Total
Budget Revenues	\$37,832	\$1,681	\$228	\$3,132	(\$34)	\$41,046
Budget Expenses	(10,549)	10,211	7,497	10,840	4,744	22,743
Increase (Decrease)	\$27,283	\$11,892	\$7,725	\$13,972	\$4,710	\$63,789
Bond/Loan Proceeds	4,466	---	852	---	(4,000)	\$1,318
Increase (Decrease) Budget	\$31,749	\$11,892	\$8,577	\$13,972	\$710	\$65,107

\$ in 000's

FY25 Budget Cash Impact

	Electric	Gas	Water	Wastewater	Fiber	Total
Budget Revenues	\$37,832	\$1,681	\$228	\$3,132	(\$34)	\$41,046
Budget Expenses	(10,549)	10,211	7,497	10,840	4,744	22,743
Increase (Decrease)	\$27,283	\$11,892	\$7,725	\$13,972	\$4,710	\$63,789
Bond/Loan Proceeds	4,466	---	852	---	(4,000)	\$1,318
Increase (Decrease) Budget	\$31,749	\$11,892	\$8,577	\$13,972	\$710	\$65,107
Increase (Decrease) LRP	\$8,360	\$6,178	\$772	\$4,330	\$1,984	\$21,624

\$ in 000's

FY25 Cash Position

	General Fund		Contingency Cash Reserves		Discretionary Cash Reserves
	Amount	Minimum	Amount	Days	Amount
Electric	\$78.2M	\$50.0M	\$49.4M	60	\$8.0M
Gas	26.0M	10.0M	12.6M	60	4.3M
Water	20.4M	7.5M	16.7M	60	1.0M
Wastewater	20.9M	10.0M	21.7M	60	12.4M
Fiber	9.5M	5.0M	---	---	---

FY25 Debt Position

System	Outstanding Bonds	Interest on Bonds	S&P Ratings	Moody's Ratings	Debt Coverage vs. Target
Electric	\$483.0M	\$285.7M	AA- / Stable	Aa2 / Stable	3.88 > 3.00
Natural Gas	64.8M	16.8M	AA / Positive	Aa2 / Stable	4.81 > 3.00
Water	208.4M	90.2M	AAA / Stable	Aa1 / Stable	2.64 > 2.00
Wastewater	438.0M	202.9M	AAA / Stable	Aa2 / Stable	2.29 > 1.75
Total	\$1,194.2M	\$595.6M			

FY25 Financial Metrics Performance

Metric	Target	Electric	Gas	Water	Wastewater	Fiber
O&M	Budget or Less	✓	✓	✓	✓	✓
Cash Generated from Operations	Budget or Greater	✓	✓	✓	✓	✓
Debt Service Coverage	Financial Plan Target or Greater	✓	✓	✓	✓	---

FY25 Organizational Metrics Performance

Metric	Metric Components				
Safety	✓				
Electric Reliability	✓	✓			
Century II	✓	X	✓	X	✓
Call Center Performance	✓				
Environmental Stewardship	✓	✓	✓		
Fiber Service	✓	✓			

Safety Performance

FY	Serious, Preventable Incidents	Goal
2025	0	0
2024	0	0
2023	0	1
2022	2	1
2021	0	2
2020	0	3

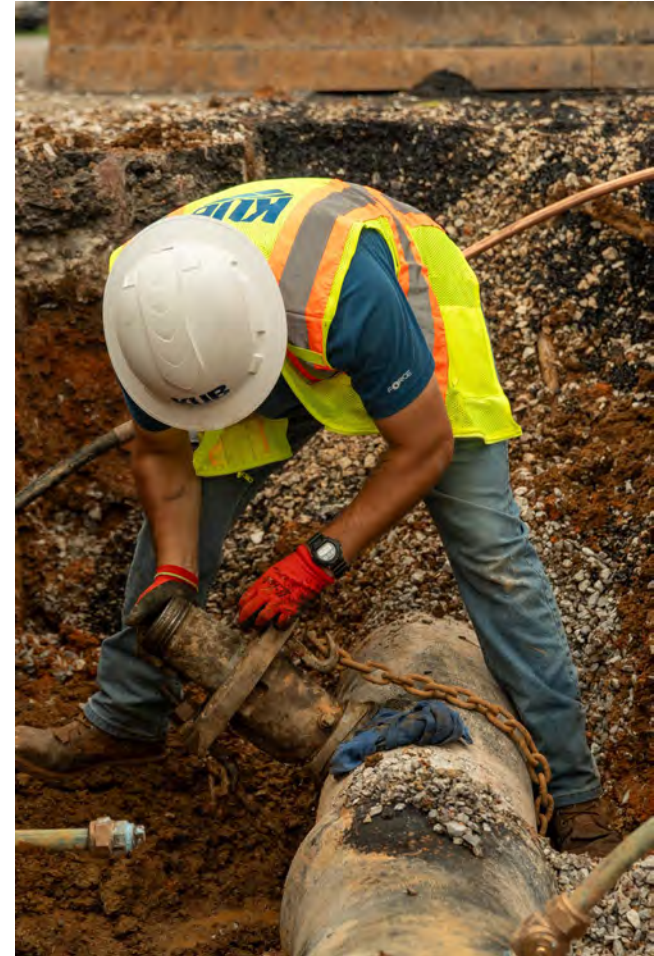
Electric Reliability

	Avg Hours w/out Power	Goal Duration (Hours)	Avg Occurrence w/out Power	Goal Frequency (Events)
FY				
2025	1.74	1.95	1.15	1.40
2024	2.00	2.00	1.58	1.45
2023	1.93	2.00	1.33	1.45
2022	1.89	2.05	1.45	1.45
2021	1.83	2.10	1.24	1.50
2020	2.44	1.85	2.01	1.25



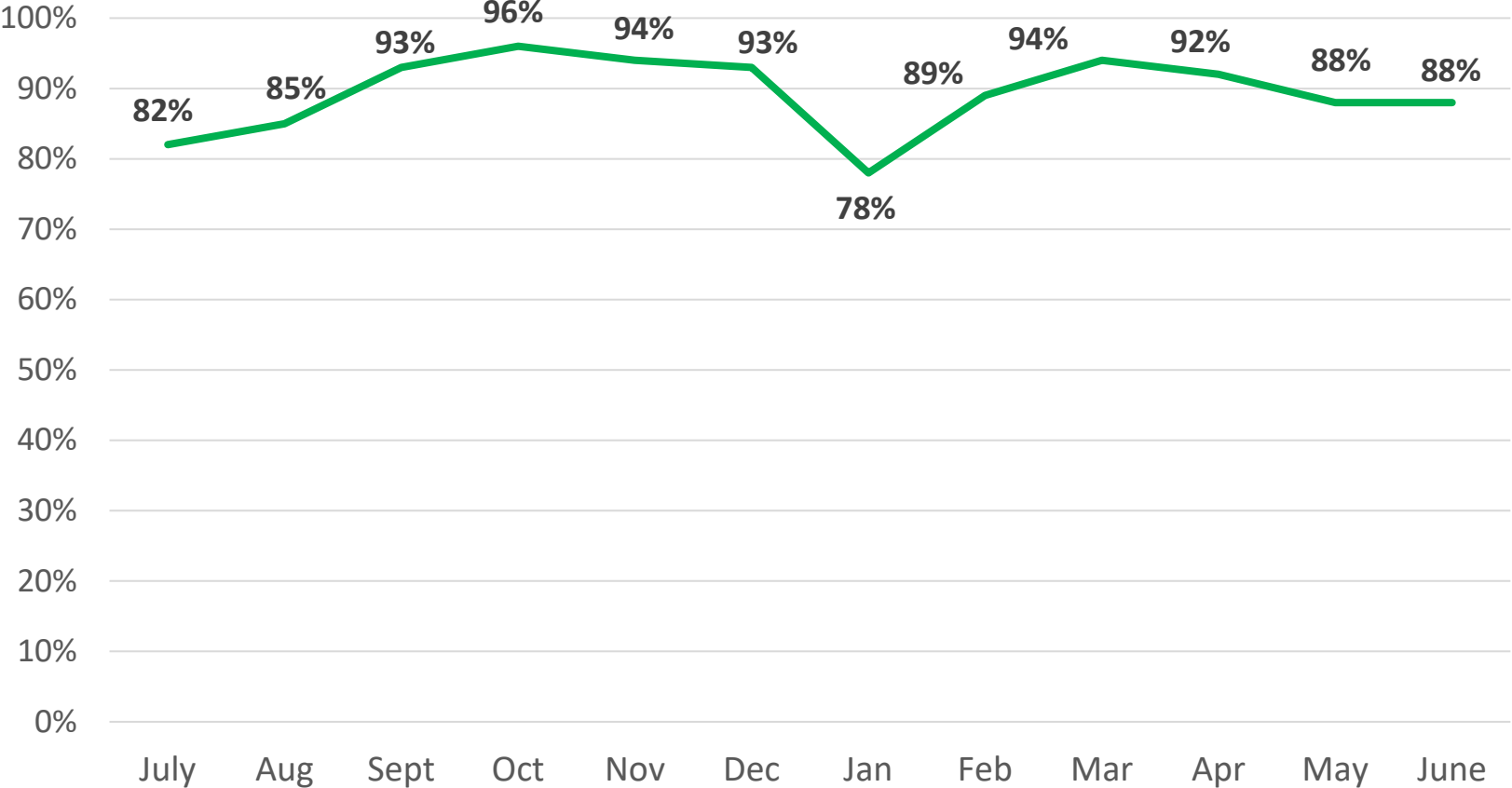
Century II Performance

System	Asset	Goal	Result
Electric	Underground Cable	5 Miles	5.3 Miles
Electric	Transmission Lines	9.5 Miles	8.0 Miles
Natural Gas	Low-Pressure Steel Main Replacement	6 Miles	8.4 Miles
Water	Main Replacement	12.1 Miles	11.9 Miles
Wastewater	Main Replacement	7.4 Miles	7.9 Miles



Utility Call Center Service Performance

	Goal	Result
% of Calls Answered in 90 Seconds	80%	89%



Environmental Stewardship

Program	Goal	Result
Power Flexibility % Contracted	20%	100%
Homes Weatherized	250	285
Community Solar Subscribed	100%	100%



Fiber Service

Program	Goal	Result
Residential Customer Additions	9,250	11,097
Fiber System Miles Constructed	1,250	1,369





August 21, 2025

Awards and Recognitions



Awards & Honors Reflect Commitment of Service

- APPA Safety Award of Excellence
- APPA Reliable Public Power Provider
- APPA Customer Satisfaction Award
- APGA System Operational Achievement Recognition
- AMWA Sustainable Water Utility Management
- AMWA Environmental Justice & Equality Award
- NACWA Peak Performance Award
- Water Heroes Award
- Utility of the Future Today
- Pinnacle Impact Award
- Governor's Environmental Stewardship Award
- TMEPA Community Service Award
- Salvation Army Volunteer Group of the Year
- 100 Best Fleets in America

KUB Receives American Public Gas Association Awards

- Safety Management Excellence Award
 - Honors one utility nationwide for operating at the highest safety level and implementing impactful employee safety programs
 - Recognizes KUB's positive safety culture, leveraging of technology, and injury reduction
- Community Service Award
 - Improving and enhancing quality of life for the community
 - In honor of KUB's community outreach, low-income assistance, TeenWork program, and more!



KUB Achieves Top Performer Status in TVA EnergyRight Programs

- Recognizes top performance among local power companies across the Tennessee Valley
- Programs help customers save energy and money
- KUB received 3 awards:
 - Total Demand Response Capacity – 1st place
 - PowerFlex Capacity – 1st place
 - Total Demand Response Participants – 5th place



Water Environment Federation Bedell Award

- Herschel Hall, Manager, Water Systems Engineering
- Recognizes his organizational leadership and long-term service to the Clean Water Professionals of Kentucky & Tennessee



Tennessee Municipal Electric Power Association Public Power Employee of the Year Award for Staff Excellence

- John Gresham, Senior Vice President & Chief Engineering & Operations Officer
- Recognizes employees that demonstrate excellence, leadership, and valuable contributions to their utility and community





August 21, 2025

TeenWork Program



2024-2025 Recap

- 587 students have successfully completed the program
- Current TeenWork alumni employed at KUB
 - 12 full-time
 - Six part-time students
- 30 students placed for summer 2025 employment
 - KUB: 18
 - Covenant Health: 7
 - First Utility District: 2
 - West Knox Utility District: 1
 - Zoo Knoxville: 2
- Celebrating 30th Anniversary
 - Social media highlights
 - Brunch celebration scheduled for fall



TEENWORK

2024-2025 Recap

- New business partner: Zoo Knoxville
 - Marketing/Development Track
 - Graphic design, marketing campaign implementation, fundraising, and donor relations
 - Animal Care Track
 - Animal behavior & caretaking, guest engagement, shadowing zookeepers
- Continued engagement with Knox County Schools and 865 Academies
 - 6 job shadowing experiences
 - 2 industry field experiences
 - 1 teacher externship



New Additions to Spring Workshops & Summer Experience

Mental Health
& Yoga



Natural Gas
Training Facility
Tour



Looking Ahead: 2025-2026

- Adding West High School as fifth Knox County high school
- Beginning partnership with Knox County Regional Forensic Center
- Revamping mentor selection and training
- Reviewing and enhancing spring curriculum
- Additional 865 Academies engagement



KNOX COUNTY
REGIONAL FORENSIC CENTER





August 21, 2025

Supporting Our Community's Growth



Top Housing Markets in 2025

- Boston, MA
- Charlotte, NC
- Grand Rapids, MI
- Greenville, SC
- Hartford, CT
- Indianapolis, IN
- Kansas City, MO
- **Knoxville, TN**
- Phoenix, AZ
- San Antonio, TX



Residential Development is Changing

- Rapid population and job growth
- High demand, low inventory
- Increasing house prices
- Scarcity of land
- Consumer preferences
- Shift toward multifamily/mixed use development



Utility Challenges

- Tighter spaces, less accessibility
- More complex
- Escalating costs
- More parties at the table
- Work volume and resources
- Supply chain



How We Support Development

- Dedicated department
- Single point of contact
- Project meetings
- Utility cost estimating
- Easement acquisition
- Assist with recruitment efforts



Areas of Development

 Cumberland Corridor

 UT Campus

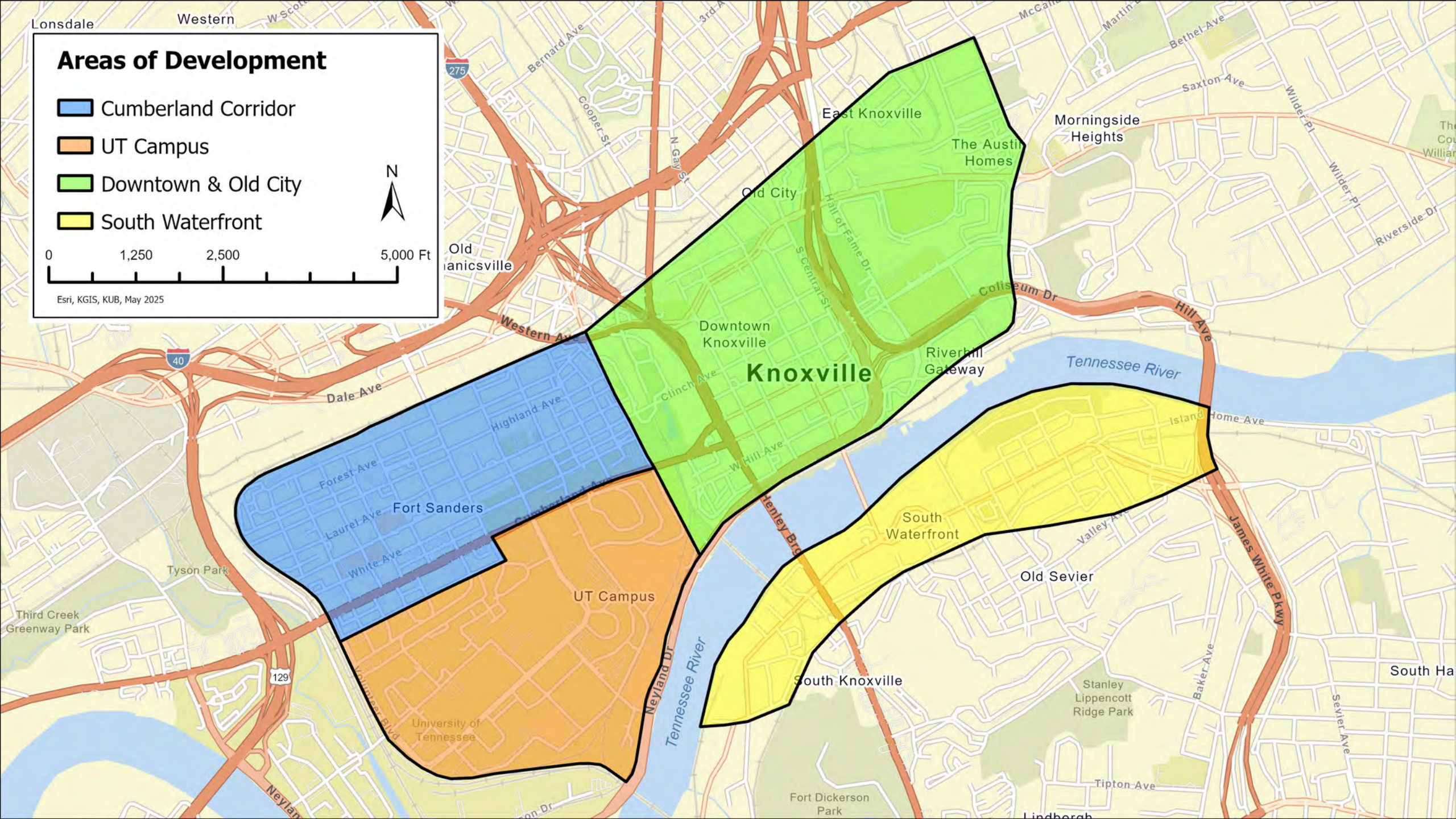
 Downtown & Old City

 South Waterfront



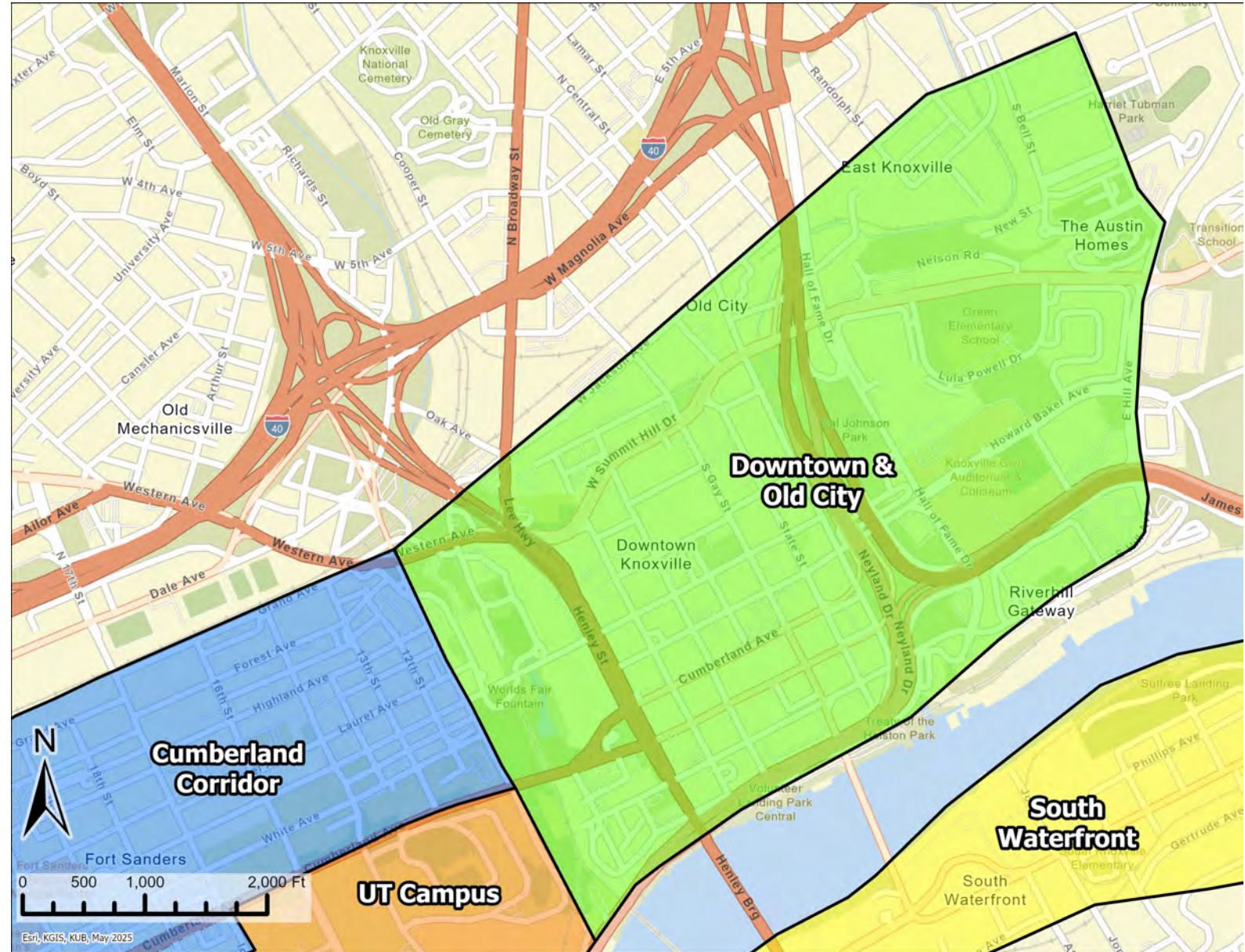
0 1,250 2,500 5,000 Ft

Esri, KGIS, KUB, May 2025



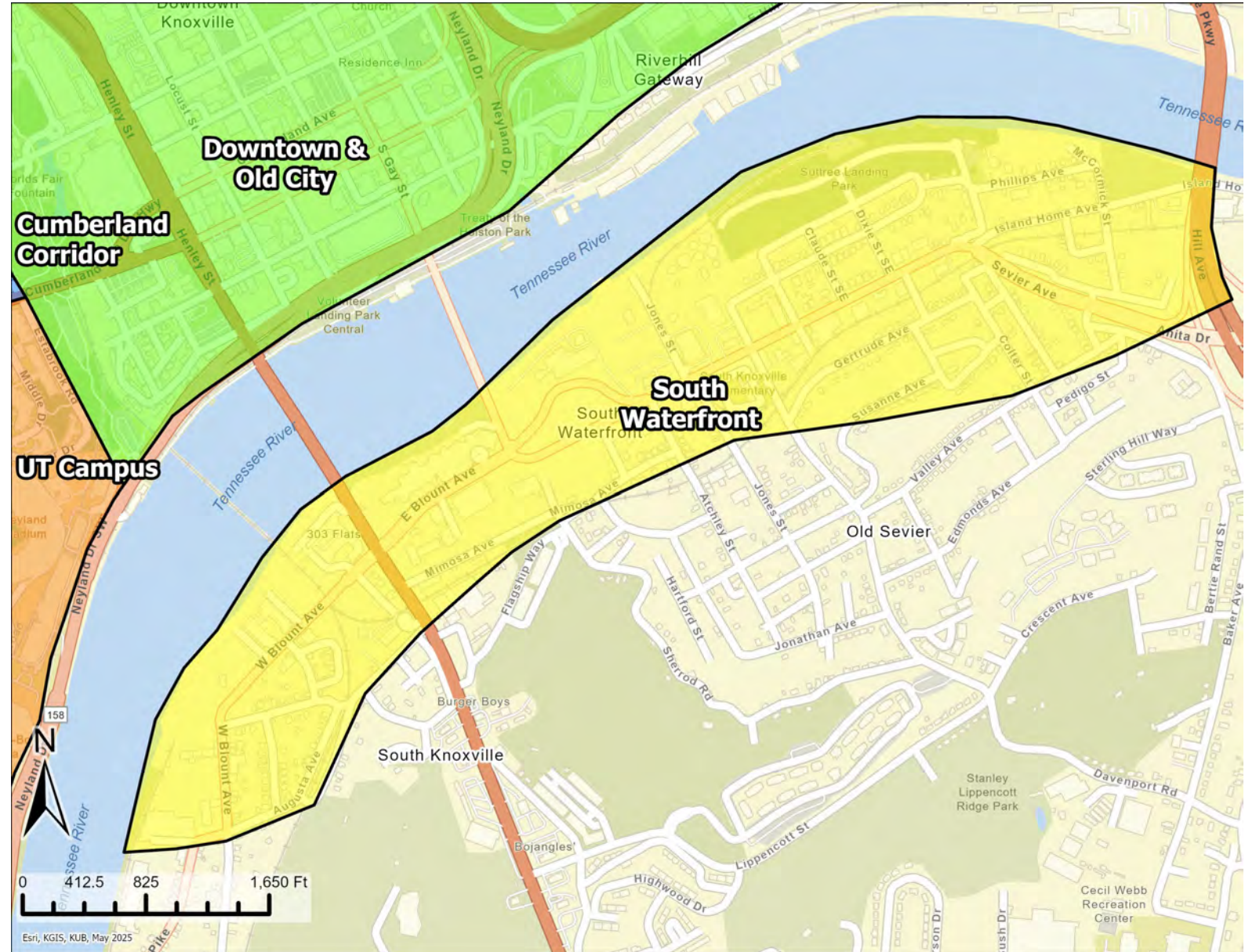
Downtown & Old City:

- Ongoing projects:
 - Delaney Building
 - Ridgehouse Apartments
 - City Summit
- Upcoming projects:
 - Vintage Cal
 - 207 E. Jackson
 - The T at Riverfront
- Over 1,000 new housing units added over the last several years
- 500 new units currently in planning phase



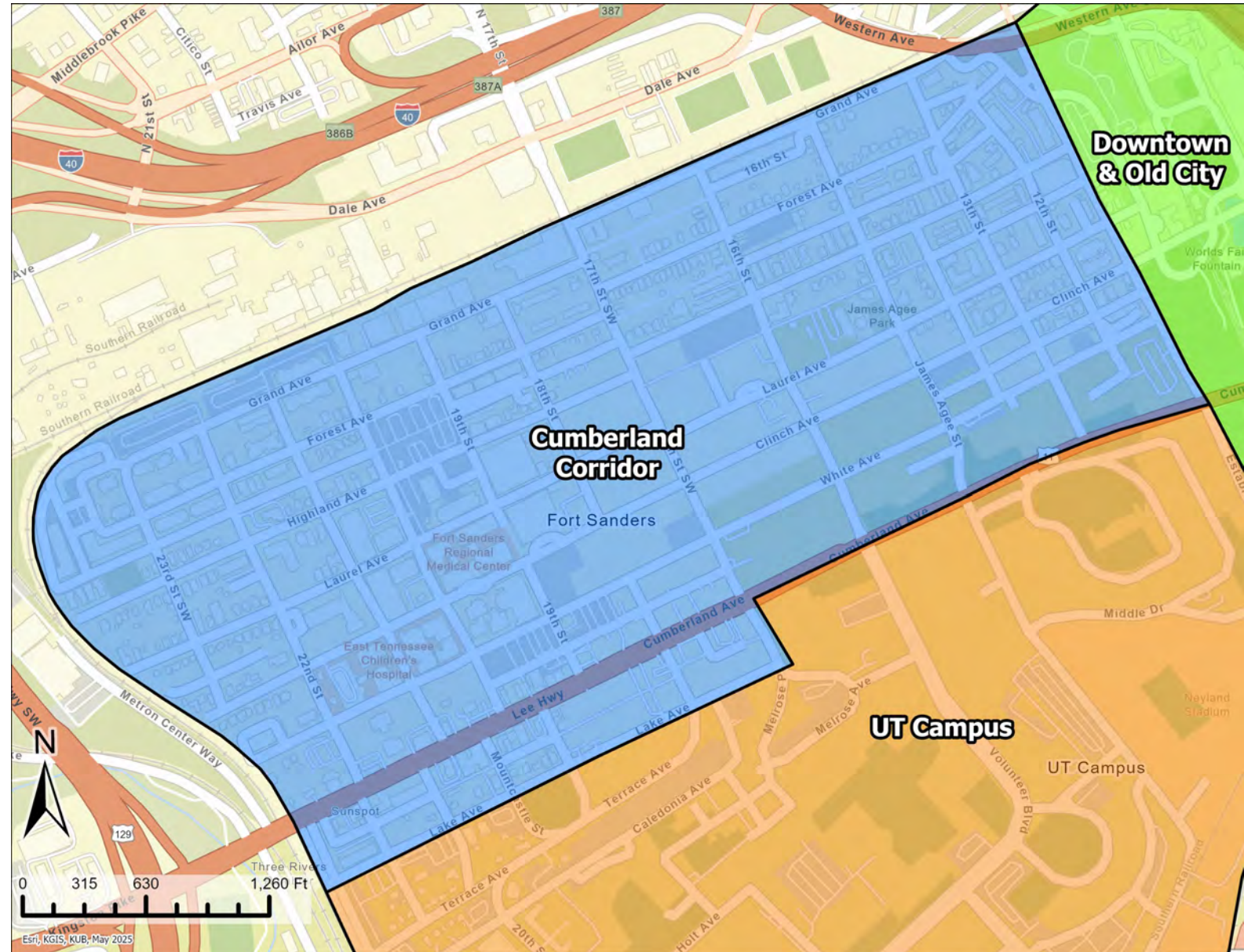
South Waterfront:

- Ongoing projects:
 - LIV Knoxville
 - Villas Student Housing
- Recently completed:
 - One Riverwalk
 - Southbanks at Suttree
 - 303 Flats
 - Chapman Student Housing
 - City South
- Over 1,600 new housing units added over the last several years



Cumberland Corridor:

- Ongoing projects:
 - The Hub Buildings 1-4
 - The Verve
 - Signature at Grand
- Recently completed:
 - Union Knoxville
 - 1830 Cumberland
 - Nova Knoxville
- Over 1,700 new housing units added over the last several years



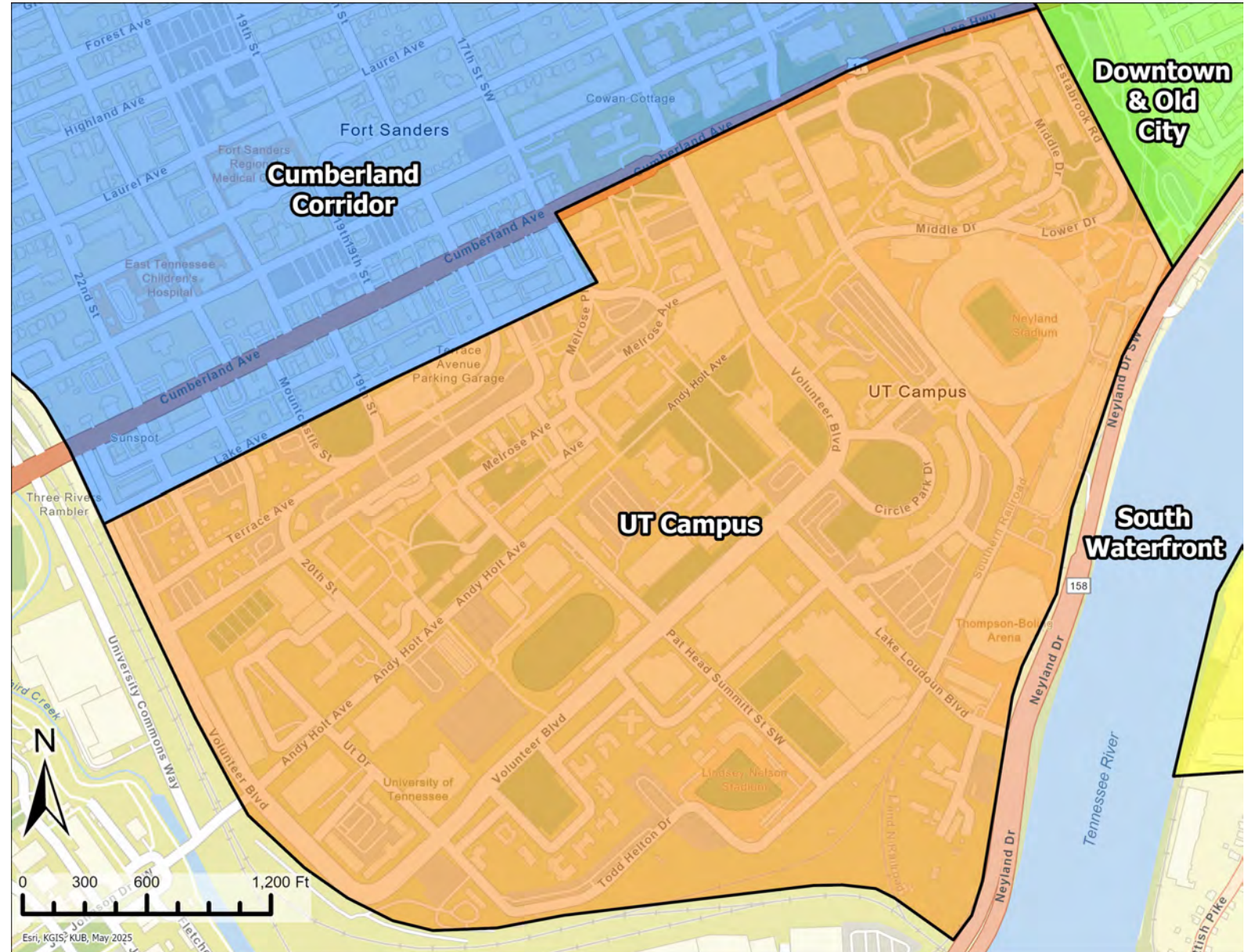
Cumberland Avenue Before & After



2015 vs. 2025



UT Campus:

- Ongoing projects:
 - Poplar Residence Hall
 - Beacon Residence Hall
 - Torchbearer Residence Hall
- Planned projects:
 - Carrick Hall redevelopment
 - Reese Hall redevelopment
 - Second Creek Housing
 - Greek Housing expansion
- Add 7,000 students by 2030
- Add 5,000 beds by 2030



UTK 10 YEAR MASTER PLAN

10 Year IMPLEMENTATION

-  New Construction
-  Major Renovation

Source: University of Tennessee

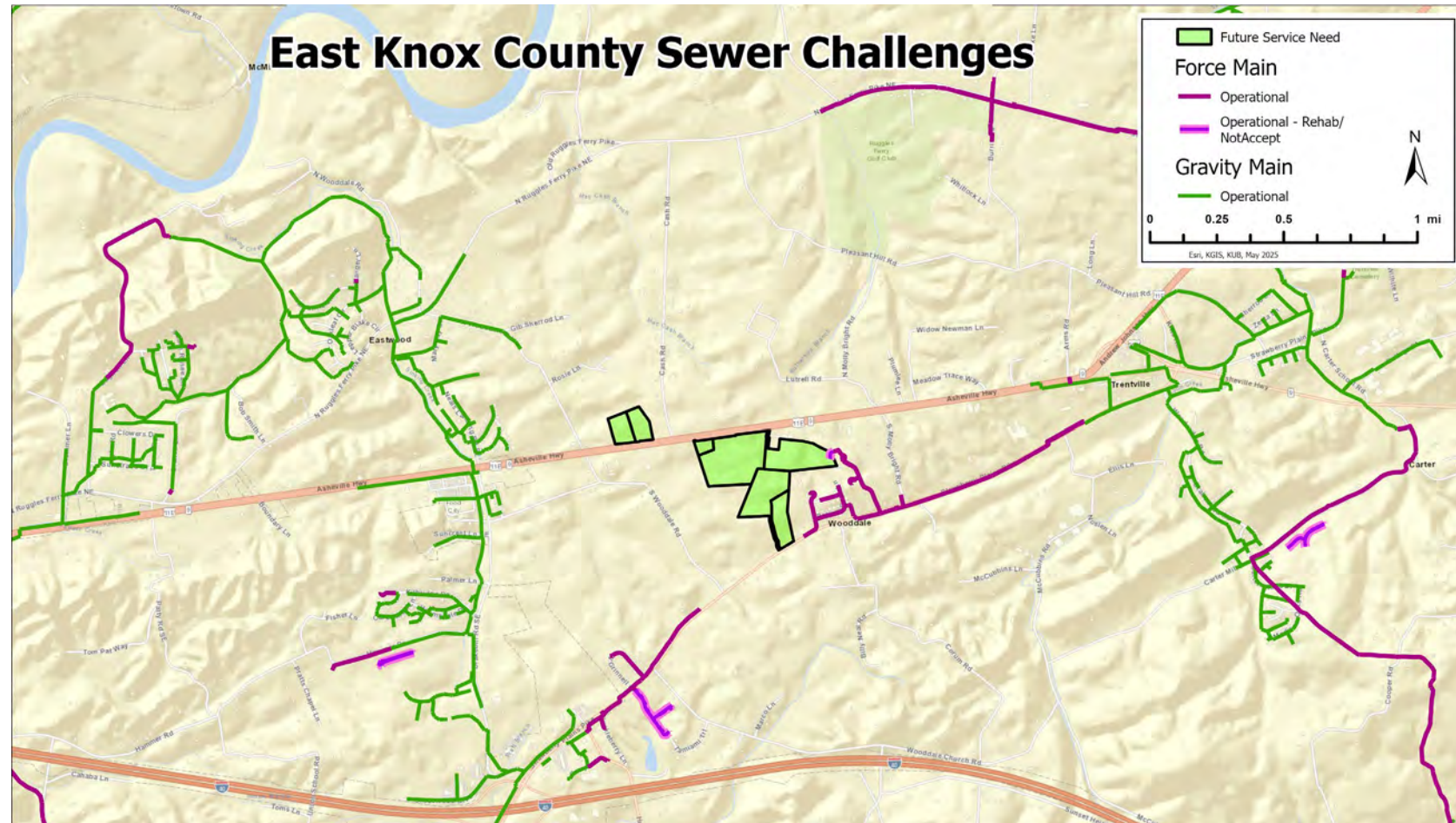
Neyland Entertainment District Considerations

- New infrastructure needs
- Upgrades to existing infrastructure
- Potential relocations of existing infrastructure
 - Overhead electric transmission lines
 - 78-inch wastewater trunk line
 - 30-inch water trunk line



Development Moving East

- Push toward the east
 - Availability of land
 - Accessibility
- Challenges
 - Sewer availability
 - Low density
 - Topography
 - Infrastructure cost and time





KUB

KNOXVILLE
UTILITIES BOARD