



November 20, 2025

# Natural Gas Purchasing & Winter Update





# Summary of Today's Discussion

- Natural gas purchasing requirements
- Natural gas price risk management reporting
- Customer winter bill projections

# Resolution 1447 Requirements

- Board authority required for
  - Contracts in excess of six years and/or volume limits\*
  - Purchase and transportation: 160,000 Dth/day\*
  - Storage: 5 million Dth maximum inventory
- Purchasing authority delegated to CEO/CFO for contracts
  - Two years or less
  - Two to six years for purchase and transport up to 15,000 Dth/day\*
  - Specific authority regarding East Tennessee Natural Gas (ETNG) capacity
  - Six years (max) storage for firm withdrawal rights up to 10,000 Dth/day
- Authorizes sale of excess capacity

\* Exception for ETNG capacity

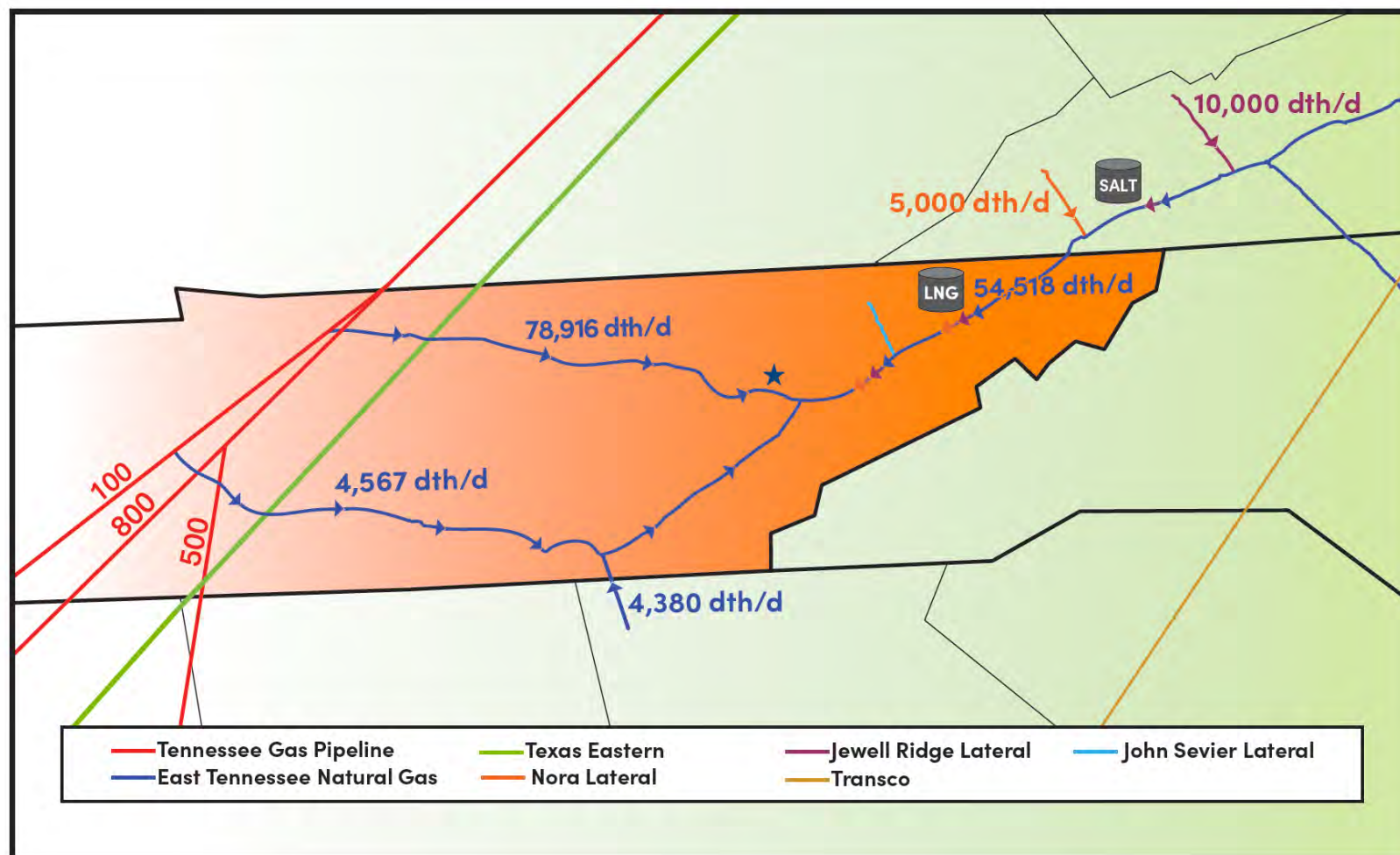
# Supply Contracts Winter 2025-2026

Supplier	Supply Region	Volume	Firm/ Variable	Expiration
BP Energy*	Gulf of Mexico	15,000	Variable	10/31/2027
ConocoPhillips*	Gulf of Mexico	13,000	Variable Daily	10/31/2027
Sequent Energy*	Gulf of Mexico	9,000	Variable	3/31/2026
Twin Eagle*	Gulf of Mexico	11,433	Variable	10/31/2026
NextEra	Gulf of Mexico	12,500	Variable	10/31/2027
CNX Energy*	Appalachia	3,000 s/w	Firm	3/31/2029
Enervest	Appalachia	2,000 s/w	Firm	3/31/2028
Morgan Stanley	Gulf of Mexico	2,800 Average	Pre-Pay Gas	10/31/2051
Goldman Sachs	Gulf of Mexico	2,800	Pre-Pay Gas	8/31/2053

Note: Base agreements are in place with several other companies and utilities

\* Contract activity

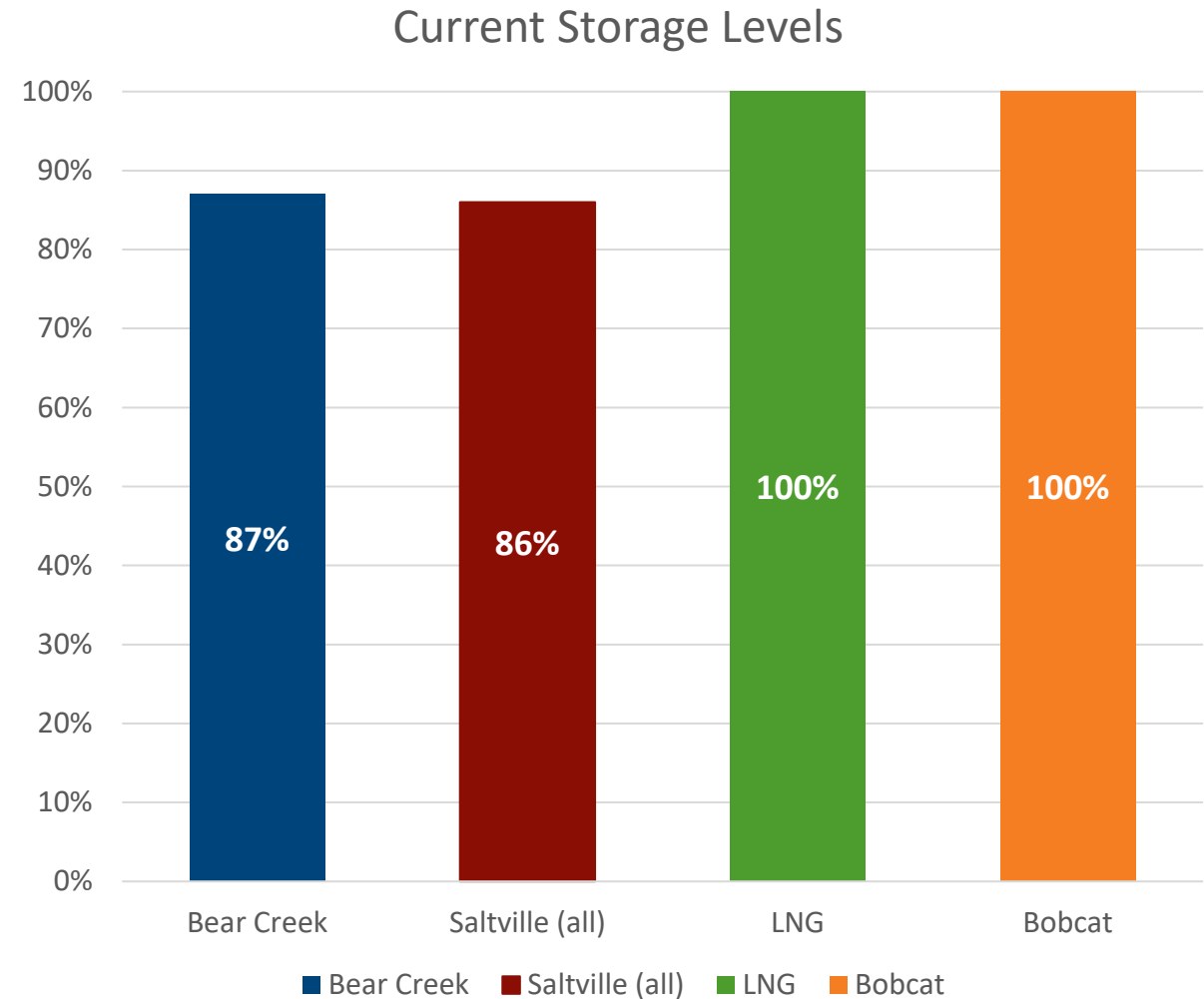
# KUB Transportation Portfolio



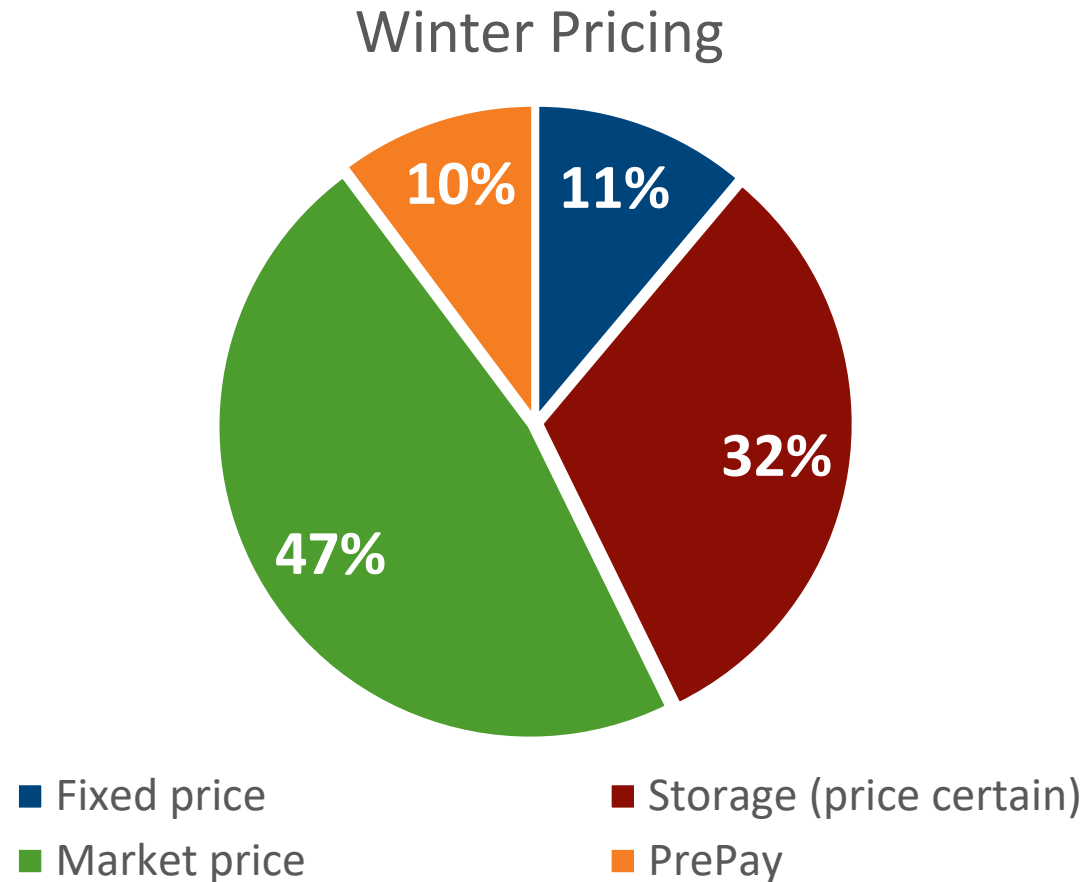
Pipeline	Volume	Expiration
<u>ETNG</u>	157,381	10/31/2030
<u>TGP</u>	68,289	10/31/2030
<u>TETCO</u>	7,500	10/31/2030

# KUB Storage

Storage	Pipeline	MSQ (Space)	Expiration
Bear Creek	TGP	3,325,920	10/31/2030
Saltville 1	ETNG	200,000	3/31/2028
Saltville 2	ETNG	100,000	3/31/2028
Saltville 3	ETNG	100,000	3/31/2030
LNG	ETNG	412,000	10/31/2030
Bobcat	TETCO	150,000	10/31/2030
		4,287,920	

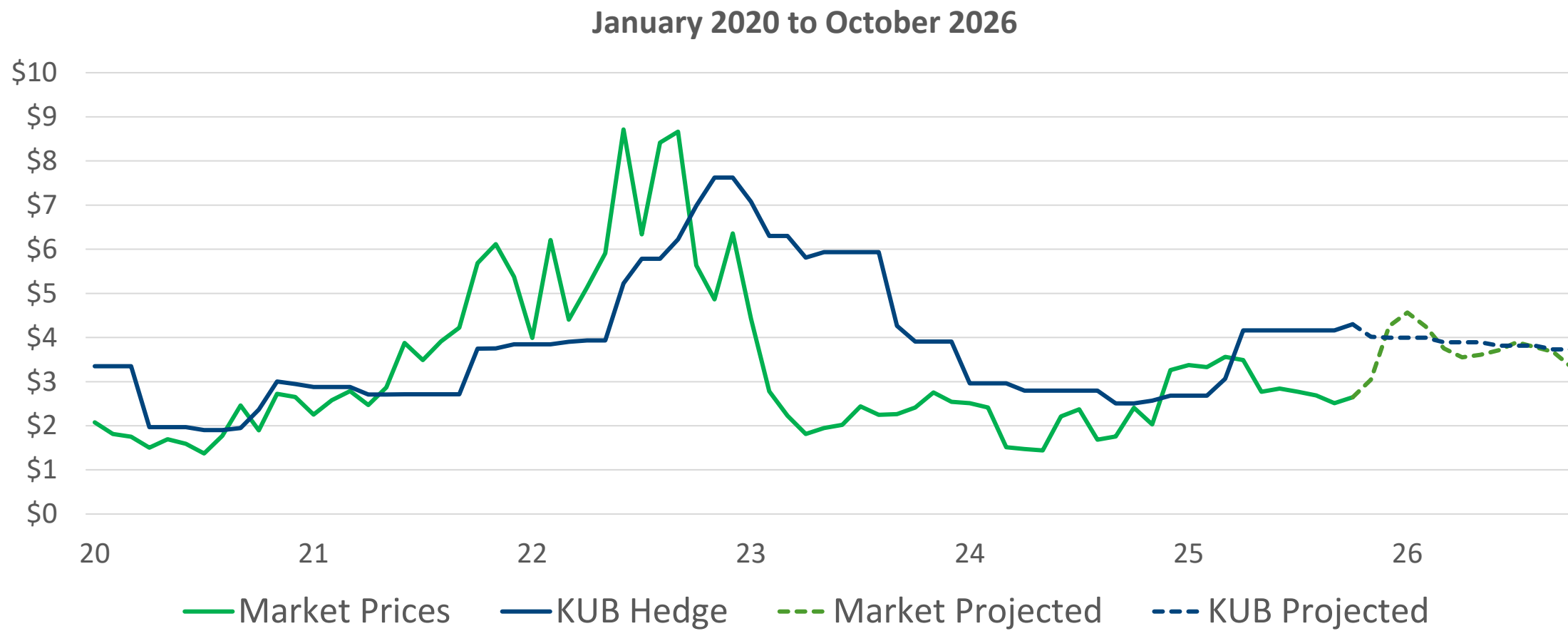


# Resolution 1388 Reporting



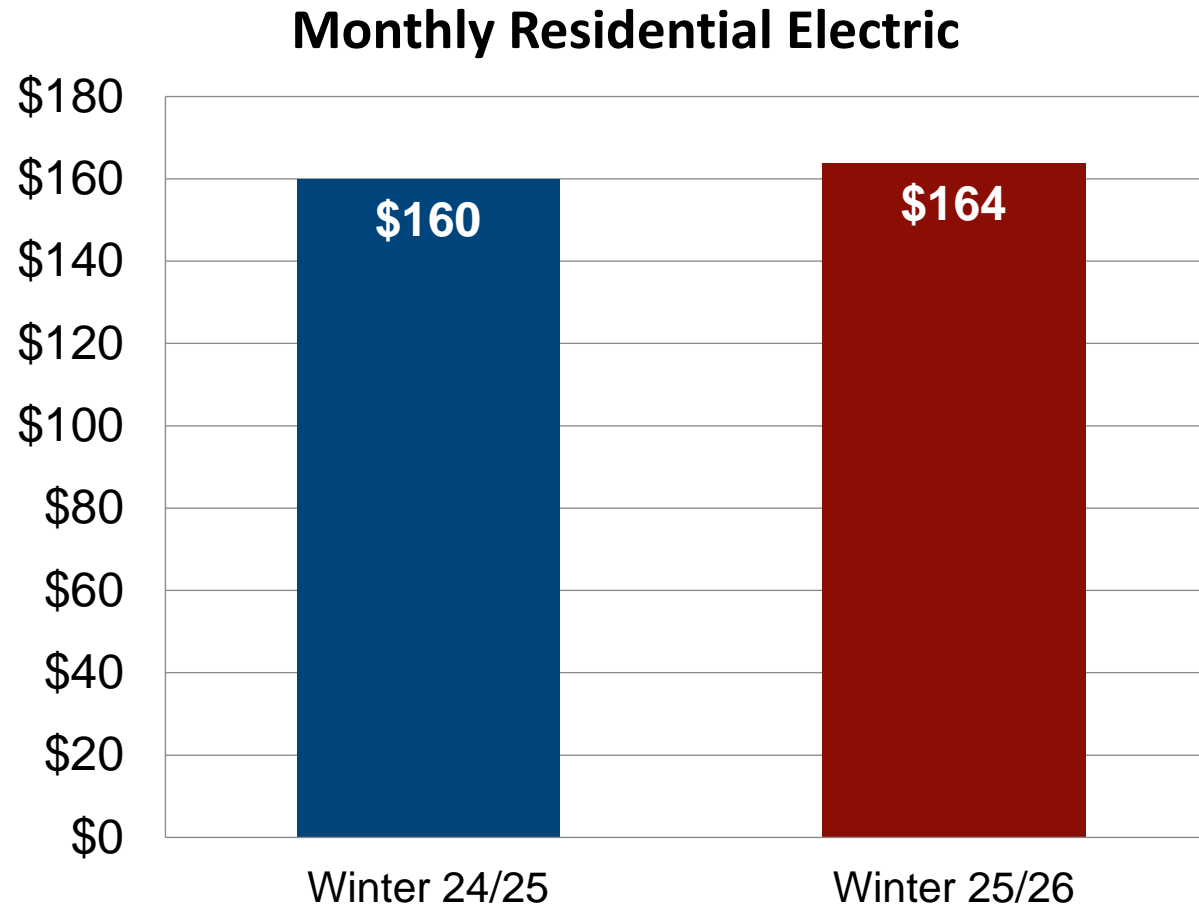
- Price Risk Committee approved current strategy which targets 25% hedged for near month purchases
- All transactions met requirements for opening and closing positions
- Monthly status reports to Price Risk Committee

# KUB Hedges vs. Market Prices

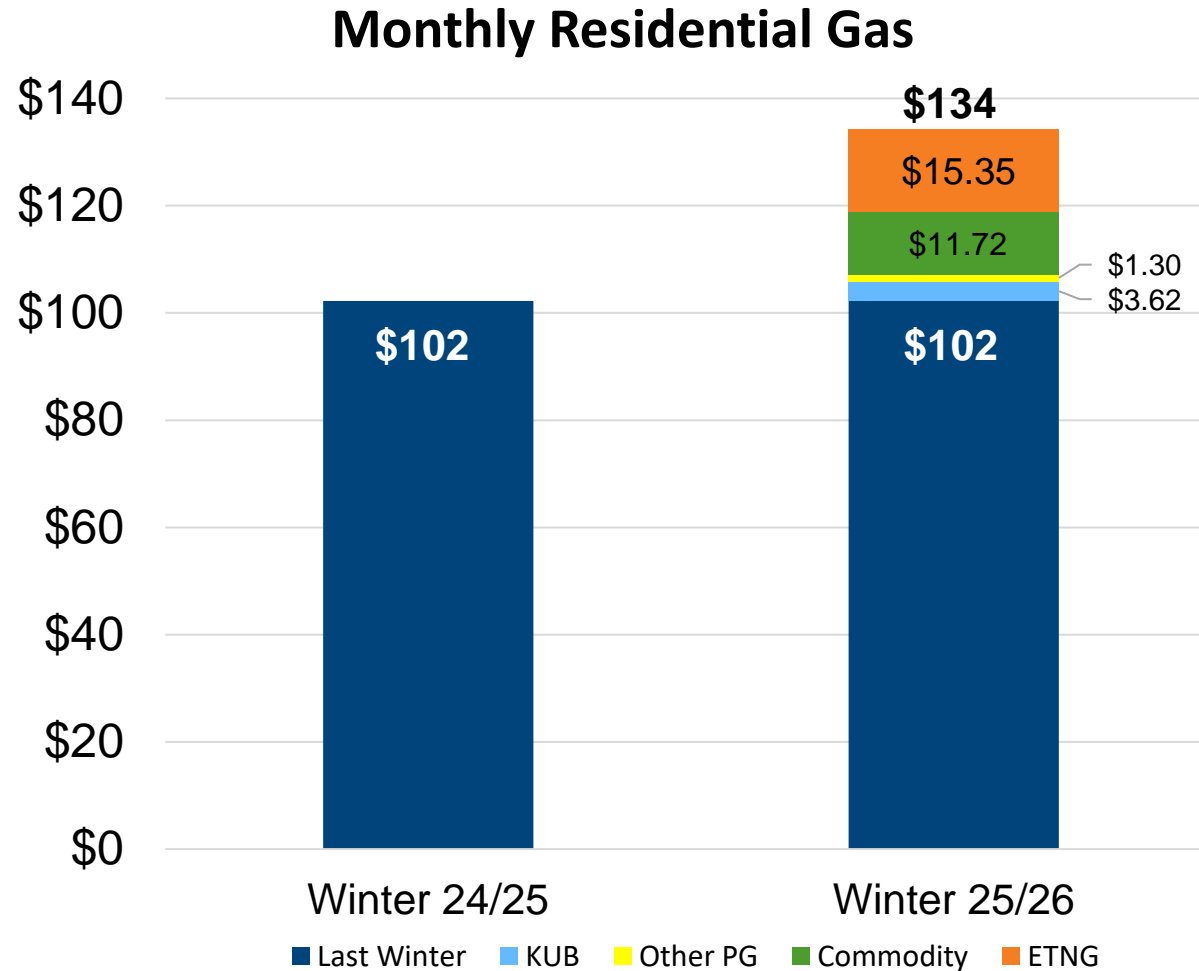




# Electric Winter Bills Similar to Last Year

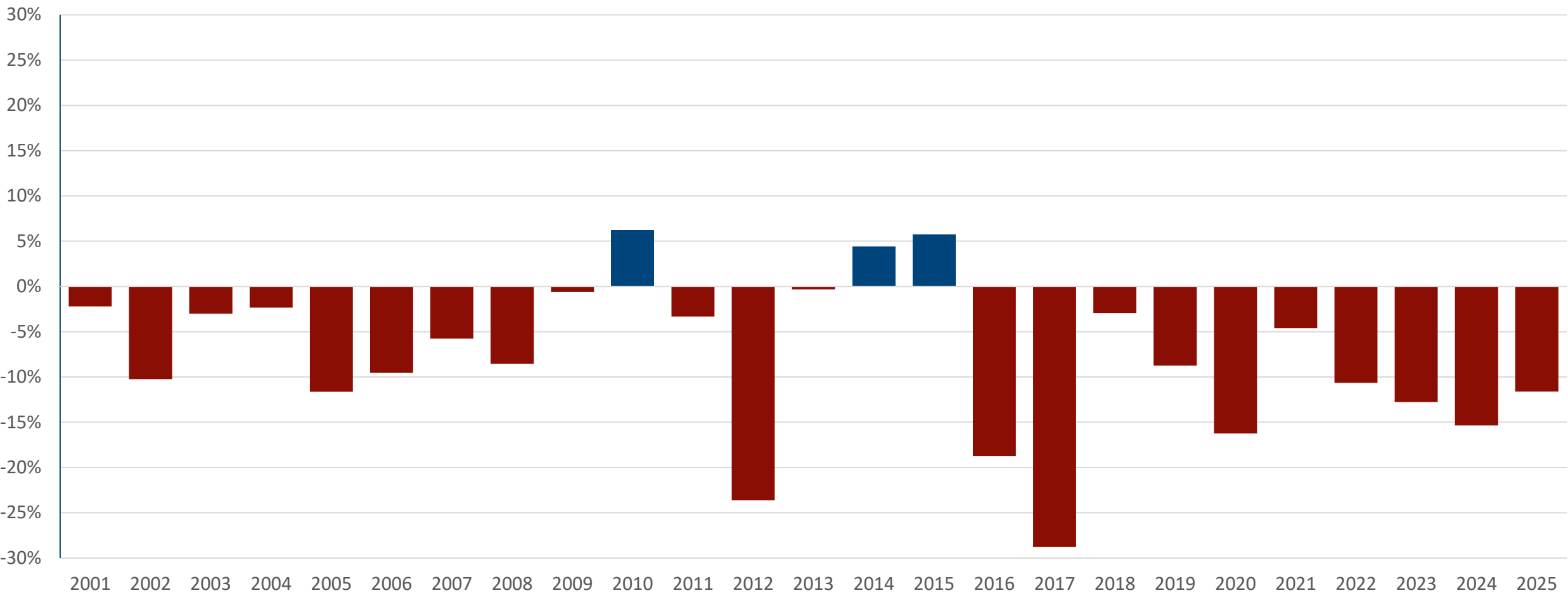


# Gas Winter Bills Impacted by Pipeline Rate Increase



# Weather Impacts Winter Bills

Weather Variation From Normal - Knoxville, Tennessee







November 20, 2025

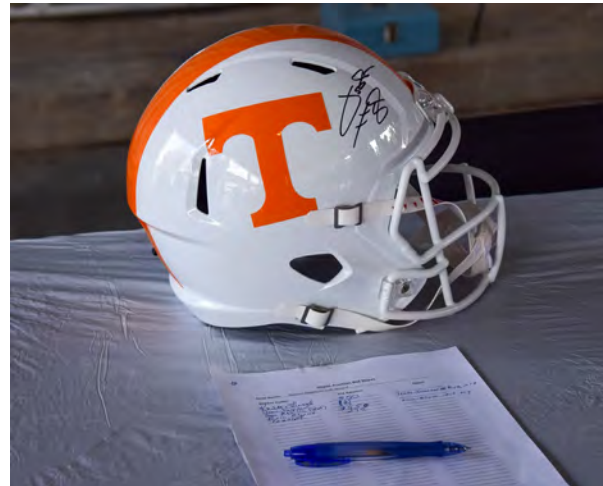
# 2025 United Way Campaign





# KUB Proudly Supports United Way

- Over 30+ years of giving history
- 100% employee-funded contributions
- Included fundraising events, agency education, and community service
- Employee committee:
  - Dillon Thomas, Lauren Russell, Crissy Thurman, Mason Fry, Emily Easter, Tiffany Stinson, Kevin Keaton, Kristy Lund, Leslye Hartsell



# 2025 Campaign Highlights

- Kick-off and celebration events
  - Volunteer fair
  - Silent auction
  - Fun, fellowship, and food
- CANstruction
  - 4,672 non-perishable food items
  - Four food pantries supplied
- Agency visits
  - 50+ employees
  - 10 agencies visited





# 255 Hours Volunteered During Week of Service

- Compassion Closet
- Isaiah117 House
- Humane Society of Tennessee Valley
- Second Harvest
- Helen Ross McNabb
- Helping Mamas
- For the Love of Reading
- STAR Riding Academy



# Employee Contributions Make a Difference

- More than **\$179,000** raised for 2025 campaign
- More than **\$4.3 million** contributed since the early 2000s
- Campaigns reflect KUB's mission of service and employee commitment to the community







November 20, 2025

# Mark B. Whitaker Water Treatment Plant Updates

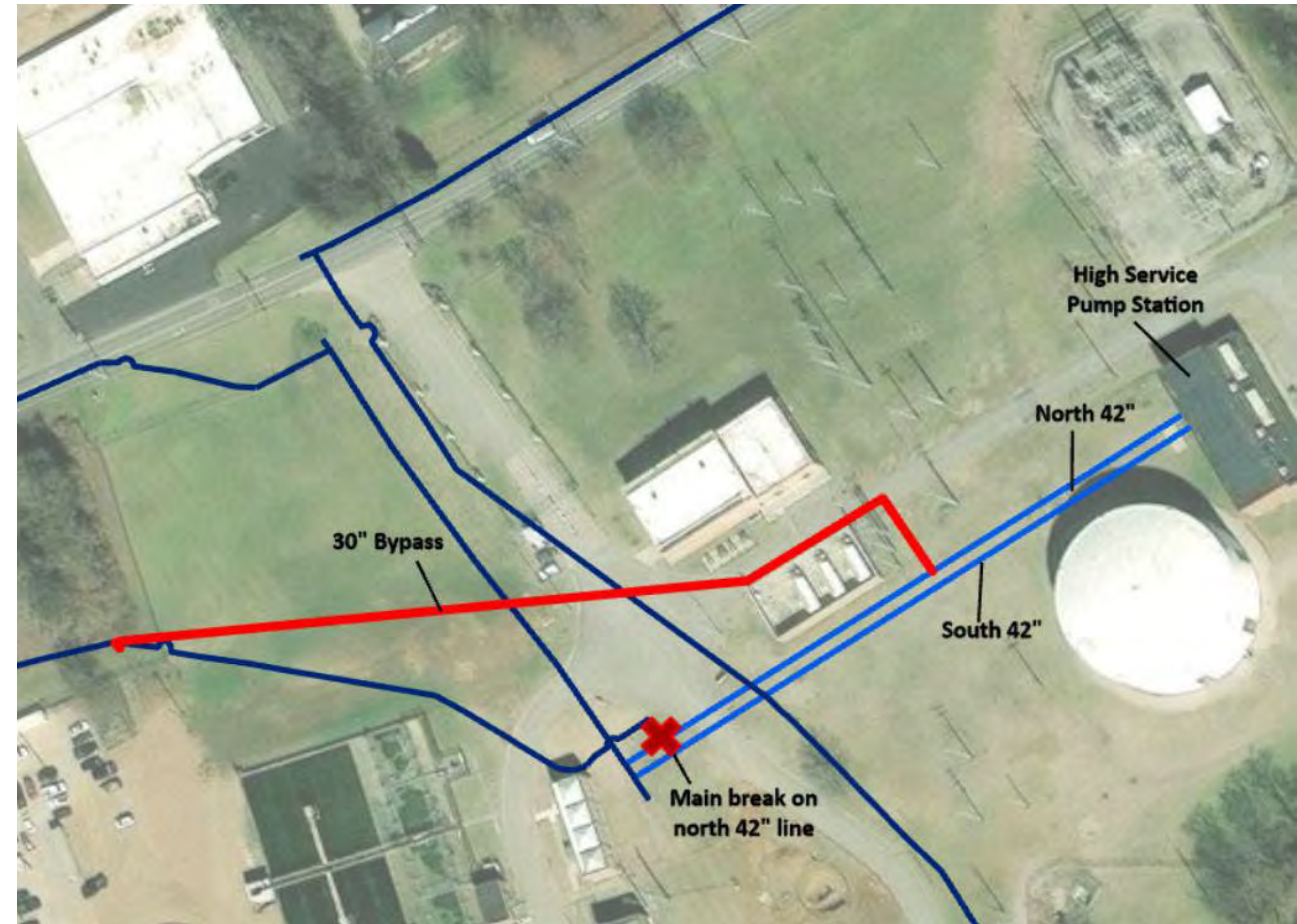




# Main Break Repair

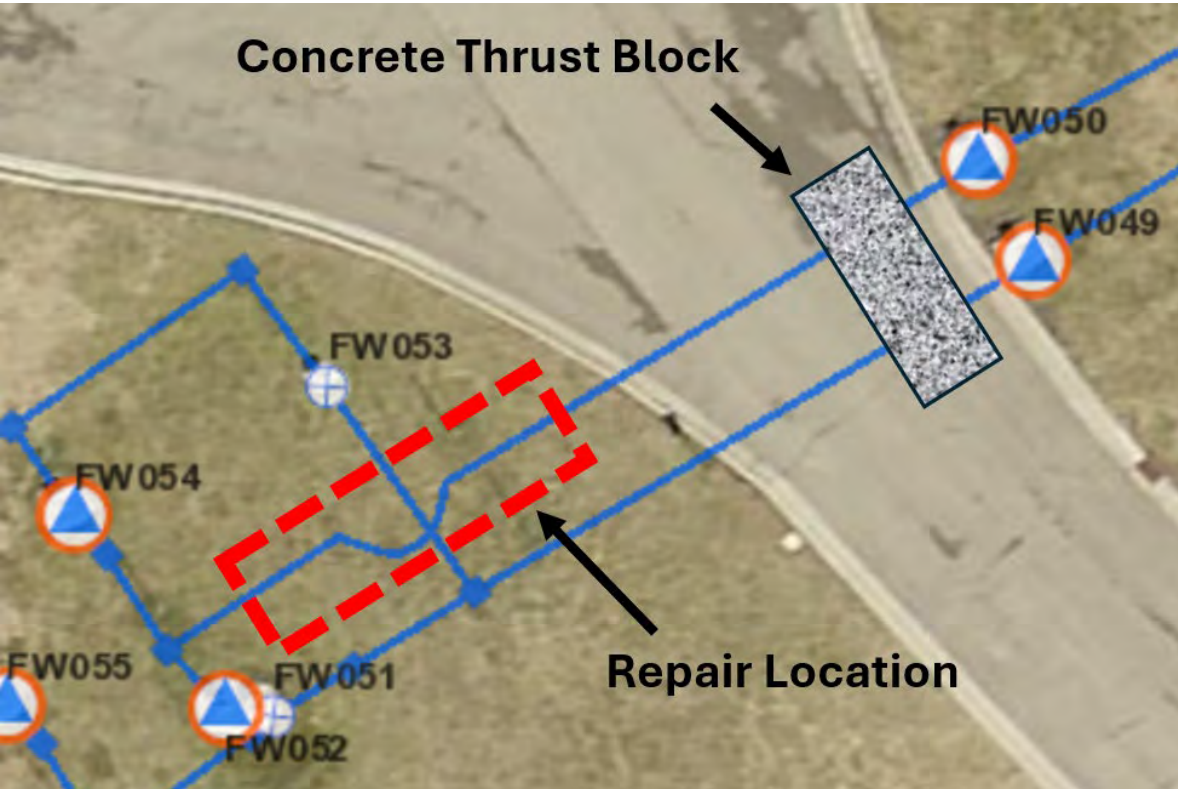
## Recap

- Break occurred on October 6
- Installed a 30-inch bypass line around break location
- Repair work completed once bypass was active





# Main Break Repair – Thrust Block





# Main Break Repair – Pipe Damage



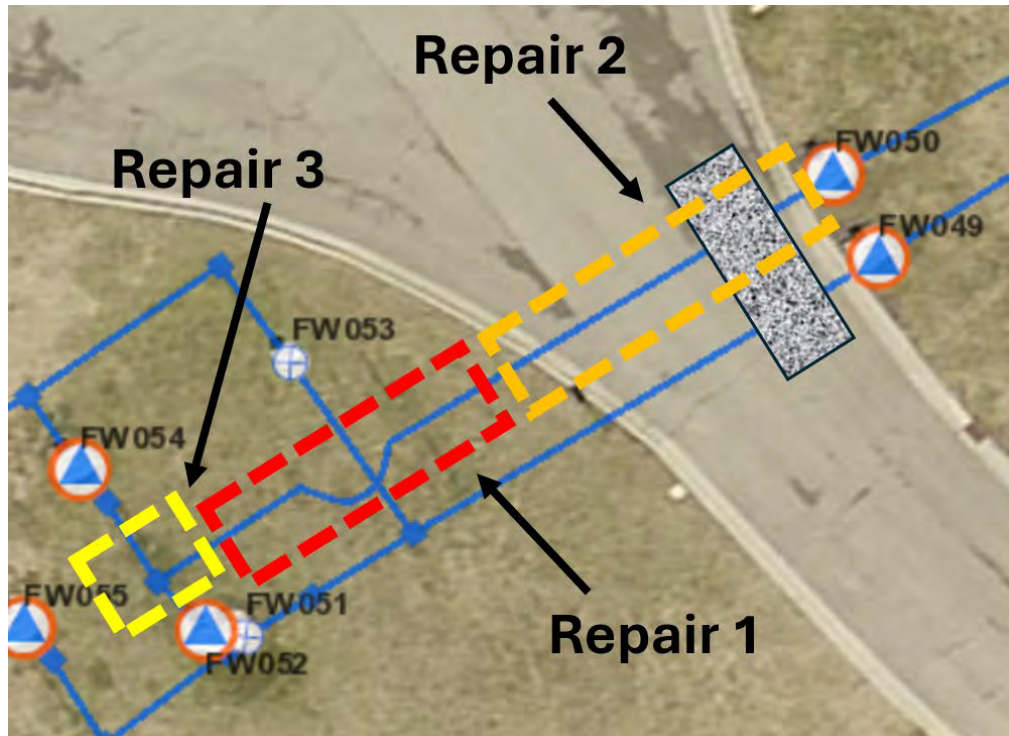


# Main Break Repair – Initial Repair





# Main Break Repair – Additional Repairs





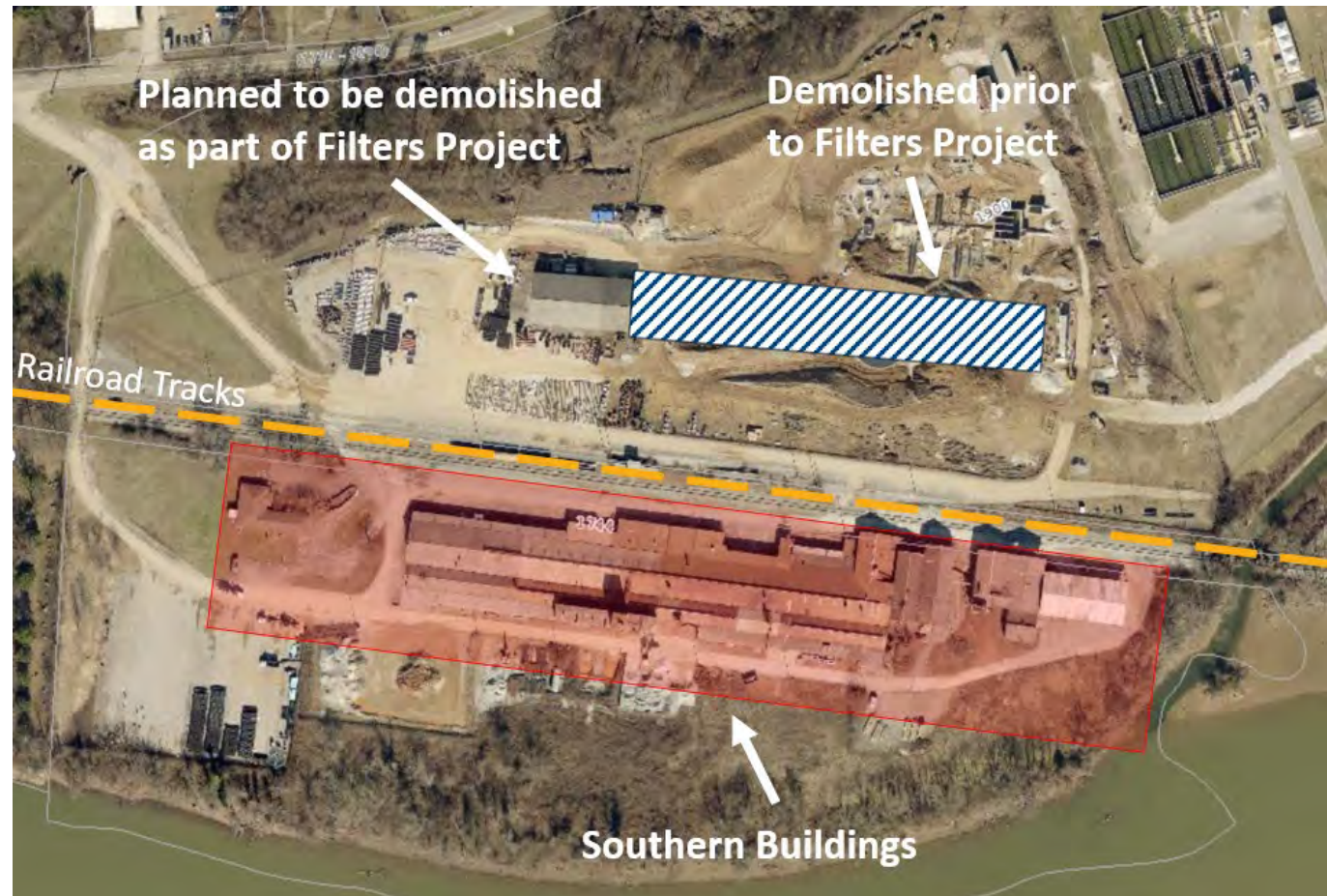
# Main Break Repair – Next Steps

- All lines were returned to service on October 30
- Bypass pipe to remain in place
  - New fittings will allow it to be reassembled quickly, if needed
- Restoration work underway
- Planning group is reviewing timing of redundant High Service Pump Station from Water Supply Master Plan



# Building Demolition

- Structures on the northern side of the railroad are planned to be demolished as part of the Filters Project
- Southern buildings were added to the Filters Project
- Scope includes:
  - Tear down and removal of buildings
  - Remove concrete foundations
  - Gravel overlay





# Building Demolition – Southern Building



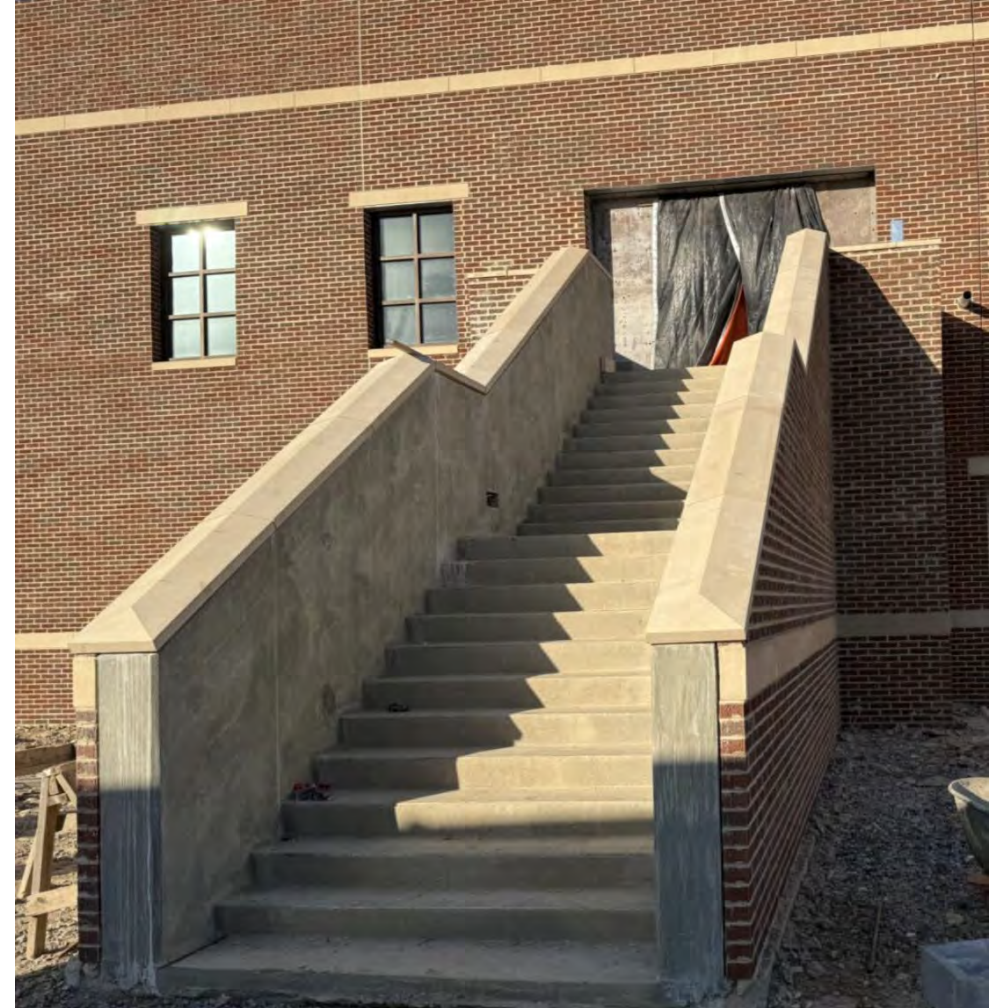


# Building Demolition – Southern Building



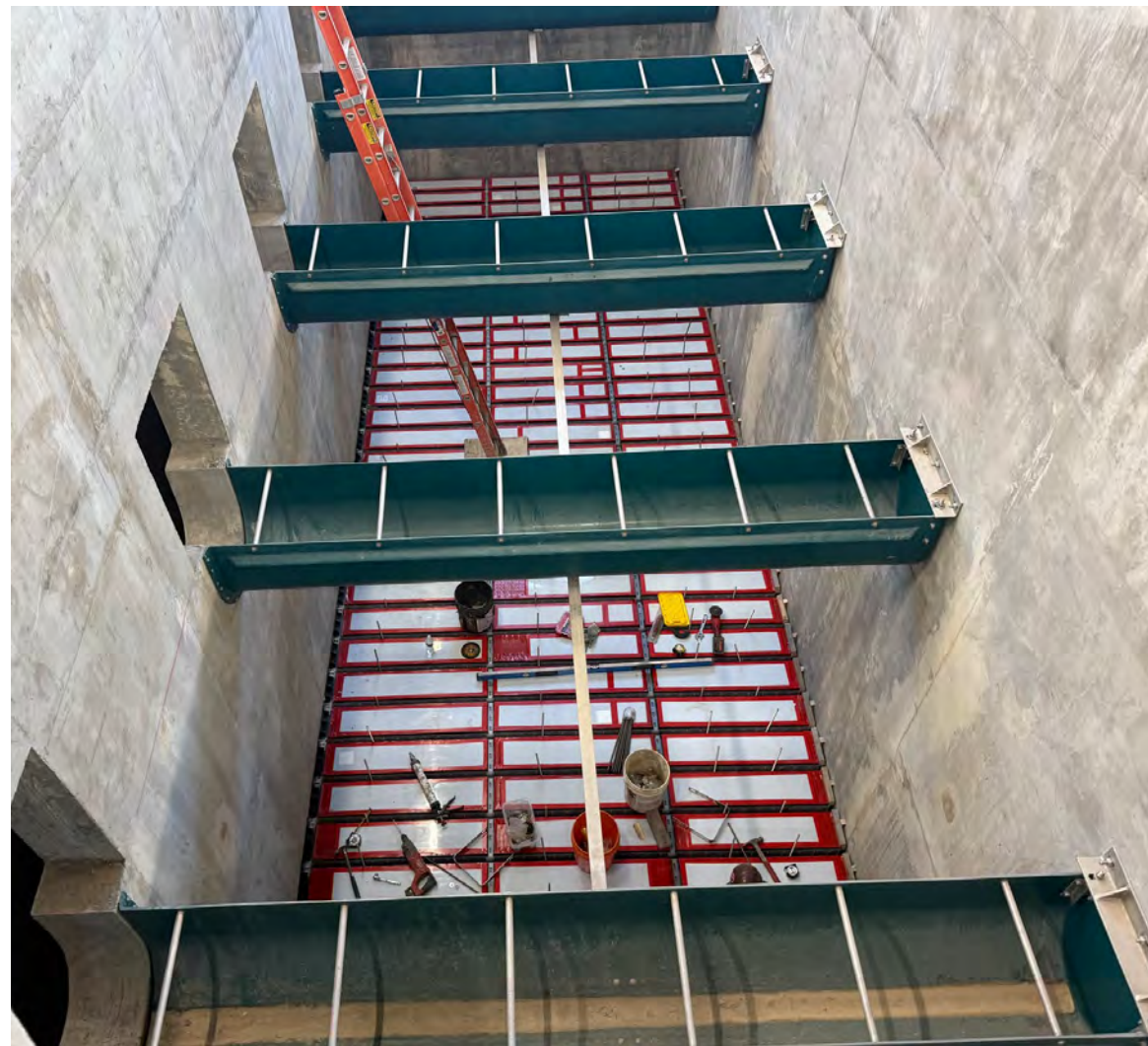


# Filters Project





# Filters Project





# KUB

***KNOXVILLE***  
**UTILITIES BOARD**