Audit and Ethics Committee Meeting

Aug 26, 2026 8:00 AM - 8:30 AM CDT

NES Board Room 121

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1. Safety Moment - Vaughan Charles

2. Recommendation for approval of minutes of the Audit and Ethics Committee meeting held July 22, 2026

3. Evaluation of Internal Audit Survey Results - Rob McCabe

4. Internal Audit Reports - Baker Tilly - Scott Nalley

   4.1. Audit and Ethics Committee Calendar

   4.2. Internal Audit Status Report - Physical Security and Employee Safety

   4.3. Internal Audit Report - Physical Security and Employee Safety

   4.4. Recommendations - Physical Security and Employee Safety

5. Report to the Audit and Ethics Committee of the Board of Directors - Fiscal Year 2026 Audit Results - Rich Call and Chris Lorenz

6. Executive Session

7. Miscellaneous

Safety Tip: Watch Out for New Drivers This School Year

As students head back to school, many newly licensed drivers will be sharing the road for the first time without an instructor or parent beside them. Their inexperience can lead to delayed reactions, missed signals, sudden stops, or last-minute lane changes.

Remember:

- Be patient and give young drivers extra space.
- Anticipate unexpected actions, especially near schools, intersections, and parking lots.
- Avoid aggressive driving behaviors such as tailgating, excessive horn use, or abrupt passing.
- Stay alert during morning arrival and afternoon dismissal times when traffic is heavier.
- Lead by example by obeying speed limits, eliminating distractions, and practicing defensive driving.

Safety Message:

"With the start of a new school year comes a new generation of drivers. A little patience and awareness can make a big difference. Help create a safer roadway by expecting the unexpected and giving new drivers the room and time they need to make good decisions.

Takeaway:
Drive like someone on the road is still learning...because they probably are.

AUDIT AND ETHICS COMMITTEE MEETING MINUTES
JULY 22, 2026

The Audit and Ethics Committee meeting was held on Wednesday, July 22, 2026.

Committee Members Present: Committee Chair Rob McCabe, Clifton Harris, and Ian Prunty

Officers Present: Teresa Broyles-Aplin, Laura Smith, Dr. Trish Holliday, Brad Heck, and Recording Secretary David Frankenberg

Committee Chair Rob McCabe called the meeting to order at 8:00 a.m.

SAFETY MOMENT

Kevin Phelps presented a safety moment on UV Safety Awareness.

MINUTES

> Upon motion by Member Harris and seconded by Member Prunty, the Committee approved the minutes from the Audit and Ethics Committee meeting held May 27, 2026, with three ayes and zero nays.

BAKER TILLY INTERNAL AUDIT REPORT

Scott Nalley reviewed several reports prepared by Baker Tilly, including the Audit and Ethics Committee Calendar and Internal Audit Status Report. He reported that the Cybersecurity Operations Internal Audit concluded with a satisfactory rating and included recommendations reflecting best practices. Mr. Nalley also reviewed the Internal Audit Annual Communications, Risk Assessment, Three-Year Internal Audit Plan, Quality Assurance Self-Assessment Report, and Baker Tilly Leadership Bios. He concluded his presentation with a recommendation to approve the FY27 Internal Audit Plan, the Audit & Ethics Committee Charter, and the Internal Audit Charter.

Chair McCabe asked if an external third party was brought in for assistance with the audit. Mr. Nalley responded that for the scope of this audit it was unnecessary.

Member Prunty asked how the audit was evaluated differently considering the critical infrastructure supported by NES. Mr. Nalley responded that NES complies with applicable NERC regulatory requirements, and although those requirements were not specifically included in the audit scope, many of the areas reviewed are addressed through compliance with those standards.

Chair McCabe asked if the Winter Storm Fern initiatives are aligned with the Four Pillars priorities. Mr. Nalley replied yes and stated that there will be continuous evaluation in this area.

> Upon motion by Member Harris and seconded by Member McCabe, the Committee approved the FY27 Internal Audit Plan which includes 6,990 hours, the Audit and Ethics Committee Charter and the Internal Audit Charter with three ayes and zero nays.

MISCELLANEOUS

There were no miscellaneous items to present.

EXECUTIVE SESSION

There was no Executive Session held.

ADJOURNMENT

The meeting adjourned at 8:18 a.m.

APPROVED: _____
Committee Chair Rob McCabe

2026 EVALUATION OF THE INTERNAL AUDIT FUNCTION

In accordance with the Audit and Ethics Committee's oversight responsibilities and the Institute of Internal Auditors (IIA) Standards, the Committee conducted its annual assessment of the effectiveness of the Internal Audit (IA) function. To support this review, all Committee members completed an Internal Audit evaluation survey.

The evaluation confirmed that the Internal Audit function continues to operate effectively and in accordance with professional standards. Survey results demonstrated a strong commitment to risk-based auditing, organizational governance, and the delivery of independent assurance and advisory services. The assessment also recognized the team's technical expertise, commitment to transparency, and effective communication with management and the Committee.

Overall, the Committee expressed a high level of satisfaction with the performance of the Internal Audit function and concluded that its activities remain aligned with the organization's strategic objectives and governance framework.

The Committee will continue to monitor the Internal Audit function through its regular oversight responsibilities and annual evaluation process to support sustained effectiveness, accountability, and alignment with professional standards.

THE ELECTRIC POWER BOARD
OF THE METROPOLITAN GOVERNMENT
OF NASHVILLE AND DAVIDSON COUNTY

AUDIT & ETHICS COMMITTEE CALENDAR

COMMITTEE ACTIONS	1st Qtr*	2nd Qtr*	3rd Qtr*	4th Qtr*	As Needed
EXTERNAL AUDITORS					
Advise the Board as to appointment and compensation of the external audit firm					X
Review external audit plan		April			
Confirm independence of external auditors		April	August		X
Review any "second opinions" obtained on accounting and financial reporting policies					X
Receive external communications required under generally accepted auditing standards		April	August		
Review and consider completeness of financial statements and consistency of information with that known and make recommendation to the Board as to approval			August		
Review management letter (e.g., control deficiencies)			August		
Review status of management letter corrective actions			August		
Review performance of external auditors and make recommendation to Board regarding appointment or discharge					X
EXECUTIVE MANAGEMENT					
Consider the effectiveness of internal controls	X	X	X	X	
Review Enterprise Risk Management program				November	
Review letter of representations certifying appropriateness of financial statements and disclosures			September		
INTERNAL AUDIT					
Approve the Internal Audit Charter			July		X
Advise the Board as to appointment and compensation of the internal audit firm			July		X
Review and approve the annual audit plan			July		
Review and approve changes to the audit plan			July		X
Review effectiveness of internal audit function			July		X
Review compliance with IIA standards			July		X
Confirm organizational independence			July		

COMMITTEE ACTIONS	1st Qtr*	2nd Qtr*	3rd Qtr*	4th Qtr*	As Needed
COMPLIANCE					
Review effectiveness of system for monitoring compliance	X	X	X	X	
Review findings of examinations of regulatory agencies					X
OTHER					
Receive board training	X				
Review the process for monitoring conflicts of interest				October	
Evaluate committee calendar					X
Evaluate committee performance				X	

* Calendar year

Nashville Electric Service
Internal Audit Status Report
As of August 26, 2026

CURRENT AUDITS	
Audit Description	**Date Started**
Storm Expenditures (FY26)	April 2026
Meter to Cash (FY26)	April 2026
Network and Cybersecurity - Corporate (FY26)	May 2026
Purchased Power and TVA Programs	July 2026
Capital Projects and Capitalization Process	August 2026
Q4 FY26 Follow-Up and Remediation	August 2026
UPCOMING AUDITS	
Audit Description	**Scheduled Start Date**
Corporate Governance and Legal	September 2026
Infrastructure Design, and Construction	September 2026
Q1 FY27 Follow-Up and Remediation	October 2026
Travel Expenses	November 2027
Property, Plant, and Equipment	Janaury 2027
Board, Executive, and Employee Accounts	January 2027
Q2 FY27 Follow-Up and Remediation	January 2027
Timekeeping and Payroll	March 2027
Vegetation Management Lifecycle	March 2027
Cybersecurity Operations	April 2027
Q3 FY27 Follow-Up and Remediation	April 2027
Information Technology (IT) Department Controls	May 2027
Emergency Response Plan and Outage Reporting	May 2027
Meter Reading and Meter Maintenance	May 2027
NON-AUDIT SERVICES	
Service Description	**Status/Scheduled Date**
Enterprise Risk Management Assistance	
ServiceNow Integrated Risk Management (IRM) Assistance	In-Process
Fraud Risk Assessment	In-Process
Oracle Time and Labor Implementation Project	In-Process
Completed AUDITS	
Audit Description	**Completion Date**
Physical Security and Employee Safety (FY26)	August 2026



Nashville Electric Service

FY2026 Physical Security and Employee Safety

Integrated Audit Report
For the Period: November 1, 2024 through October 31, 2025

bakertilly

CONFIDENTIAL

This report is intended solely for the use of management and the Board of Directors and should not be used for any other purpose. The Company's external auditors may be provided with a copy of this report in connection with fulfilling their responsibilities.

Nashville Electric Service

Physical Security and Employee Safety
Integrated Audit – FY2026

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Report Distribution:	**Name**	**Title**
	Trish Holliday	VP Chief People Officer
	Mark Booker	Safety & Transportation Manager
	Demond Ivery	Security & Loss Prevention Supervisor

Additional Distribution:	**Name**	**Title**
	Rob McCabe	Audit Committee Chair
	Teresa Broyles-Aplin	President & CEO
	Laura Smith	Interim EVP & Chief Legal Officer
	Tabitha Beach	Interim CFO
	Ron Womble	VP CIO

I. Executive Summary

Introduction

Barker Tilly Advisory Group, LP has performed certain internal audit services for Nashville Electric Service (NES) related to Physical Security and Employee Safety processes. Our fieldwork was performed December 2025 through March 2026. The audit covered the period from November 1, 2024 through October 31, 2025. Our primary objective was to independently and objectively test and assess the internal controls related to **Physical Security and Employee Safety**. Our services were performed in accordance with the terms of our contract with an effective date beginning on June 1, 2026. We conducted this audit in accordance with the *Global Internal Audit Standards issued by the Institute of Internal Auditors*. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Scope

We evaluated the design and operating effectiveness of key controls. Areas of audit emphasis included, but were not limited to, determining whether:

- Policies and procedures related to physical security and safety are current and approved in accordance with NES policy,
- Background checks of employees and contractors are performed and maintained, in accordance with NES policy,
- Drug tests of employees, contractors and holders of a Commercial Driver License (CDL)/Permit are performed and any required actions are taken based on test results, in accordance with NES policy,
- Access to NES facilities is authorized, approved and granted based on valid business need, in accordance with NES policy,
- Access to NES facilities is removed timely, in accordance with NES policy,
- Access to NES facilities is monitored and violations are investigated and resolved, in accordance with NES policy,
- Access to restricted areas and sensitive administration areas is limited to authorized personnel and monitored, in accordance with NES policy,
- Emergency response procedures are current, periodically tested and communicated, in accordance with NES policy,
- Testing of gloves and cover-ups are performed in accordance with NES policy,
- Safety training is completed in accordance with NES policy, and
- Accident and incident reporting is completed in accordance with NES policy.

Corporate Governance, Culture and Stewardship Considerations

We considered corporate governance, culture, and stewardship initiatives that may have an impact on the scope of the audit. We did not identify any extraordinary initiatives that had an impact on the audit scope. Inherently, many of the procedures performed in our audit are focused on governance activities.

II. Overview of Results

During the course of our work, we discussed potential findings with management. A summary of these findings is provided in **Section III** along with a summary and definition of our assessment of the risk level.

In order to enhance your understanding of each specific finding, we have provided a response priority, defined as follows:

High - Requires immediate management attention. This is a serious internal control or risk management issue that may, with a high degree of certainty, lead to substantial losses, serious reputational damage, or significant adverse impact.

Medium - Requires timely management attention. This is an internal control or risk management issue that may lead to financial losses, reputational damage, or adverse impact, such as public sanctions or immaterial fines.

Low - Routine management attention is warranted. This is an internal control or risk management issue, the solution to which may lead to improvement in the quality and/or efficiency of the process being tested. Risks are limited.

Based on our procedures and assessment of the findings noted, we have provided an overall audit grade. The audit grade is not intended to usurp ultimate risk assessment responsibility, which is vested with the Audit Committee and management.

Overall audit grades are defined as follows:

Satisfactory - Findings are limited to minor deviations from policy or regulatory requirements resulting in nominal risk to NES. The design and operating effectiveness of controls evaluated during the audit appear adequate and reasonable. However, because of inherent limitations in any system of internal control, errors or irregularities may occur and not be detected. Therefore, absolute reliance should not be placed on these controls.

Needs Improvement - Findings include an aggregation of minor deviations and/or major deviations from policy or regulatory requirements resulting in reasonable probability of further misstatements or violations, if not corrected promptly. The design and operating effectiveness of controls evaluated during the audit appear to be less than adequate, and limited reliance can be placed on these controls.

Unsatisfactory - Findings include an aggregation of minor deviations and/or major deviations from policy or regulatory requirements resulting in probable misstatements or violations that could be significantly detrimental to NES. Immediate corrective action by high-level management, the Audit Committee, and possibly the Board will be desirable. Findings in this category will immediately be reported to the appropriate level to ensure timely action can be taken. The design and operating effectiveness of controls evaluated during the audit are not effective and should not be considered reliable.

III. Findings and Conclusion Summary

Based on the scope of the audit, the following table portrays the number of audit findings by response priority. Red reflects audit findings that are considered high response priority, yellow reflects audit findings of medium response priority, and green reflects findings of low response priority.

Internal Audit Area	Auditor's Grade	High	Medium	Low	Page
Physical Security and Safety:					
Unsecured Sensitive Data in Badge System	Needs Improvement	-	1	-	6
Unnecessary Badge Access		-	1	-	7
Untimely Safety Incident Reporting and Reviews		-	-	1	8
Lack of Drug Testing Compliance Threshold Reconciliation		-	-	1	9
Unperformed Security Rounds		-	-	1	9
Out of Date Training Source Document		-	-	1	10
Total		**-**	**2**	**4**	

Conclusion Summary

There were no high risk issues identified during our procedures; however, the findings noted indicate improvement is needed and there is an opportunity for NES to strengthen internal controls. Our detailed findings and recommendations are described in **Section IV** of this report.

****

We appreciate the cooperation extended to us by personnel at NES and are pleased to be of service. If there are any questions or comments regarding this report, please contact us. Contact information for the Director and Assistant Director of Internal Audit responsible for this work is presented below.

Scott Nalley, CIA, CISA, CISSP
Director of Internal Audit
615-782-4252
Scott.Nalley@bakertilly.com

Patrick Clark, CIA
Assistant Director of Internal Audit
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Patrick.Clark@bakertilly.com

IV. Findings and Recommendations

Finding 2026-01: Unsecured Sensitive Data in Badge System

Response Priority: Medium

Sensitive information exists in the physical access control "badge" application without being supported by IT Security personnel, and therefore, has not had a system security plan performed to determine if the sensitive data is secured in compliance with IT Security policies. The badge application is supported by an internal Facilities employee. During testing, we determined that unmasked Social Security Numbers (SSNs) and Driver's License Numbers for NES employees and contractors were visible within the badge application for select user roles. The system of record for this information is the Human Capital Management (HCM) application.

Risk: Storing sensitive data in applications where it is not required can increase the organization's exposure and risk of data leakage in the event of a breach. Additionally, the absence of a system security plan increases the likelihood of unidentified vulnerabilities within the system and potentially an insufficient understanding of necessary controls needed to protect system data.

Recommendation: Security management should remove all unnecessary sensitive data (e.g., SSNs) from the badge system and a system security plan should be implemented by IT Security to determine if sensitive data is properly secured. Additionally, Security management should work with IT management to transition administrative control of the badge system to IT Security to align with IT Security policies.

Management's Response: Facilities and Security has removed Social Security numbers from the access control system. Security team members have also been instructed not to add Social Security numbers when onboarding new hires or contractors. Access to driver's license numbers has been limited to select roles responsible for badge administration and application management. To further reduce security risk to NES, management supports assigning IT administrative control of the badge application (Door.net) while Facilities and Security retains operational control.

Responsibility: Trish Holiday, Ron Womble, Demond Ivery, Brent Catoe

Implementation Date: October 31, 2026

Finding 2026-02: Unnecessary Badge Access

Response Priority: Medium

Badges for employees, contractors, and retirees are not always removed or evaluated for need and may result in unauthorized access to NES' facilities. During testing of badge access, we observed the following:

- 19 badges of terminated, survivor, or deceased users were identified as active cards in the badge system despite being labeled as belonging to terminated, deceased, or survivor employees. The deceased and survivor users had not used their badges since 2016 or earlier. Five of the 19 badges had access to doors assigned to their card.
- 101 badges were identified as active but had not been used since 2023 and 60 of those appeared to have never been used.

Additionally, we determined that a consolidated and complete record of contractors does not exist. Numerous contractors identified within the badge application were not included in the listing of contractors maintained in HCM, which is the system of record.

Risk: Failure to timely remove badge access or monitor unused badges can increase the risk of unauthorized physical access to facilities, potentially compromising the safety of employees. In addition, the lack of one complete system of record of contractors may delay NES' ability to promptly identify and contact all contractors in emergency situations.

Recommendation: Security management should periodically review appropriateness of badge holders (e.g., analytics on badge use) in their system to identify inactive or unused badges. Additionally, NES should ensure that all contractors are included in the contractor system of record, HCM.

Management's Response: Facilities and Security has removed access for badges associated with terminated employees, deceased individuals, and survivor records. Security will review badges that have not been used for a significant period of time to determine whether access is still needed. Some unused badges may remain appropriate because they are distributed to TVA cardholders, who are validated monthly. Security will also review the cardholder listing annually to identify badges that are not being used. Facilities and Security will work with Staffing and Employee Relations to ensure all contractors are entered into HCM by the end of FY27.

Responsibility: Trish Holiday, Demond Ivery

Implementation Date: June 30, 2027

Finding 2026-03: Untimely Safety Incident Reporting and Reviews

Response Priority: Low

Safety incident reporting and reviews are not always performed timely in compliance with NES processes to ensure timely identification and remediation of the root cause of safety incidents. We determined that eight of 11 incident reports inspected were not received by the Safety Team within 72 hours of the incident, as stated on the incident reporting form; and two of the eight were received 20 and 36 days after the incident occurred. Once received by the Safety Team, four of the 11 incidents inspected were reviewed more than one month after the incident occurred. While management defines that incidents should be reported and provided to the Safety team within 72 hours of the incident occurrence, management has not defined an expected time frame in which Safety should complete their review of the reported incident.

Risk: Delays in safety incident reporting and documentation could result in safety issues not being remediated timely.

Recommendation: Safety management should work with department managers to reinforce the importance of providing safety incident reporting forms to the Safety Department within the established 72 hour time frame. Safety should document and recommunicate the safety incident reporting and review requirements to department management. In addition, Safety should establish incident review guidelines in their departmental policies and procedures and management should consider if delays in providing safety incident reporting forms to the Safety Department should be considered as a part of employee performance reviews.

Management's Response: In late 2024, the Safety Department finalized new processes and procedures to ensure the timely review, investigation, and follow-up of all safety-related incidents through the creation of an Incident Review Committee (IRC). The IRC guidelines were established to strengthen incident oversight, accountability, corrective action management, and continuous improvement across the organization. In January 2026, the IRC began meeting weekly to review all security incidents from the previous week and ensure appropriate corrective safety measures were implemented if applicable.

Responsibility: Trish Holiday, Mark Booker

Implementation Date: Complete

Finding 2026-04: Lack of Drug Testing Compliance Threshold Reconciliation

Response Priority: Low

NES does not have a process to verify compliance with the 50% random drug testing requirement for CDL holders, as stated in the NES Policy Manual. During testing of the random drug test process, we determined that employees no longer required to complete drug testing were not replaced with alternates, despite alternates being selected. Because the population of employees with CDL licenses is dynamic, a situation exists where testing rates may fall below required thresholds. After the conclusion of our audit testing, the NES Safety Department determined that the 12-month average of random drug testing was at 48%.

Risk: Non-compliance with drug testing requirements may result in reputational risks.

Recommendation: Safety management should perform a quarterly reconciliation of CDL drug testing compliance to ensure they are on track to achieve compliance and determine whether additional drug testing is required.

Management's Response: During 2025, we recognized the base employee list provided to our 3rd Party Drug and Alcohol Testing Administrator needed improvement and we adjusted the data generation process. Our 3rd Party Drug and Alcohol Testing Administrator is now using better active employee data and thus minimizing potential gaps and improving our task to ensure the test rates are met. Additionally, we are currently implementing a quarterly data reconciliation to ensure the test data is routinely and properly managed, and test rates are proactively evaluated for potential adjustments.

Responsibility: Trish Holiday, Mark Booker

Implementation Date: Complete

Finding 2026-05: Unperformed Security Rounds

Response Priority: Low

Periodic physical inspections of certain NES premises are not always performed by security guards in compliance with security protocols and the outsourced Security Company's contract. During our testing in December 2025, we determined that Post 5 had not performed routine security rounds since April 2025. Upon further investigation, we determined that the gate at Post 5 had been broken since April 2025, and due to limited staffing at this location, the security guard was unable to leave

their post to perform security rounds, and an alternative procedure was not implemented to fulfill or replace the Security Company's contractual obligation.

Risk: Non-compliance with security protocols to perform periodic physical inspections of company premises may allow unauthorized access or intrusion to go undetected, limit the ability to prevent or deter incidents before they occur, or respond quickly if problems arise.

Recommendation: Security management should work with the contracted security company to determine if additional staffing is needed at Post 5 in order to adequately perform security rounds as per the Post 5 operating procedures. Additionally, NES Facilities management should work to ensure that the Post 5 gate is repaired.

Management's Response: The exit gate at Post 5 has been repaired, and security guards have resumed proxy rounds at that location.

Responsibility: Trish Holiday, Demond Ivery

Implementation Date: Complete

Finding 2026-06: Out of Date Training Source Document

Response Priority: **Low**

The Safety Department's source document, which identifies required Safety training based on department and job title, had not been updated to reflect organizational changes since 2023. Therefore, training may not have been completed by all required employees in compliance with regulatory agencies (e.g. OSHA). Additionally, trainings listed in the source document do not always match those in HCM, the official system of record for completed training.

Risk: Failure to update the system of record noting who is required to take specific training could result in individuals or job roles not receiving required training. Additionally, the lack of a complete and accurate source document can make the process of reconciling employee training more difficult and subject to errors.

Recommendation: Safety management should review and update the required training source document when significant changes occur, or at least annually. Training names should be consistent between the source document and HCM.

Management's Response: In late 2024, NES contracted with Origami Risk LLC to deploy their Health and Safety cloud-based software platform to automate the employee safety programs and workflows and streamline compliance within a unified platform. Software features include automation of job role training requirements and documentation. An updated matrix of training required by job roles has been loaded into the Origami-NES test environment.

Responsibility: Trish Holiday, Mark Booker

Implementation Date: November 18, 2026

Nashville Electric Service
Physical Security and Employee Safety
Recommendations and Best Practices

To: Trish Holliday, Mark Booker, Demond Ivery

From: Baker Tilly

Date: June 4, 2026

During our review covering the period November 1, 2024 through October 31, 2025, the following areas were not considered to be findings within the audit report, but were noted as areas for potential improvement or are recommendations based on best practice:

Physical Security

- Evidence of contractor background checks is not always retained. During testing of background checks, we determined one contractor where Security did not retain the background check. While we were able to inspect evidence that the background check was performed, NES Security should retain contractor background checks in case a security event occurs where background checks must be reviewed.

- Quarterly access review documentation of individuals with access to sensitive/restricted areas does not include the last time a user entered the restricted area nor is the reviewer required to provide acknowledgement that a review was performed. NES Security should include the last time a user accessed a sensitive/restricted area on the access review documentation, and require the reviewer to acknowledge that they have performed their review validating that the access is necessary and appropriate.

Safety Communications To Contractors

- Employee safety communications are not always sent to NES contractors. Corporate Communications should ensure that communication of security events, when potentially impacting onsite contractors, are shared with contractors when relevant.

The PwC audit

Experience beyond numbers

Electric Power Board of the Metropolitan Government of Nashville and Davidson County

Audit results

Report to the Audit and Ethics Committee

CONFIDENTIAL

This report and the information that it contains is intended solely for the information and use of the Audit and Ethics Committee and, if appropriate, management, and is not intended to be, and should not be used by anyone other than these specified parties.

The PwC Audit

Experience beyond numbers

August 26, 2026

Dear Members of the Audit and Ethics Committee of Electric Power Board of the Metropolitan Government of Nashville and Davidson County:

We are pleased to submit our Report to the Audit and Ethics Committee related to the results of our FY2026 audit of Electric Power Board of the Metropolitan Government of Nashville and Davidson County (the “Board"). Our report includes an update on the status of our audit, a summary of the results of our audit work to date and other required communications. We’ve also highlighted how our human-led, tech-powered approach enhanced audit quality and contributed to a more streamlined, tailored experience, enriched by meaningful insights.

This report has been prepared in advance of our meeting and prior to the completion of our procedures. Other matters of interest to the Audit and Ethics Committee may arise, which we will bring to your attention at our meeting.

We look forward to presenting this report on your PwC Audit. If you have any questions or wish to discuss any other matters prior to our meeting, please do not hesitate to contact me at or .

Very truly yours,



Richard Call
Engagement Partner

What's Inside

1 Highlights

2 Audit Results

3 Other required communications

4 Appendices

1

Highlights

Highlights

Significant changes to audit plan

- There were no significant changes to the audit plan presented on April 22, 2026.
- Our final materiality thresholds have remained consistent with our preliminary planning thresholds.

Significant risks

- Management override of controls

Critical accounting estimates

- While management uses certain estimates within their financial reporting, we noted that based upon our assessment of the relative estimate risk, subjectivity, and complexity, these estimates did not rise to the level of a critical accounting estimate. We performed appropriate audit procedures over these estimates and the resulting balances.

Status of the audit

- Substantially completed our audits of the financial statements.
- Expect to issue our unqualified opinions in September 2026.
- Draft audit reports in Appendix II
- As of the mailing of this report, we are in the process of finalizing the following items:
  - Finalization of specialist reviews of pension liability
  - Final documentation review of audit procedures
  - Financial statement tie-out
  - Subsequent events procedures
  - Signing of management representation letters and legal letters

Independence and other required communications

- There were no matters identified that may be reasonably thought to bear on our independence.
- We did not identify any material potential fraud or known fraud.
- There were no disagreements with management.
- We did not identify any instances of non-compliance with laws and regulations.
- No recorded or unrecorded misstatements were identified.
- No matters rising to the level of a material weakness have been identified.

Highlights

Other matters

- In the period under audit, NES adopted the following accounting pronouncements:
  - Statement No. 103, *Financial Reporting Model Improvements*
  - Statement No. 104, *Disclosure of Certain Capital Assets*

Our Commitment To You

- We have worked with executive management to ensure a seamless transition of engagement team personnel as well as key management contacts.
- We provided management with access to certain PwC professionals for discussions and insights associated with board governance.
- We have provided management with industry thought leadership and perspectives over the revolutionization of utility asset management with AI, automation and cloud as well as forces reshaping 2026 power and utilities deals.

Storm event audit procedures

Winter Storm Fern

Winter Storm Fern impacted the Nashville area with snow, sleet, and ice, producing hazardous travel, school/office closures, and scattered power outages. Significant impacts were observed in Davidson and surrounding counties, where ice loading and falling trees caused downed lines and service interruptions. Nashville Electric Service (NES) responded with nearly 1,900 crews (including line workers and support personnel), reaching a peak of 230,000 customers without power and restoring service to 99.9% of affected customers by February 6, 2026, with full restoration by February 9.

Our procedures

We met with management to understand storm event governance and the process used to accumulate costs associated with Winter Storm Fern, including the **allocation of costs as capital vs. O&M**. We evaluated the reasonableness of management's determination of capitalization vs. expense for storm costs, including the assumptions made by management in determining this allocation. Additionally, we tested **costs incurred**, testing **storm work orders/invoices** by agreeing to support for existence and accuracy and validating the **expenditure coding, classification, and cut-off**.

By the Numbers:

Drivers	(In millions)	
NES Costs	$	17.5
Contractor Costs	$	42.0
Materials	$	3.9
Other	$	2.2
Subtotal – Capitalized Costs	$	65.6
O&M Costs	$	36.9
Total	**$**	**102.5**

2

Audit results

Status of our audit

Audit report

We expect to issue our unqualified report upon completion of the remaining open items. Draft of the audit reports are included as Appendix II. Our audit deliverables include:

- Audit report on the GAAP financial statements in accordance with GAAS and Government Auditing Standards
  - Long-Form Report
  - Short-Form Report
- Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

Significant changes to the audit plan

We presented our planned audit approach, including our preliminary risk assessment, and related scoping considerations to the Audit and Ethics Committee on April 22, 2026. Throughout the audit, we continuously evaluate the appropriateness of our audit strategy. There were no changes to our materiality thresholds, and there were no significant changes to the planned audit approach.

Remaining items to complete

We have substantially completed the audits of the financial statements. The remaining items we are in the process of finalizing as of the mailing of this report include:

- Finalization of specialist reviews of pension liability
- Final documentation review of audit procedures
- Financial statement tie-out
- Subsequent events procedures
- Signing of management representation letters and legal letters

Other deliverables

- Audit report on Post-Employment Benefit Plan GAAP financial statements in accordance with GAAS and Government Auditing Standards
- Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards for the Post-Employment Medical & Life Insurance Plan Trust

Audit risks and results

Significant risk – Management override of controls (presumed fraud risk)

Related accounts (including relevant assertions)

Pervasive (all assertions)

Audit response

- Met with senior management, including those outside of the finance organization to perform fraud inquiries and obtain an understanding of their perspective on the risk of fraud and the related susceptibility of the Board and Plan financial statements to material misstatement
- Evaluated the Board's programs and controls that address identified risks of material misstatements caused by fraud, including the review of journal entries, inquiries of management, and performing disaggregated analytical procedures over revenue
- Performed procedures on a selection of journal entries through use of Halo for Journals
- Met with Compliance and Controls to understand any whistleblower matters and other code of conduct violations
- Performed procedures over significant management estimated in the financial statements as well as any unusual transaction and suspense/intercompany accounts.
- Performed unpredictable audit procedures to identify accounting misstatements due to fraud or error

Audit results

- We identified no matters through fraud interviews performed with members of management and other personnel
- We identified no issues through journal entry testing using Halo for Journals
- There were no whistleblower matters or code of conduct violations that impacted the audit
- Our procedures over management's estimates did not identify any management biases, and we determined that these estimates were reasonable
- We designed certain unpredictable procedures, noting no indications of either fraud or error
- There were no transactions that were determined to be significant, unusual transactions

Audit risks and results

Other relevant risk – Revenue and Accounts receivable

Description of matter

Revenue, Accounts receivable (C, CO, A, E/O, P&D)

Note: We have rebutted the presumed risk of fraud in revenue recognition.

Audit response

- Performed walkthroughs of the business cycle to test the design and implementation of key controls
- Performed tests of operating effectiveness of select revenue and accounts receivable controls
- Performed risk assessment analytical procedures on electric revenue
- Tested revenue transactions from residential and commercial revenue streams
- Tested reconciliations of accounts receivable general ledger accounts
- Confirmed and “liquidated” receivables balances at year-end on a test basis
- Tested management’s process for developing the estimate of unbilled revenue at year-end
- Performed retrospective review of unbilled revenue as compared to actual billings
- Assessed the reasonableness of accounts receivable reserves at year-end

Audit results

- Based on walkthrough procedures performed, we did not identify any material weaknesses in the design of the related control environment
- Revenue analytics performed for electric revenue were in line with expectations
- No misstatements were noted through detailed testing of revenue transactions, testing of account reconciliations, and liquidation of accounts receivable balances
- We considered the estimates of the unbilled revenue balance and allowance for doubtful accounts at year-end to be reasonable

Audit risks and results

Other relevant risk – Utility plant assets

Description of matter

Utility plant assets (A, E, P&D)

Audit response

- Performed walkthroughs of the business cycle to test the design and implementation of key controls
- Tested the rollforward of utility plant assets
- We tested the following:
  - Additions to CWIP during the fiscal year
  - Transfers of completed work orders from CWIP to utility plan assets during the year, including a review of CWIP aging
  - Retirements
- Performed procedures to assess the appropriateness of capital vs. operating work order expenditure designation
- Assessed the method of calculating depreciation and tested that depreciation expense is being calculated accurately
- Evaluated for any triggering events for impairments

Audit results

- Based on walkthrough procedures performed, we did not identify any material weaknesses in the design of the related control environment
- No exceptions were noted through detailed testing of the rollforward or the associated material activity within utility plant assets
- Based on procedures performed, the capital vs. operating expense classification was determined to be appropriate and aligned with policy
- No exceptions were noted with the method of calculating depreciation or the associated calculations
- Based on procedures performed, we did not identify any potential impairments

Audit risks and results

Other relevant risk – Winter Storm Fern

Related accounts

Utility plant assets, Regulatory assets/liabilities, Governmental receivables & recoveries, Accrued liabilities & reserves, O&M expense (C, A, EO, P&D)

Audit response

- Performed inquiries of management to understand storm event governance and confirm scope (i.e., locations, work orders, cost capture, capital vs. expense allocation)
- Performed walkthroughs of the impacted business cycles to understand to test the design and implementation of key controls
- Tested storm work orders/invoices, agreeing to support for existence and accuracy and validating the expenditure coding, classification, and cut-off
- Evaluated the capitalization vs. expense determination for storm costs
- Considered impact to existing utility plant assets (e.g., retirements)
- Assessed the reasonableness and accuracy of disclosures

Audit results

- Based on walkthrough procedures performed, we did not identify any material weaknesses in the design of the related control environment
- No exceptions were noted through detailed testing of storm work orders/invoices
- Based on procedures performed, the capital vs. operating expense classification was determined to be appropriate and aligned with policy
- We considered the presentation and disclosure of the impacts of Winter Storm Fern to be reasonable

Our commitment to you



Listening.
Understanding.
Delivering.

An audit experience that is uniquely yours

Understanding perspectives

We brought diverse experiences to the table and asked thoughtful questions to understand your priorities and business objectives. As management worked through accounting for the impacts of Winter Storm Fern, we asked questions to understand priorities and business objectives.

Working effectively

We met with your team to understand your investments in utilizing the upgraded C2M and Ellipse systems and streamling existing processes, and we designed and executed an audit approach that leveraged the best of you and the best of us. We enhanced coordination with a tailored, tech-enabled audit approach.

Phasing thoughtfully

We distributed our audit throughout the year to test, discuss and resolve accounting matters as they surfaced each quarter—creating space for more proactive, real-time conversations. As communicated to you previously in our timeline and communication plan as part of our audit plan, we completed walkthroughs during May and June.

Business that's personal

Open, two-way communication

Our communication approach provided timely, ongoing dialogue and real-time discussions on emerging matters, that allowed for faster issue resolution and reduced unnecessary disruption at key stages of the audit. You can count on us to answer the call with timeline, ongoing dialogue and real-time discussions when needed.

Bringing the right knowledge to the table

Rich led our issues resolution process, speaking for the firm on all audit matters and leading a transparent process that directly involved all relevant parties from the beginning.

Reflection and celebration

Throughout the audit, we strengthened alignment and enhanced the effectiveness of the audit process. We also recognized key milestones together, reinforcing a coordinated, transparent working relationship.

Solve big, think bigger

Sharing permissible insights

We provided insights within the context of our role and shared objective perspectives on topics that were important to you. Drawing on deep industry knowledge, we thought beyond the audit and considered how assurance connects to your broader business objectives. Where insights were derived outside of our procedures to perform the audit and fell under non-audit services, we obtained Audit Committee pre-approval. We have included PwC Insights that we believe you will find relevant in the Appendices.

Advancing audit technology

Our audit technology worked behind the scenes to make your experience more consistent and less disruptive. By automating key tasks and improving coordination, we required less support from your team, which allowed them to focus more on their day-to-day responsibilities.

Applying AI responsibly

We thoughtfully integrated AI across the audit to enhance quality—not replace judgment. Our teams used AI to analyze data more deeply, identify anomalies sooner, and apply digital quality checks. These actions were all backed by strong governance and guardrails, with our professionals directing every step.



Other required communications

Other required communications

Matter to report	No	Yes	Comments
Ethics and independence requirements	√		We are required to be independent of the Board and to meet our other ethical responsibilities in accordance with the AICPA Code of Professional Conduct and the rules of applicable state boards of accountancy. Our policies related to ethics, including independence, integrate the requirements of the International Code of Ethics for Professional Accountants of the International Ethics Standards Board for Accountants (IESBA code) and the relevant standards and regulations established by US standard setting bodies and by external regulators.
Independence breaches	√		In accordance with the AICPA's Code of Professional Conduct, we are required to communicate a breach of external independence requirements to you as soon as possible or in line with a communication protocol that is confirmed in writing. There were no independence matters that occurred or were identified subsequent to the date of April 22, 2026 of our most recent most recent communication provided to the Audit and Ethics Committee.
Fraud	√		We did not identify any fraud or suspected fraud.
Non-compliance with laws and regulations	√		We are not aware of any instances of non-compliance with laws and regulations.
Related Parties	√		After evaluating the company's identification of, accounting for, and disclosure of its relationships and transactions with related parties, we have identified no significant findings or issues arising during the audit in connection with the company's related parties.
Quality of the company's financial reporting	√		We have considered the qualitative aspects of the company's significant accounting policies and practices and we identified no reportable matters. We have evaluated whether the difference between (1) estimates best supported by the audit evidence and (2) estimates included in the financial statements, which are individually reasonable, indicate a possible bias on the part of the company's management. We did not identify any areas of possible bias. We have performed an evaluation of whether the presentation of the financial statements and the related disclosures are in conformity with the applicable financial reporting framework, including our consideration of the form, arrangement, and content of the financial statements (including the accompanying notes). We did not identify any instances of non conformity.

Other required communications

Matter to report	No	Yes	Comments
Alternative accounting treatments	√		We did not identify any alternative treatments permissible under US GAAP or GASB for accounting policies and practices related to material items, including recognition, measurement, and presentation and disclosure.
Material uncertainties related to events and conditions (specifically going concern)	√		There were no conditions and events that we identified that indicate that there is substantial doubt about the Board's ability to continue as a going concern.
Other information in documents containing audited financial statements	√		AICPA Auditing Standards Board Statement on Auditing Standards No. 137 (SAS 137) requires that we communicate to you our responsibility with respect to other information, the procedures performed related to the other information, and the results. These standards require that we read other information, whether financial or nonfinancial, included in the Board's annual report and consider whether a material inconsistency exists between the other information and the financial statements and to remain alert for indications that • A material inconsistency exists between the other information and the auditor's knowledge obtained in the audit, and/or • A material misstatement of fact exists or the other information is otherwise misleading. We assume no obligation to perform procedures to corroborate such other information as part of our audit. As it relates to other information included in the annual report, refer to the management representation letter attached for management's written acknowledgment of the document(s) which comprise the annual report and the planned manner and timing of issuance of those document(s). We have not completed our procedures over the other information. If a material inconsistency, material misstatement or statement that is otherwise misleading is identified and uncorrected by management, we will inform you accordingly.

Other required communications

Matter to report	No	Yes	Comments
Disagreements with management	√		There were no disagreements with management.
Consultation with other accountants	√		We are not aware of any consultations management has had with other accountants about significant accounting or auditing matters.
Difficulties encountered during the audit	√		There were no significant difficulties encountered during the audit.
Difficult or contentious matters	√		There were no difficult or contentious matters for which we consulted outside the engagement team and we reasonably determined are significant and relevant to those charged with governance regarding the responsibility to oversee the financial reporting process.
Other material written communications	√		The appendices include copies of other material written communications with management, including a copy of management's representation letter (Appendix III) and OPEB material written communications (Appendix IV).
Other matters	√		There were no other matters arising from the audit that are significant and relevant to the oversight of the Board's financial reporting process.

4

Appendices

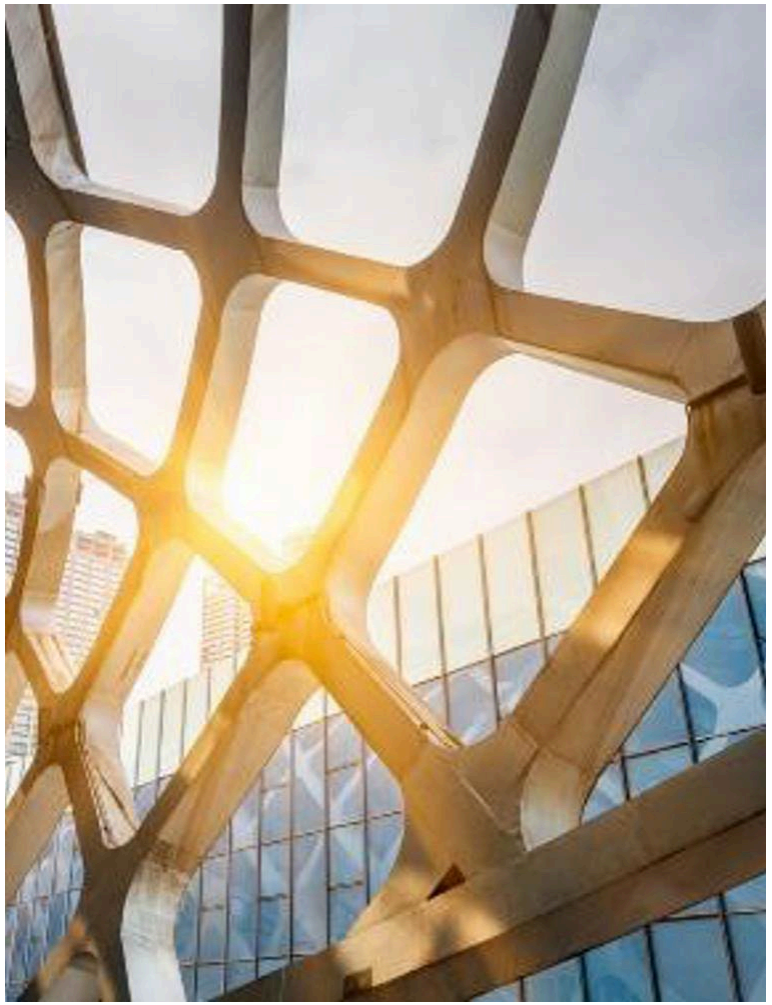
Appendices

Sharing Insights from PwC	I
Audit report drafts	II
Management representation letter drafts	III
OPEB material written communications	IV

Sharing PwC Insights

It is customary that we will provide firm-developed thought leadership and relevant insights that encompass not only matters closely related to the audit but also overall business trends and insights. As part of our internal process, we determine if the insight being provided is a service and, if it is, then determine if that service would likely be considered part of the audit service or a separate, non-audit service. Generally, insights that involve analyzing client information and providing advice and recommendations specific to the client are likely to be considered a service. Insights that are considered non-audit services are subject to the Audit Committee's pre-approval process and our Firm's relevant controls.

Audit Committee Oversight Materials



Oversight in the AI era: understanding the audit committee’s role

AI is reshaping business. Learn 6 key risk areas audit committees can oversee for effective governance and unlock AI’s full potential.

Click on the image to read the report

Audit report drafts

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Report of Independent Auditors

To the Electric Power Board of the Metropolitan Government of Nashville and Davidson County Nashville, Tennessee

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and fiduciary activities of the Electric Power Board of the Metropolitan Government of Nashville and Davidson County (the "Electric Power Board"), a component unit of the Metropolitan Government of Nashville and Davidson County, Tennessee, which comprise the statements of net position and fiduciary net position as of June 30, 2026 and 2025, and the related statements of revenues, expenses and changes in net position, changes in fiduciary net position, and of cash flows for the years then ended, including the related notes, which collectively comprise the Electric Power Board's basic financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the business-type activities and fiduciary activities of the Electric Power Board as of June 30, 2026 and 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (US GAAS) and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Electric Power Board and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Electric Power Board's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

PricewaterhouseCoopers LLP
21 Platform Way South, Suite 1900
Nashville, Tennessee 37203
(615) 503 2860

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS and *Government Auditing Standards,* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with US GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Electric Power Board's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Electric Power Board's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 16 and the required supplementary information on pages 69 through 78 be presented to supplement the basic financial statements. Such information is the responsibility of management, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Electric Power Board's basic financial statements. The supplementary information on page 1, pages 80 through 100, and page 103 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated September 25, 2026, on our consideration of the Electric Power Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Electric Power Board's internal control over financial reporting and compliance.

Nashville, Tennessee
September 24, 2026

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Report of Independent Auditors

To the Electric Power Board of the Metropolitan Government of Nashville and Davidson County Nashville, Tennessee

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and fiduciary activities of the Electric Power Board of the Metropolitan Government of Nashville and Davidson County (the "Electric Power Board"), a component unit of the Metropolitan Government of Nashville and Davidson County, Tennessee, which comprise the statements of net position and fiduciary net position as of June 30, 2026 and 2025, and the related statements of revenues, expenses and changes in net position, of changes in fiduciary net position, and of cash flows for the years then ended, including the related notes, which collectively comprise the Electric Power Board's basic financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the business-type activities and fiduciary activities of the Electric Power Board as of June 30, 2026 and 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (US GAAS) and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Electric Power Board and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Electric Power Board's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

PricewaterhouseCoopers LLP
21 Platform Way South, Suite 1900
Nashville, Tennessee 37203
(615) 503 2860

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS and Government Auditing Standards, will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with US GAAS and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Electric Power Board's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Electric Power Board's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 16 and the required supplementary information on pages 69 through 78 be presented to supplement the basic financial statements. Such information is the responsibility of management, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Schedule of Executive Management and Board Members, but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the

basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Nashville, Tennessee
September 24, 2026

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Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Electric Power Board of the Metropolitan Government of Nashville and Davidson County Nashville, Tennessee

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the business-type activities and fiduciary activities of the Electric Power Board of the Metropolitan Government of Nashville and Davidson County (the "Electric Power Board"), a component unit of the Metropolitan Government of Nashville and Davidson County, Tennessee, which comprise the statement of net position and fiduciary net position as of June 30, 2026, and the related statements of revenues, expenses, and changes in net position, changes in fiduciary net position, and of cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 24, 2026.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Electric Power Board's internal control over financial reporting ("internal control") as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Electric Power Board's internal control. Accordingly, we do not express an opinion on the effectiveness of the Electric Power Board's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that were not identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Electric Power Board's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of This Report

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The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Nashville, Tennessee
September 24, 2026

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Management representation letter drafts

[Client Letterhead]

September 24, 2026

PricewaterhouseCoopers LLP
21 Platform Way S, Suite 1900
Nashville, TN 37203

We are providing this letter in connection with your audits of the financial statements of the Electric Power Board of the Metropolitan Government of Nashville and Davidson County ("Nashville Electric Service" or the "Company") as of June 30, 2026 and 2025 and for the years then ended for the purpose of expressing an opinion as to whether such financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows of Electric Power Board of the Metropolitan Government of Nashville and Davidson County in conformity with accounting principles generally accepted in the United States of America. We acknowledge and confirm that we have fulfilled our responsibility, as set out in our engagement letter of May 13, 2026, for the preparation and fair presentation in the financial statements of financial position, results of operations, and of cash flows in conformity with generally accepted accounting principles, including the appropriate selection and application of accounting policies.

Certain representations in this letter are described as being limited to those matters that are material. Materiality is entity specific. The omission or misstatement of an item in a financial report is material, regardless of size, if in light of surrounding circumstances, the magnitude of the item is such that it is probable that the judgment of a reasonable person relying upon the report would have been changed or influenced by the inclusion or correction of the item. Materiality used for purposes of these representations is $5.1 million.

We confirm, to the best of our knowledge and belief, as of September 24, 2026 the date of your report, the following representations made to you during your audit(s):

1. The financial statements referred to above are fairly presented in conformity with accounting principles generally accepted in the United States of America (GAAP), and include all disclosures necessary for such fair presentation and disclosures otherwise required to be included therein by the laws and regulations to which the Company is subject. We have prepared the Company's financial statements on the basis that the Company is able to continue as a going concern. There are no conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

2. We have made available to you:

   a. All financial records and related data.

   b. Unconditional access to persons within the entity from whom you have requested audit evidence.

   c. All minutes of the meetings of stockholders, directors, and audit or other committees of directors, and summaries of actions of recent meetings for which minutes have not yet been prepared. The most recent meetings held were:

      (A) Electric Power Board of the Metropolitan Government of Nashville and Davidson County – July 22, 2026
      (B) Audit and Ethics Committee – July 22, 2026
      (C) Civil Service Board – July 22, 2026

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(D) Investment Committee – March 30, 2026

3. All changes or expected changes to the Company's affiliates and/or individuals with a beneficial ownership interest, as defined in the AICPA Code of Professional Conduct, during the period ended June 30, 2026. We understand that such changes could have come about, for example, as a result of mergers, acquisitions, investments or establishment of new entities. Changes were communicated prior to the date for which independence was required with respect to the affiliate and/or individual with a beneficial ownership interest (e.g., in coordination with the letter of intent or the commitment date of the transaction). The independence rules encompass not only the Company, but also its affiliates and individuals with a beneficial ownership interest, as defined in the AICPA Code of Professional Conduct.

4. We have appropriately reconciled our books and records (e.g., general ledger accounts) underlying the financial statements to their related supporting information (e.g., sub ledger or third-party data). All related reconciling items considered to be material were identified and included on the reconciliations and were appropriately adjusted in the financial statements, as necessary. There were no material unreconciled differences or material general ledger suspense account items that should have been adjusted or reclassified to another account balance. There were no material general ledger suspense account items written off to a balance sheet account, which should have been written off to an income statement account and vice versa. All intra-entity accounts have been eliminated or appropriately measured and considered for disclosure in the financial statements.

5. There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in financial reporting practices.

6. There are no material transactions, agreements or accounts that have not been properly recorded in the accounting records underlying the financial statements.

7. We did not use any instances of artificial intelligence in the preparation of the financial statements or in the supporting financial records and related data provided to you, to the extent that such use involved or related to information or account balance(s) that was, or had the potential to be, material.

8. We acknowledge and confirm that we have fulfilled our responsibility, as set out in our engagement letter of May 13, 2026, for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error and we have disclosed to you all deficiencies in the design or operation of internal control over financial reporting of which we are aware. We have also disclosed to you which of these deficiencies we believe are significant deficiencies or material weaknesses in internal control over financial reporting. We did not use any instances of artificial intelligence in the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements.

9. We acknowledge our responsibility for the design, implementation, and maintenance of programs and controls to provide reasonable assurance that fraud is prevented and detected.

10. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud and we have no knowledge of any fraud or suspected fraud affecting the Company involving:

    a. Management,
    b. Employees who have significant roles in internal control over financial reporting, or
    c. Others where the fraud could have a material effect on the financial statements.

11. We have no knowledge of any allegations of fraud or suspected fraud affecting the Company received in communications from employees, former employees, analysts, regulators, short sellers, or others.

(As to the three preceding representations, we understand the term "fraud" to mean those matters described in AICPA AU-C 240.)

12. There have been no violations or possible violations of laws or regulations whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency.

13. The Company has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.

14. We have disclosed to you the identity of all the Company's related parties and all the related party relationships and transactions of which we are aware.

15. The financial statements include all fiduciary activities required by GASB Statement No. 84, *Fiduciary Activities*, as amended.

16. There are no side agreements or other arrangements (either written or oral) that have not been disclosed to you.

17. The following, if material, have been properly recorded or disclosed in the financial statements

    a. Relationships and transactions with related parties, as described in Accounting Standards Codification (ASC) 850, *Related Party Disclosures*, including sales, purchases, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties.

    b. Guarantees, whether written or oral, under which the Company is contingently liable.

    c. Significant estimates and material concentrations known to management that are required to be disclosed in accordance with ASC 275, *Risks and Uncertainties*. (Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.)

18. The Company has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral, except as disclosed in the financial statements.

19. The Company has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

20. Components of net position (net investment in capital assets, restricted, and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classifed and, if applicable, approved.

21. Receivables classified as current do not include any material amounts which are collectible after one year. All receivables have been appropriately reduced by discounts, incentives, chargeoffs and the allowance for doubtful accounts.

22. Materials and Supplies inventories recorded in the financial statements are stated at the lower of cost or market, cost being determined on the basis of weighted average, and due provision was made to reduce all slow-moving, obsolete, or unusable inventories to their estimated useful or scrap

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values. Inventory quantities at the balance sheet dates were determined from physical counts or from perpetual inventory records, which have been adjusted on the basis of physical inventories taken by competent employees at various times during the year.

23. All liabilities of the Company of which we are aware are included in the financial statements at the balance sheet dates. There are no other liabilities, or gain or loss contingencies, that are required to be recognized or disclosed by ASC 450, *Contingencies*, and no unasserted claims or assessments that our legal counsel has advised us are probable of assertion and required to be disclosed in accordance with that Topic.

24. We are responsible for all significant estimates and judgments affecting the financial statements. The methods, underlying data, and significant assumptions used in developing accounting estimates and the related disclosures are reasonable and appropriate to achieve recognition, measurement, or disclosure in the financial statements in accordance with accounting principles generally accepted in the United States of America. The methods used in developing accounting estimates have been consistently applied in the periods presented and the data used in developing accounting estimates is accurate and complete. Accounting estimates and judgments appropriately reflect management's intent and ability to carry out specific courses of action, where relevant. There have been no subsequent events that would require the adjustment of any significant estimates and related disclosures.

25. We acknowledge and confirm that we understand your responsibility, as set out in our engagement letter of May 13, 2026, to obtain an understanding of the design and implementation of the Company's internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. We also acknowledge that you have not tested the operating effectiveness of our internal control over financial reporting as part of your audit of the financial statements.

26. We have notified you of (i) any current or planned offerings of securities on a regulated market in a non-U.S. country or (ii) when we have provided or plan to provide audited financial statements to a non-U.S. regulator or government in connection with our access to its public capital markets, whether or not we include or refer to your report or include reference to your Firm.

27. We will provide you with the final version of the document(s) listed in Attachment to this letter, which comprise the annual report (as defined by AU-C Section 720) when available. Attachment also lists the annual report documents that we have not yet provided and the planned manner and timing of issuance of such documents. We acknowledge and confirm our responsibility to provide the final version of the document(s) prior to issuance of the annual report, such that you can complete the procedures required by applicable professional standards.

28. We acknowledge our responsibility for the presentation of the Management's Discussion and Analysis and the schedules included in the "Required Supplementary Information" section of the financial statements in accordance with accounting principles generally accepted in the United States of America. We believe such information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement or presentation have not changed from those used in the prior period. We have informed you about any significant assumptions or interpretations underlying the measurement or presentation of the information.

29. We acknowledge our responsibility for the presentation of the schedules included in the "Other Supplementary Information" section of the financial statements in accordance with the requirements of the Tennessee Comptroller of the Treasury. We believe such information, including its form and content, is fairly presented in accordance with the requirements of the Tennessee Comptroller of the Treasury. The methods of measurement or presentation have not changed from

those used in the prior period. We have informed you about any significant assumptions or interpretations underlying the measurement or presentation of the information.

30. All cash and deposit accounts and all other properties and assets of the Company are included in the financial statements. Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances, line of credit, and collateral posted, or similar arrangements have been properly disclosed in the financial statements.

31. We consistently applied our policy regarding classification of cash and cash equivalents, which are short-term, highly liquid investments that are readily convertible to known amounts of cash and are so near their maturity that there is insignificant risk of changes in value due to interest rate or other credit risk changes.

32. We reviewed our long-lived assets for associated asset retirement obligations (AROs), and we have determined that we have no material ARO liabilities to recognize in accordance with GASB 49 *Accounting and Financial Reporting for Pollution Remediation Obligations*.

33. We have performed evaluation, recording and disclosure of all contractual arrangements within the scope of GASB 87, Leases

34. We have performed evaluation, recording and disclosure of all contractual arrangements within the scope of GASB 96, Subscription-Based Information Technology Arrangements.

35. All borrowings and financial obligations of the Company have been disclosed to you and are properly recorded and disclosed in the financial statements.

36. We have reviewed all of our debt agreements and determined that we have not violated any covenants of our debt agreements during any of the periods presented, and we disclosed to you all covenants and information related to how we determined compliance with the covenants.

37. The actuarial valuation of pension and postretirement benefit obligations was determined using an acceptable methodology applied on a consistent basis and taking into account the individual characteristics of the plans and reasonable assumptions, including those for the discount rate, rate of return on plan assets, mortality rate and other demographic assumptions.

38. All material regulated costs that have been deferred to future periods are probable of recovery. The Company believes that it currently meets the criteria of GASB Codification RE10 for its operations.

39. We have performed an evaluation and have assessed the annual calculation of the line loss (including company use electricity). The analysis includes line loss data from the prior years, and the analysis has been updated for the current year factors. We have investigated the current year line loss percentage of 2.40% and have concluded that this is reasonable.

40. We assume responsibility for the findings of specialists. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not aware of any matters that have had an impact on the independence or objectivity of the specialists. We adequately considered qualifications of the specialists in determining the amounts and disclosures used in the financial statements and underlying accounting records related to fair values employee benefit plan obligations and self-insurance reserves.

41. All costs charged to non-student financial assistance cluster major program award(s) are reasonable and necessary, accorded consistent treatment, conform to the limitations and exclusions of the terms and conditions of the award(s), and individual costs are not reimbursed from other funding sources.

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42. We are responsible for complying, and have complied, with the requirements of the Uniform Guidance.

43. We are responsible for understanding and complying with the requirements of federal statutes, regulations, and the terms and conditions of federal awards related to each of our federal programs.

44. We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance for federal programs that provides reasonable assurance that we are managing federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal award that could have a material effect on our federal programs.

45. We acknowledge and understand our responsibility for the presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance and we believe such information, including its form and content, is fairly presented in accordance with the Uniform Guidance. We have included expenditures made during the period being audited for all awards provided by federal agencies in the form of grants, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance. The methods of measurement or presentation have not changed from those used in the prior period. We have informed you about any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

46. We have made available all contracts and grant agreements (including amendments, if any) and any other correspondence relevant to federal programs and related activities that have taken place with federal agencies or pass-through entities.

47. Our tax-exempt bonds issued have retained their tax-exempt status.

48. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us.

49. We have identified and disclosed to you all instances of identified and suspected fraud and noncompliance with provisions of laws, regulations, contracts and grant agreements that have a material effect on the financial statements.

50. We are responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

51. We acknowledge our responsibility for the design, implementation, and maintenance of internal controls to prevent and detect fraud

52. We have taken timely and appropriate steps to remedy identified or suspected noncompliance with provisions of laws, regulations, contracts and grant agreements that the auditor reports.

53. We have a process to track the status of audit findings and recommendations.

54. We have identified for you findings and recommendations arising out of previous financial audits, attestation engagements, and other studies conducted either by you or another firm that are related to the same audit objectives as those of your audit of our financial statements and whether those related recommendations have been implemented.

55. We have identified for you any investigations or legal proceedings that have been initiated with respect to the period under audit.

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56. We have provided views on your reported findings, conclusions, and recommendations, as well as management's planned corrective actions, for the report.

57. We acknowledge our responsibilities as they relate to non-audit services performed by you and assume all management responsibilities. We oversee the services by designating an individual within senior management who possesses suitable skills, knowledge, or experience and we evaluate the adequacy and results of the services performed. We accept responsibility for the results of the services.

To the best of our knowledge and belief, no events have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements.

_____

Teresa Broyles-Aplin, President and Chief Executive Officer

_____

Tabitha Beach, Interim Chief Financial Officer

_____

Matt Dodd, Interim Corporate Controller

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Acknowledgement of Plans to Issue Other Information

As set forth in the terms of our engagement letter dated May 13, 2026, we acknowledge and understand our responsibility to provide written acknowledgment of which document or documents comprise the Electric Power Board of the Metropolitan Government of Nashville and Davidson County's ("Nashville Electric Service" or the "Company") annual report and the Company's planned manner and timing of issuance of such documents. We also acknowledge and understand our responsibility for the preparation of any other information, whether financial or nonfinancial, accompanying the financial statements and the auditor's report thereon in the Company's annual report ("other information"), in a manner which is (a) materially consistent with information appearing in the financial statements (b) materially factual; and (c) not otherwise misleading. We acknowledge and understand our responsibility to provide you with the final version of the document or documents comprising the annual report in a timely manner, and, if possible, provide the final version of other information prior to the date of your audit report on the financial statements. When some or all of the other information will not be available until after the date of your report on the financial statements, we acknowledge and understand our responsibility to provide a written representation that the final version of the other information will be provided to you when available, and prior to the Company's issuance of other information, such that you can complete any procedures that may be required by auditing standards generally accepted in the United States of America.

The purpose of this Attachment is to provide the written acknowledgment described in the preceding paragraph.

We acknowledge and confirm that, as of the date of this letter, we plan to furnish an annual report containing, accompanying, or incorporating by reference the financial statements and your report thereon.

Documents comprising the annual report include:

- The basic financial statements
- Schedule of Executive Management and Management's Discussion & Analysis
- Required supplementary information on pages 77 – 90 which are required by accounting principle generally accepted in the United States of America
- Other Supplementary information pages 1, 92 – 110 and 113 which is presented for purposes of additional analysis

The following summarizes the planned manner and timing of issuance of the other information comprising the annual report:

- Schedule of Executive Management and Management's Discussion & Analysis - plan to issue in hardcopy simultaneously with the issuance of the financial statements at the conclusion of your audit
- Required supplementary information on pages 77 – 90 which are required by accounting principle generally accepted in the United States of America - plan to issue in hardcopy simultaneously with the issuance of the financial statements at the conclusion of your audit
- Other Supplementary information pages, 92 – 110 and 113 - plan to issue in hardcopy simultaneously with the issuance of the financial statements at the conclusion of your audit

OPEB material written communications

Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Administrator of the Electric Power Board of the Metropolitan Government of Nashville and Davidson County Post-Employment Medical & Life Insurance Plan Trust

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States, the financial statements of the Electric Power Board of the Metropolitan Government of Nashville and Davidson County Post-Employment Medical & Life Insurance Plan Trust(the "Plan"), which comprise the statement of fiduciary net position as of March 31, 2026, and the related statement of changes in fiduciary net position for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 24, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Plan's internal control over financial reporting ("internal control") as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, we do not express an opinion on the effectiveness of the Plan's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Plan's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

PricewaterhouseCoopers LLP, 21 Platform Way S Suite 1900, Nashville, TN 37203
T: (615) 503 2860, F: (615) 503 2870, www.pwc.com/us

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Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Plan's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Plan's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

PricewaterhouseCoopers LLP
Nashville, Tennessee
September 24, 2025

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[Client Letterhead]

September 24, 2026

PricewaterhouseCoopers LLP
21 Platform Way S Suite 1900,
Nashville, TN 37203

We are providing this letter in connection with your audit of the financial statements of and supplemental schedules of Electric Power Board of the Metropolitan Government of Nashville and Davidson County Post-Employment Medical & Life Insurance Plan Trust (the "Plan") as of March 31, 2026 and for the year ended for the purpose of expressing an opinion as to whether such financial statements present fairly, in all material respects, the Statement of Fiduciary Net Position and related Statement of Changes in Fiduciary Net Position of the Plan in conformity with accounting principles generally accepted in the United States of America and whether the supplemental schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole. We acknowledge and confirm that we have fulfilled our responsibility, as set out in our engagement letter of May 13, 2026, for the preparation and fair presentation in the financial statements of the Statement of Fiduciary Net Position and related Statement of Changes in Fiduciary Net Position in conformity with accounting principles generally accepted in the United States of America, including the appropriate selection and application of accounting policies. In addition, we confirm that we are responsible for the fair presentation of the accompanying supplemental schedules in conformity with the requirements of Governmental Accounting Standards Board ("GASB").

Certain representations in this letter are described as being limited to those matters that are material. Materiality is entity specific. The omission or misstatement of an item in a financial report is material, regardless of size, if in light of surrounding circumstances, the magnitude of the item is such that it is probable that the judgment of a reasonable person relying upon the report would have been changed or influenced by the inclusion or correction of the item. Materiality used for purposes of these representations is $610,000.

We confirm, to the best of our knowledge and belief, as of September 24, 2026, the date of your report, the following representations made to you during your audit.

1. The financial statements referred to above are fairly presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, and include all disclosures necessary for such fair presentation and disclosures otherwise required to be included therein by the Governmental Accounting Standards Board and other regulations to which the Plan is subject. We have prepared the Plan's financial statements on the basis that the Plan is able to continue as a going concern. There are no conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern within one year after the date the financial statements are issued.

2. We have made available to you:

    a. All financial records and related data.
    b. Unconditional access to persons within the entity from whom you have requested audit evidence.
    c. All minutes of the meetings of trustees and committees of trustees and summaries of actions of recent meetings for which minutes have not yet been prepared. The most recent meetings held were:

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1. Electric Power Board of the Metropolitan Government of Nashville and Davidson County – July 22, 2026
2. Audit and Ethics Committee – July 22, 2026
3. Civil Service Board – July 22, 2026
4. Investment Committee – March 30, 2026
5. Board of Trustees for Other Post-Employment Benefits Trust – March 30, 2026

d. All changes or expected changes to the Plan's affiliates and/or individuals with a beneficial ownership interest with significant influence, as defined in the AICPA Code of Professional Conduct, during the period ended March 31, 2026. We understand that such changes could have come about, for example, as a result of mergers, acquisitions, investments or establishment of new entities. Changes were communicated prior to the date for which independence was required with respect to the affiliate and/or individual with a beneficial ownership interest with significant influence (e.g., in coordination with the letter of intent or the commitment date of the transaction). The independence rules encompass not only the Plan, but also its affiliates and individuals with a beneficial ownership interest with significant influence, as defined in the AICPA Code of Professional Conduct.
e. The most current plan instrument for the audit period, including all plan amendments, the trust agreement and custodial agreement, or insurance contracts during the year, including amendments to comply with applicable law or regulation.
f. Contracts or other agreements, with the plan's service providers.
g. Details of any changes permitted or required under law or regulations that were implemented but which have not yet been formalized in plan amendments.
h. Actuarial valuation reports and other reports prepared by the actuary for the Plan and Plan sponsor.

3. We have appropriately reconciled our books and records (e.g., trustee/custodian reports) underlying the financial statements to their related supporting information (e.g., sub ledger or third-party data). All related reconciling items considered to be material were identified and included on the reconciliations and were appropriately adjusted in the financial statements, as necessary. There were no material unreconciled differences or material suspense account items that should have been adjusted or reclassified to another account balance. There were no material suspense account items written off to a net assets account, which should have been written off to a changes in net assets account and vice versa. All entries have been properly recorded.

4. There have been no communications either from or to regulatory agencies concerning noncompliance with or deficiencies in financial reporting practices or the operation of the Plan.

5. There are no material transactions, agreements or accounts that have not been properly recorded in the accounting records underlying the financial statements.

6. We did not use any instances of artificial intelligence in the preparation of the financial statements or in the supporting financial records and related data provided to you, to the extent that such use involved or related to information or account balance(s) that was, or had the potential to be, material.

7. We acknowledge and confirm that we have fulfilled our responsibility, as set out in our engagement letter of May 13, 2026 for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error and we have disclosed to you all deficiencies in the design or operation of internal control over financial reporting of which we are aware. We have also

disclosed to you which of these deficiencies we believe are significant deficiencies or material weaknesses in internal control over financial reporting. We are not aware of any internal control issues at the Plan's service providers that would have a material effect on the financial statements. We did not use any instances of artificial intelligence in the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements.

8. We acknowledge our responsibility for the presentation of Management's Discussion and Analysis and the schedules included in the "Required Supplementary Information" section of the financial statements in accordance with accounting principles generally accepted in the United States of America. We believe such information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America, as required by the Governmental Accounting Standards Board. The methods of measurement or presentation have not changed from those used in the prior period. We have informed you about any significant assumptions or interpretations underlying the measurement or presentation of the information.

9. We acknowledge our responsibility for the presentation of the "Status of Findings" included in the "Other Supplementary Information" section of the financial statements in accordance with the requirements of the Tennessee Comptroller of the Treasury. We believe such information, including its form and content, is fairly presented in accordance with the requirements of the Tennessee Comptroller of the Treasury. The methods of measurement or presentation have not changed from those used in the prior period. We have informed you about any significant assumptions or interpretations underlying the measurement or presentation of the information.

10. We acknowledge our responsibility for the design, implementation, and maintenance of programs and controls to provide reasonable assurance that fraud is prevented and detected.

11. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud and we have no knowledge of any fraud or suspected fraud affecting the Plan involving:

    a. Management,
    b. Employees who have significant roles in internal control over financial reporting, or
    c. Others where the fraud could have a material effect on the financial statements.

12. We have no knowledge of any allegations of fraud or suspected fraud affecting the Plan received in communications from employees, former employees, analysts, regulators, short sellers, or others.

    (As to the three preceding representations, we understand the term "fraud" to mean those matters described in AICPA AU-C 240)

13. There have been no violations, or possible violations of laws or regulations, including non-exempt transactions (e.g., prohibited transactions), whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency.

14. The plan has complied with the DOL's regulations concerning the timely remittance of participants' contributions to trusts containing assets for the plan.

15. The Plan has no plans or intentions that may materially affect the carrying value or classification of assets or liabilities.

16. We have disclosed to you the identity of all the Plan's related parties/parties-in-interest and all the related party/parties-in-interest relationships and transactions of which we are aware.

17. There are no side agreements or other arrangements (either written or oral) that have not been disclosed to you.

18. The following, if material, have been properly recorded or disclosed in the financial statements:

    a. Guarantees, whether written or oral, under which the Plan is contingently liable;
    b. Significant estimates and material concentrations known to management that are required to be disclosed in accordance with ASC 275, *Risks and Uncertainties*. (Significant estimates are estimates at the balance sheet date that could change materially within the next year.);
    c. Amendments to the Plan document;

19. The Plan has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral, except as disclosed in the financial statements. All cash and bank accounts, investments and all other properties and assets of the Plan are included in the financial statements.

20. With respect to Plan investments recorded in the financial statements at statement of fiduciary position dates (including investments other than securities, such as derivatives):

    a. Investments are stated at fair value and related disclosures are complete and accurate;
    b. Investments are included in the Plan's financial statements at the financial statement dates as determined by us in accordance with the valuation method set forth in the notes to the financial statements. Management of the Plan understands and agrees with the valuation methodologies used by SEI Investment Company, the trustee and custodian and, management is responsible for the appropriateness of the resulting investment values;
    c. The valuation principles used for securities whose fair values have been estimated by management of the Plan are appropriate and have been consistently applied and documented. The methods and significant assumptions used to estimate fair values of financial instruments are as follows: Shares of registered investment companies are valued at quoted market prices, which represent the net assets value of shares held by the Plan at year-end;
    d. All investments are marketable and no restricted securities or derivatives are held;
    e. There are no investments in default or considered uncollectible;
    f. Provision has been made for any material loss to be sustained in the fulfillment of, or from inability to fulfill, any investment-related or other purchase or sales commitments.

21. The risk disclosures for Equity Investments in Note C states: “The Trust's investment policy mandates that no more than 10 percent of the Trust assets at cost value shall be invested in the securities of one company, and that no more than 25 percent of the Trust assets be invested in any single industry.” However, the Plan Investment Guidelines document states: “No more than 10 percent of a portfolio will be invested in the securities of one company at cost. Moreover, no portfolio shall have more than 25 percent of their holdings invested in any single industry.” The practice of the Plan has been to evaluate the concentration of equity investments based upon the cost at the date of the acquisition for the equity investments portfolio (which would be fair market value) and to then check for investment concentration based on fair market value monthly based upon the fair market value of all investments in that portfolio at the monthly evaluation date. Management believes that the fair value as determined in accordance with GASB 72 is the relevant measure to the users of the financial statements & therefore their practice of verifying concentrations based on fair value is consistent with concepts of fair value in GASB 72.

22. The risk disclosures for Fixed Income Investments in Note C states: "The Trust's investment policy mandates that except for U.S. Treasury and agency obligations, no more than 10 percent of the Trust assets at cost value shall be invested in the securities of a single company or foreign government." The practice of the Plan has been to evaluate the concentration of fund assets based upon the cost at the date of the acquisition for the equity investments portfolio (which would be fair market value) and to then check for investment concentration based on fair market value monthly based upon the fair market value of all investments in that portfolio at the monthly evaluation date. Management believes that the fair value as determined in accordance with GASB 72 is the relevant measure to the users of the financial statements & therefore their practice of verifying concentrations based on fair value is consistent with concepts of fair value in GASB 72.

23. The Plan has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

24. All receivables have been appropriately reduced to their estimated net realizable value.

25. Amounts representing the actuarial present value of accumulated plan benefits have been properly recorded or disclosed in the financial statements.

26. There were no omissions from the participants' data provided to the Plan's actuary for the purpose of determining the actuarial present value of accumulated plan benefits and other actuarially determined amounts reflected in the financial statements.

27. The plan administrator agrees with the actuarial methods and assumptions used by the actuary for funding purposes and in determining the accumulated plan benefits and has no knowledge or belief that would make such methods or assumptions inappropriate in the circumstances. We did not give any, nor cause any, instructions to be given to the Plan's actuary with respect to values or amounts derived, and we are not aware of any matters that have impacted the independence or objectivity of the Plan's actuary. We believe that the actuarial assumptions and methods used to measure accumulated plan benefits and other actuarially determined amounts for financial accounting purposes are appropriate in the circumstances.

28. There have been no changes in:

    a. Plan provisions between the actuarial valuation date and the date of this letter.

29. The following changes have been properly recorded or disclosed in the financial statements:

    a. The actuarial methods or assumptions used in calculating amounts recorded or disclosed in the financial statements.

30. All liabilities, including any federal or state tax liabilities, of the Plan of which we are aware are included in the financial statements at financial statement dates. There are no other liabilities, or gain or loss contingencies, that are required to be recognized or disclosed by ASC 450, *Contingencies*, and no unasserted claims or assessments that our legal counsel has advised us are probable of assertion and required to be disclosed in accordance with that Statement.

31. We are responsible for all significant estimates and judgments affecting the financial statements. The methods, underlying data, and significant assumptions used in developing accounting estimates and the related disclosures are reasonable and appropriate to achieve recognition, measurement, or disclosure in the financial statements in accordance with accounting principles generally accepted in the United States of America. The methods used in developing accounting

estimates have been consistently applied in the periods presented and the data used in developing accounting estimates is accurate and complete. Accounting estimates and judgments appropriately reflect management's intent and ability to carry out specific courses of action, where relevant. There have been no subsequent events that would require the adjustment of any significant estimates and related disclosures.

32. There are no other matters (e.g., breach of fiduciary responsibilities, nonexempt transactions, loans or loans in default, reportable events, or events that may jeopardize the tax status) that legal counsel has advised us that must be disclosed.

33. We have no intention to terminate the Plan.

34. The Plan, either by design or operation, does not discriminate in favor of highly compensated employees as to eligibility to participate in the Plan, contributions to the Plan, benefits under the Plan or benefits, rights or features available to the Plan.

35. The Trust, Electric Power Board of the Metropolitan Government of Nashville and Davidson County Post-Employment Medical & Life Insurance Plan Trust (the "Trust") established under the Plan is qualified under the appropriate section of the Tennessee General Assembly enacted Chapter 771 of the Tennessee Public Acts of 2006, which is codified in Tennessee Code Annotated, Title 8, Chapter 50, Part 12. Current versions of the Plan and/or Trust documents have been appropriately filed. The Plan continues to operate in accordance with the terms of the Plan document, as amended, in a manner that does not jeopardize its tax status.

36. All required filings of the Plan and/or trust documents with the appropriate agency have been made.

37. We have obtained and reviewed all SSAE 18 reports for service organizations used by the Plan and are performing the applicable user controls.

38. We acknowledge our responsibility for the presentation of the supplemental schedules of funding progress and schedule of employer contributions in accordance with the requirements of the Governmental Accounting Standards Board. We believe such information, including its form and content, is fairly presented in accordance with GASB 74. The methods of measurement or presentation have not changed from those used in the prior period. We have informed you about any significant assumptions or interpretations underlying the measurement or presentation of the information.

39. The activities of the "Plan" as defined within the audited financial statements are equivalent to the activities of the OPEB trust.

40. We assume responsibility for the findings of specialists. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not aware of any matters that have had an impact on the independence or objectivity of the specialists. We adequately considered qualifications of the specialists in determining the amounts and disclosures used in the financial statements of the "Plan."

41. We have not completed nondiscrimination and/or other compliance testing required by regulation, however, we are not aware of any instances of noncompliance that should be reported to you. We intend to maintain the tax-qualified status of the Plan, so necessary corrective actions will be undertaken should instances of noncompliance be identified.

42. All required filings of the Plan and/or Trust documents with the appropriate agency have been made.

43. We acknowledge and confirm that we understand your responsibility, as set out in our engagement letter of May 13, 2026 to obtain an understanding of the design and implementation of the Plan's internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. We also acknowledge that you have not tested the operating effectiveness of our compensating control(s) that we have asserted limit(s) the severity of the deficiency(ies) communicated to those charged with governance.

44. We have provided you with the final version of the document(s) that comprise the annual report (as defined by AU-C Section 720), as listed in the Attachment to this letter. The other information included in the Plan's annual report is consistent with the financial statements and does not contain any material misstatements. Should there be any changes to the annual report, we acknowledge and confirm our responsibility to notify you of the change and provide a written acknowledgement of the document or documents that comprise the annual report and the planned manner and timing of issuance of such documents and to provide the final version of the document(s) prior to issuance of the updated annual report, such that you can complete the procedures required by applicable professional standards.

To the best of our knowledge and belief, no events have occurred subsequent to the balance sheet date and through the date of this letter that would materially affect the aforementioned financial statements and related disclosures, including the supplemental schedules.

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Teresa Broyles Aplin, President and CEO

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Tabitha Beach, Interim CFO

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Matt Dodd, Interim Corporate Controller

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Acknowledgement of Plans to Issue Other Information

As set forth in the terms of our engagement letter dated May 13, 2026 we acknowledge and understand our responsibility to provide written acknowledgment of which document or documents comprise the Post-Employment Medical and Life Insurance Plan Trust of the Electric Power Board of the Metropolitan Government of Nashville and Davidson County (the "Company") annual report and the Company's planned manner and timing of issuance of such documents. We also acknowledge and understand our responsibility for the preparation of any other information, whether financial or nonfinancial, accompanying the financial statements and the auditor's report thereon in the Company's annual report ("other information"), in a manner which is (a) materially consistent with information appearing in the financial statements (b) materially factual; and (c) not otherwise misleading. We acknowledge and understand our responsibility to provide you with the final version of the document or documents comprising the annual report in a timely manner, and, if possible, provide the final version of other information prior to the date of your audit report on the financial statements. When some or all of the other information will not be available until after the date of your report on the financial statements, we acknowledge and understand our responsibility to provide a written representation that the final version of the other information will be provided to you when available, and prior to the Company's issuance of other information, such that you can complete any procedures that may be required by auditing standards generally accepted in the United States of America.

The purpose of this Attachment is to provide the written acknowledgment described in the preceding paragraph.

We acknowledge and confirm that, as of the date of this letter, we plan to furnish an annual report containing, accompanying, or incorporating by reference the financial statements and your report thereon.

Documents comprising the annual report include:

- The basic financial statements
- Schedule of Executive Management and Management's Discussion & Analysis
- Required supplementary information on pages 21-27 which are required by accounting principle generally accepted in the United States of America
- Other Supplementary information pages 3 which is presented for purposes of additional analysis

The following summarizes the planned manner and timing of issuance of the other information comprising the annual report:

- Schedule of Executive Management and Management's Discussion & Analysis - plan to issue in hardcopy simultaneously with the issuance of the financial statements at the conclusion of your audit
- Required supplementary information on pages 21-27 which are required by accounting principle generally accepted in the United States of America - plan to issue in hardcopy simultaneously with the issuance of the financial statements at the conclusion of your audit
- Other Supplementary information page 3 - plan to issue in hardcopy simultaneously with the issuance of the financial statements at the conclusion of your audit

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Experience beyond numbers

Report to the **Audit Committee**

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Executive Session