Electric Power Board Meeting

Aug 26, 2026 8:30 AM - 10:00 AM CDT

NES Board Room 121

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1. Call to Order
2. Oath of Office - Robert D. "Jaz" Boon II - Dr. Trish Holliday
3. NES Rodeo Team Recognition - Brad Heck
4. Public Comment Period - Dr. Trish Holliday
5. Committee Reports
    - 5.1. Legal Committee
    - 5.2. Audit and Ethics Committee
        - 5.2.1. Committee Assignment
6. Consent Agenda
    - 6.1. Recommendation for approval of minutes from the regular meeting and the annual meeting held July 22, 2026
        - 6.1.1. Power Board Meeting Minutes - July 22, 2026
        - 6.1.2. Annual Board Meeting Minutes - July 22, 2026
7. Discussion Items
    - 7.1. CEO Report - Teresa Broyles-Aplin
    - 7.2. Recommendation for approval of 2027 Operations Goals and Quarterly Operations Report - Daniel Johnson
    - 7.3. Recommendation for approval of Data Center Policy, Rates, and CIAC Approach - Barry Daniel and Tony Richman
        - 7.3.1. Presentation
    - 7.4. Recommendation for approval of a Banking Services Contract - Matt Dodd
    - 7.5. Recommendation for approval of a Commercial Paper Program - Service Provider Selections - Tabitha Beach
    - 7.6. Recommendation for approval of Purchases - Amanda Cochran
8. Referenced Items Included in Board Materials (Information Only) - No Presentation
    - 8.1. Financial Report
    - 8.2. Investment Program and Investment Activity Report

8.3. Quarterly Asset Manager's Report

8.4. Quarterly Home Uplift and Power of Change Update

8.5. NES Engagement Report

9. Miscellaneous

10. Recess to Civil Service Board Meeting

11. Consent Agenda

11.1. Recommendation for approval of minutes of the meeting held July 22, 2026

12. Discussion Items

12.1. Recommendation for approval of an amendment to the NES Defined Contribution Retirement Plan QDRO Procedures - Jeff Eck

12.1.1. Redline

12.1.2. NES Defined Contribution Plan QDRO Procedures

13. HR - Corporate Services Workforce Update - Dr. Trish Holliday

14. Miscellaneous

15. Adjournment of Civil Service Meeting

16. Reconvene to ratify actions taken by Civil Service Board

17. Adjournment of Electric Power Board Meeting

Call to Order

OATH OF OFFICE

I, Robert P. "Jaz" Boon II, having been appointed by the Mayor and confirmed by the Metropolitan Council, as a member of the Electric Power Board of the Metropolitan Government of Nashville and Davidson County, for a five-year term of office commencing July 21, 2026, and expiring July 1, 2031, do hereby affirm that I am a citizen of the United States of America, that I am not an officer, director, employee or agent of any company producing, selling, or furnishing electric light, power, current, or services, and that I do not now hold any public office, nor am I am applicant or candidate therefore; that I will faithfully and honestly discharge the duties of my office.

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Mr. Robert P. "Jaz" Boon II

Sworn to and subscribed before me,
this 26th day of August 2026

____
Notary Public

My Commission Expires: __________________________

NES Rodeo Team Recognition

Public Comment Period

Committee Reports

Legal Committee

Audit and Ethics Committee

Committee Assignment

Consent Agenda

Recommendation for approval of minutes from the regular meeting and the annual meeting held July 22, 2026

MINUTES OF THE
ONE THOUSANDTH THREE HUNDREDTH AND SEVENTY NINTH MEETING
ELECTRIC POWER BOARD OF THE METROPOLITAN
GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
JULY 22, 2026

The meeting of the Electric Power Board was held on Wednesday, July 22, 2026.

Members present: Ian Prunty, Clifton Harris, and Rob McCabe
Officers present: Teresa Broyles-Aplin, David Frankenberg, Laura Smith, Brad Heck and Dr. Trish Holliday

Member McCabe noted the absence of both the Chair and Vice Chair and stated that in accordance with the NES Bylaws, the Board members in attendance were authorized to appoint a temporary Chair. By unanimous consent, Member McCabe was appointed temporary Chair and called the meeting to order at 8:19 a.m.

PUBLIC COMMENT PERIOD

David Frankenberg reported that a public speaker request from William Tobin Watkinson was received after the deadline outlined in Board policy. The Board voted with three ayes and zero nays to accept the late request and allow Mr. Watkinson to speak noting that this vote would not serve as precedent for future late submissions.

COMMITTEE REPORTS

Legal Committee
Laura Smith reported that the Legal Committee met this morning and received a Quarterly Legal report.

Audit and Ethics Committee
Committee Chair McCabe reported that the Audit and Ethics Committee met this morning and received the following reports from Baker Tilly.

- Audit and Ethics Committee Calendar and Internal Audit Status Report
- Cybersecurity Operations Internal Audit Report and Recommendations
- Internal Audit Annual Communications, Risk Assessment, Three-Year Internal Audit Plan, and Quality Assurance Self-Assessment Report
- Baker Tilly Leadership Bios
- Recommendation for approval of the FY27 Internal Audit Plan, Audit & Ethics Committee Charter, and Internal Audit Charter

RECOMMENDATION FOR APPROVAL OF MINUTES FROM THE REGULAR MEETING HELD JUNE 24, 2026

Upon motion by Member Harris and seconded by Member Prunty the Board approved the minutes from the Electric Power Board meeting held June 24, 2026, with three ayes and zero nays.

FOUR PILLARS UPDATE

Teresa Broyles-Aplin highlighted several recent leadership appointments and organizational changes. She welcomed Laine Arnold as the organization's new Chief Communications Officer and shared that Brad Heck is serving as Interim Chief Operating Officer. As part of the ongoing reorganization, Brent Baker has been asked to serve in an advisory capacity to Ms. Broyles-Aplin, while Laura Smith will fulfill the role of Executive Vice President on an interim basis. Additionally, Brandon Whitlock has been appointed Interim Vice President of Transmission and Distribution.

Ms. Broyles-Aplin provided an update on the organization's transition from reviewing the After-Action Report to implementing its recommendations. She noted that the identified gaps have been assessed and that the organization's focus is now on addressing those gaps and operationalizing improvements under the Four Pillars. The update focused on Emergency Management and longer-term investments across resiliency, vegetation and technology. She also gave an update on Board governance and onboarding to reflect the PA recommendations and the new Board structure taking effect in January.

Member Prunty requested additional details regarding the tabletop exercises. Ms. Broyles-Aplin explained that the planned exercise will focus on a wind event scenario and will involve only the personnel assigned to the Incident Command System (ICS), rather than the entire organization. She added that a subsequent tabletop exercise will include the full organization.

Member Prunty asked whether a third party was facilitating the exercise. Brad Heck explained that the exercise is being coordinated by NES's internal PMO team, with support from consultants involved in the Four Pillars initiative. He added that planning meetings have been conducted to develop the exercise scenario.

RECOMMENDATION FOR APPROVAL OF AN AMENDMENT TO THE MUSIC CITY SOLAR GROUND LEASE AGREEMENT FOR BESS PILOT PROJECT

Antonio Carroll reported that in December 2025, the Board approved a contract award for the installation of a battery energy storage system pilot project to evaluate the operational benefits of utility-scale battery storage. He stated that following that approval, NES determined that the Music City Solar site is the most suitable location for the BESS Pilot Project.

To implement the project at this location, NES has worked with the Mayor’s Office to secure the additional property rights necessary to construct, operate, and maintain the BESS facility through an amendment to the existing Music City Solar Ground Lease Agreement. Mr. Carroll noted that because the original Music City Solar Ground Lease Agreement was approved by the Metro Council, the proposed amendment must also be submitted to the Metropolitan Council for consideration and approval following approval by the Electric Power Board.

Management recommended approval of the amendment to the Music City Solar Ground Lease Agreement.

Member Prunty asked for clarification on the value of locating battery storage next to a solar asset. Mr. Heck explained that NES has been interested in implementing a pilot battery energy storage project to better understand the equipment's operation, performance, and integration. He added that co-locating the project with the solar asset is also a matter of convenience, allowing NES to move forward more quickly.

> Upon motion by Member Prunty and seconded by Member Harris the Board approved the amendment to the Music City Solar Ground Lease Agreement for the BESS pilot project with three ayes and zero nays.

RECOMMENDATION FOR APPROVAL OF PURCHASES

Amanda Cochran presented management's recommendation for approval of $7,812,262.25, in purchases and contracts exceeding $50,000. This amount included $1,766,622.90 in monthly purchases and contract additions between the $50,000 and $250,000 threshold that received prior management approval. Ms. Cochran brought the Board's attention to three sole brand items and two sole source items and recommended approval of the July 2026 purchases and contracts.

> Upon motion by Member McCabe and seconded by Member Harris, the Board approved the list of purchases and contracts by a vote of three ayes and zero nays. This list consists of four pages and has been attested to on each page by the signature of the Secretary and is attached hereto as "Appendix A"[1] to these minutes. Total cost of purchases and contracts, as approved, amounts to $7,812,262.25.

MISCELLANEOUS

There were no miscellaneous items to report.

RECESS AND RECONVENE

At this point, the Board recessed and reconvened to ratify the actions taken by the Civil Service Board.

> Upon motion by Member McCabe and seconded by Member Prunty, the Board ratified the actions taken during the Civil Service Board meeting with three ayes and zero nays.

ADJOURNMENT

The meeting adjourned at 9:14 a.m.

Approved,

Attest:

Board Chair

Assistant Secretary

[1] Appendix A Electronically Filed

MINUTES OF THE
ONE THOUSANDTH THREE HUNDRED AND EIGHTIETH MEETING
ELECTRIC POWER BOARD OF THE METROPOLITAN
GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
ANNUAL MEETING HELD JULY 22, 2026

The annual meeting of the Electric Power Board was held Wednesday, July 22, 2026.

Members' Present: Rob McCabe, Ian Prunty, and Clifton Harris

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

Member McCabe called the meeting to order at 9:17 a.m.

ELECTION OF ELECTRIC POWER BOARD CHAIR AND VICE CHAIR

Interim Chair McCabe reviewed the recent amendments to the NES Bylaws, noting that they no longer require Board officers to be selected based on tenure. He explained that the former Bylaws established a succession in which the fifth-year member served as Chair and the fourth-year member served as Vice Chair. He stated that, after considering the matter, the Board supported maintaining the traditional succession practice and recommended Casey Santos to serve as Chair and Clifton Harris to serve as Vice Chair.

> Upon motion by Member McCabe and seconded by Member Prunty, the Board unanimously approved the nomination of Casey Santos as Chair and Clifton Harris as Vice Chair of the Electric Power Board for fiscal year 2027.

REPORT ON PAST 12 MONTHS' OPERATIONS

2026 Company-Wide Accomplishments

Teresa Broyles-Aplin stated that throughout Fiscal Year 2026, NES employees demonstrated exceptional dedication to providing safe, reliable, and affordable electricity while advancing innovation, sustainability, workforce development, and community engagement. From responding to Winter Storm Fern and completing major infrastructure investments to expanding customer programs and earning national recognition, NES continued delivering on its mission while positioning the organization for future growth and reliability.

Ms. Broyles-Aplin highlighted NES's many accomplishments and stated that NES enters the next fiscal year with a strong foundation built on reliability, innovation, community partnership, and employee excellence. Through continued investments in infrastructure, customer programs, workforce development, and sustainability initiatives, NES remains committed to powering Nashville's future while delivering exceptional value to customers and the community.

2026 Financial Operations

David Frankenberg delivered a summary of Financial Operations for Fiscal Year 2026, fulfilling the Board's annual reporting requirement under the Charter. He reported that, for the fiscal year, NES generated approximately $1.6 billion in revenue. Purchased power expenses totaled approximately $1.1 billion, resulting in a gross margin on sales of $479 million, which was favorable to plan by $35 million. Other major expense drivers included unfavorable variances in tree trimming of $35 million and Winter Storm Fern O&M of $37 million. These were offset by favorable variances to plan in retirement expenses of $28 million and depreciation of $16 million.

He stated that through June 30, 2026, NES reported a year-to-date change in net position of $40 million, which was $11 million favorable to the $29 million budget. The improvement was driven primarily by sales margin favorability, while operating expenses were modestly favorable and several non-operating items were mixed. Restoration efforts for Winter Storm Fern increased capital expenditures by $66 million, which was the primary driver for why capital spend exceeded budget. Final capital expenditures were $246 million of actuals versus a plan of $219 million.

RECESS AND RECONVENE

The Board recessed and reconvened immediately following the meeting of the Board of Trustees for Other Post-Employment Benefits Trusts.

> Upon motion by Member Harris and seconded by Member Prunty, the Board ratified the actions taken in the meeting of the Trustees for Other Post-Employment Benefits Trusts with three ayes and zero nays.

ADJOURNMENT

The Annual meeting adjourned at approximately 9:22 a.m.

Approved,

Chair

Attest:

Assistant Secretary

Discussion Items

CEO Report

OPERATIONS REPORT
Fourth Quarter
Fiscal 2026 Summary

Description	Fiscal Year 2026 Goal	Results as of 6/30/2026*
(Goals Met are in Bold)		
SAFETY		
Recordable Injuries per 200,000 man-hours worked	No more than 3.8	**3.1**
At-Fault Vehicle Accidents per one million miles driven	No more than 4.3	**1.1**
NES Safety Index	No more than 90.0	**48.2**
RELIABILITY		
System Average Interruption Duration Index - SAIDI	Range of IEEE 2nd quartile is 95 to 137 minutes	**64.54**
Customer Average Interruption Duration Index - CAIDI	Range of IEEE 1st quartile is less than 108 minutes	**79.82**
System Average Interruption Frequency Index - SAIFI	Range of NES standard of 0 to 1.65 events	**0.81**
Average System Availability Index - ASAI	Range of IEEE 2nd quartile is 99.9739% to 99.9819%	**99.9872%**
CUSTOMER SERVICE		
Percentage of Calls Answered (Combined)	Not less than 90 percent	**96.33%**
Percentage of Calls Answered (Rep Only)	Not less than 80 percent	**91.66%**
Average Speed of Answer (Combined)	120 seconds or less	**46.0**
Average Speed of Answer (Rep Only)	210 seconds or less	**111.33**
Grade of Service (Combined)	Not less than 75 percent	**86.33%**
Grade of Service (Rep Only)	Not less than 50 percent	**68.33%**
FINANCIAL**		
Operations & Maintenance Expense per customer	Less than $618.48 per customer	$754.28
Distribution Expense per customer	Less than $267.05 per customer	$403.39
Customer Service Expense per customer	Less than $93.57 per customer	**$90.16**
Administrative & General Expense per customer	Less than $257.86 per customer	$260.73
Capital Expenditures	$219.1 million	$245.9 million
Days in Receivables	25 days or less	25.89 days

*Excludes non-cash retirement cost impacts

**Fern $36.9M O&M expenses are captured in Distribution costs ($76.96 per customer)
Fern $65.6M Capital expenses are included in Capital costs
Fern expenditures are presented separately in the financial statements in accordance with GASB103
See Financial section on page 4 for additional details

MANAGEMENT'S DISCUSSION & ANALYSIS OF THE 4th QUARTER OPERATIONS

SAFETY

All three Safety Goals for the fourth quarter were met. Although in the fourth quarter recordable injuries were down 30% compared to the third quarter, the overall total injuries for fiscal year 2026 were very similar to fiscal year 2025. Fiscal year 2026 was very demanding and overall, the employees consistently produced safe work while producing reliable operations.

During the last two quarters of fiscal year 2026, we have been working to implement a new Environmental Health & Safety (EHS) software platform provided by Origami Risk, LLC.

RELIABILITY

NES met all four reliability goals for the quarter, with all targets ranking in the first quartile of IEEE. Over the last 12 months, customers experienced a 25% decrease in total customer-minutes out compared to the previous 12 months, along with a 15% improvement in sustained outages. NES met our commitment to catch up on all tree trimming and complete our 48-month trim cycle by June 30th by trimming approximately 1,500 miles this year. All trimming that has been performed since winter storm Fern meets our new standard of removing all overhang and maintaining lateral clearance of 15 feet to our conductors.

NES continues to track outages due to significant weather events compared to completed tree trimming activities on the system. These comparisons have confirmed that the vast majority of outages are in areas that have not been trimmed to the new standard.

The following table provides the relevant statistics for the twelve-month rolling average.

Description	Last Twelve Months	Previous Twelve Months
Number of Active Meters	465,245	458,915
Total Customers Interrupted	875,498	2,081,878
Total Customer-Minutes Out	28,843,094	38,970,491
Customer's Interrupted (Momentary)	501,599	1,643,453
Customer's Interrupted (Sustained)	373,899	438,425

CUSTOMER RELATIONS

During the April–June reporting period, Customer Relations handled 388,581 calls, maintaining strong service levels throughout the quarter. The team successfully met all six established performance goals, demonstrating consistent performance, responsiveness, and commitment to providing high-quality customer service. These results reflect the team's continued focus on operational efficiency and meeting the needs of customers in a timely and effective manner.

Customer Relations continued its strategic use of contract advisors and overflow call centers to augment the workforce. This approach enabled the contact center to effectively address staffing gaps related to shrinkage and respond efficiently during periods of elevated call volume. During Fiscal Year 2026, Q4, operations were supported by 16 active contract advisors, along with two overflow call centers, enhancing operational resiliency and helping maintain service level expectations.

Advisor Achievements and Recognition

- **Advisor of the Month:** Monthly honors were awarded to one advisor in both April and June, recognizing consistent excellence in performance and customer service.
- **Contract Advisor of the Month:** One contract advisor received Contract Advisor of the Month recognition in May for outstanding performance and contributions.
- **Pacesetters Club:** Ten advisors achieved Pacesetters Club status during the quarter, with several advisors earning the distinction in multiple months, reflecting sustained performance and commitment to operational excellence.
- **100 Percenters Club:** Twenty-two advisors earned placement in the 100 Percenters Club, demonstrating exceptional adherence to quality monitoring standards and a consistent commitment to service excellence.

Community Engagement and Public Outreach

Customer Relations continued to strengthen community partnerships and engagement during the quarter. On June 25, a Customer Relations Supervisor represented the department at the Goodlettsville Area Chamber of Commerce's monthly Nosh & Knowledge luncheon, supporting continued collaboration with local business and community leaders.

On June 27, a Customer Relations Service Advisor III participated in a home energy workshop hosted by the Bordeaux Hills Residential Association at the MNPD North Precinct. The event provided an opportunity to engage directly with community members and support energy education and awareness.

Strategic Industry and Professional Development Initiatives

Customer Relations leadership actively participated in industry events and strategic initiatives focused on customer experience, operational improvement, and utility best practices. These efforts supported departmental innovation and knowledge sharing while helping identify opportunities to enhance customer satisfaction and service delivery. Activities included:

- Participation in the E Source Conference (May 4 & 6).
- Attendance at the Spring Big 8 Meeting (May 5).

CORPORATE COMMUNICATIONS

Media Relations:

- 122 touchpoints with media regarding Winter Storm Fern, Tree trimming, outages, Power board representation for outside municipalities, storm preparation, LIDAR technology, disconnection moratoriums, extreme heat, mobile app announcement, undergrounding pilot program, data centers and power consumption and electricity rates.

Social Media:

- Posted 68 social media posts across Facebook and X focusing on restoration and progress updates, safety warnings, downed lines, energy-saving tips, bill assistance, electrical safety, weather preparedness and severe weather, vegetation management, customer service and public power, reliability and infrastructure, community involvement, clean energy and sustainability, safety and scam awareness, workforce and service commitment, and energy efficiency and savings.
- Gained 281 new followers on Instagram, Facebook and X.
- Received 1 million views from Facebook content.

Customer Contacts:

- Managed Instagram account and created 15 posts between April 1 and June 30, 2026.
- Deployed 4 emails to our full customer list to an average of 278,577 customers with an average open rate of 26.1%.
- Deployed 1 email to Tree Trimming contacts to a list size of 47,321 recipients with an open rate of 31.3%.
- Deployed 6 emails to Arrears contacts to an average list size of 1,622 customers with an open rate of 46.8%.
- Deployed 4 emails to Fern Payment Plan contacts to an average list size of 5,726 customers with an average open rate of 42.8%.
- Deployed 4 emails to Fern Payment Plan contacts that did not open the email. The average list size was 2,288 customers with an average open rate of 23.1%.
  POWER NEWS WEBSITE:
- Published 7 stories on www.nespowernews.com leading to 5,753 site visitors and 223,508 page views.

Communications:

- NES Employees attended 16 community events, providing resources and information to various organizations.
- Completed 47 Corporate Communications Requests from NES employees.
- 6 employee newsletters sent, covering need-to-know information from NES and industry-wide.

FINANCIAL

Financial goals are based on the annual budget approved by the Board each May. Goal and actual expense calculations for Operation and Maintenance Expense and Administrative and General Expense exclude noncash retirement costs. Since the annual budget does not account for unusual or infrequent events such as Winter Storm Fern, the actual Fiscal Year 2026 operating expenses exceeded the financial goals in all but one category. Below is a summary of financial goals over plan.

Distribution Expense exceeded goal primarily due to Winter Storm Fern generating significant non-recurring restoration and recovery costs. In addition, the vegetation program catch-up in response to Winter Storm Fern resulted in more system miles trimmed and higher costs for unplanned trim than anticipated.

Administrative & General Expense exceeded goal primarily due to contributions greater than anticipated for Winter Storm Fern and customer utility bill assistance program, unplanned consulting for Fern restoration response after action review and execution of the four pillars initiatives.

Capital expenditures exceeded goal primarily due to Winter Storm Fern capital costs of $65.6M.

Days in Receivables exceeded goal primarily due to disconnections and late fees being suspended through June 2026 and flexible payment arrangements through December 2026.

		June Actual	June Budget	Over (Under)	Explanations
	Total Operating Expenses	**21,248,000**	**26,163,000**	**(4,915,000)**	
	Labor	15,678,000	8,008,000	7,670,000	Over budget primarily due to timing of leave usage, unfavorable storm labor and accrual adjustment.
8	Rental	168,000	95,000	73,000	Rental higher than anticipated primarily due to storm activity.
9	Transportation	682,000	479,000	203,000	Transportation costs greater than projected.
12	Travel	235,000	63,000	172,000	Travel cost greater than anticipated primarily due to storm activity.
14	Education & Training	111,000	164,000	(53,000)	Less education required than budgeted.
15	Meals	419,000	27,000	392,000	Meals higher than anticipated primarily due to storm activity.
16	Outside Services	17,243,000	3,874,000	13,369,000	Over budget primarily due to greater storm contractors than anticipated.
20	Materials & Supplies	528,000	1,873,000	(1,345,000)	Under budget due to budget timing.
21	Software/Hardware Maintenance	152,000	94,000	58,000	Software maintenance greater than estimated.
23	Professional Fees	1,401,000	462,000	939,000	Over budget primarily due to unplanned consulting services for the storm after-action review.
24	Security/Police	980,000	213,000	767,000	Greater traffic control and security services than anticipated due to storm activity.
27	Injury & Damages	140,000	75,000	65,000	Greater claim settlements than planned.
29	Contract Tree & Grass	39,118,000	1,669,000	37,449,000	Over budget due to more miles trimmed and higher costs for unplanned trim than anticipated in response to Fern.
34	Accrual for Uncollected Accounts	922,000	250,000	672,000	Analysis indicated a higher A/R reserve estimate over the initial plan.
38	Civic Involvement	24,000	96,000	(72,000)	Under budget due to budget timing.
39	Miscellaneous	170,000	16,000	154,000	Over budget due to unplanned miscellaneous projects.
42	Medical*	406,000	923,000	(517,000)	Under budget due to overhead allocation year-end adjustment, offset by medical costs higher than anticipated.
43	Life Insurance*	(51,000)	45,000	(96,000)	Under budget due to overhead allocation year-end adjustment and life insurance costs less than planned.
44	Insurance Premiums*	(23,000)	212,000	(235,000)	Under budget primarily due to overhead allocation year-end adjustment.
45	Retirement & Survivors*	(16,921,000)	3,385,000	(20,306,000)	Under budget due to favorable market adjustment and actuarial values, offset by overhead allocation year-end adjustment.
46	Other Post Employment Benefits*	(5,430,000)	628,000	(6,058,000)	Under budget due to favorable market adjustment and actuarial values, offset by overhead allocation year-end adjustment.
47	Service Connected Medical*	(103,000)	43,000	(146,000)	Under budget due to reimbursement related to workers' compensation.
100	GASB Entries	(30,000)	(86,000)	56,000	Fewer contracts qualifying to amortize SBITA than budgeted.
365	Information Technology*	2,019,000	2,759,000	(740,000)	Under budget primarily due to overhead allocation year-end adjustment.
366	Accounting Work Order Transfers	(37,187,000)	41,000	(37,228,000)	Under budget primarily due to reclassification of Winter Storm Fern O&M expenses to non-operating loss.
372	Taxes & Equivalents	(152,000)	(33,000)	(119,000)	Medicare wages less than anticipated.
	TOTAL	**20,499,000**	**25,375,000**	**(4,876,000)**	

*Amounts are net of absorbed overhead.

Operating Expenses - Impact of Winter Storm Fern

Winter Storm Fern generated significant non-recurring restoration and recovery costs across multiple expense categories, most notably contract vegetation management, outside contractor services, and labor. These storm-related expenditures were incurred to restore service, ensure public safety, and repair storm damage. Winter Storm Fern expenditures are presented separately in the financial statements as an unusual or infrequent item in accordance with GASB103.

FY27 Operations Goals

Description	Fiscal Year 2027 Goal
SAFETY	
Recordable Injuries per 200,000 man-hours worked	No more than 3.8
Preventable Vehicle Crashes per one million miles driven	No more than 4.3
NES Safety Index	No more than 90.0
RELIABILITY	
System Average Interruption Duration Index – SAIDI (Excludes major event days per IEEE 1366)	IEEE 1st quartile (< 101 minutes)
Customer Average Interruption Duration Index – CAIDI (Excludes major event days per IEEE 1366)	IEEE 1st quartile (< 108 minutes)
System Average Interruption Frequency Index – SAIFI (Excludes major event days per IEEE 1366)	IEEE 1st quartile (< 0.85 events)
Average System Availability Index – ASAI (Excludes major event days per IEEE 1366)	IEEE 1st quartile (> 99.9807%)
Vegetation Management Planned Cycle Maintenance	1,547 miles
STORM RESPONSE	
Percent of customers restored at: 12, 24, and 48 hours	75%, 85%, and 98% (from peak)
Storm CAIDI	409 minutes
Critical Storm System Availability	Greater than 99.9%
Meet Global Estimated Time of Restoration	Greater than 95.0%
Critical Communication Channel Availability	Greater than 99.0%
Customer Communications Activation	Activation within 60 minutes of ICS activation level 3 or more severe
Customer Update Timeliness	Global communication update within 120 minutes of event
Injury Free	Zero fatality/life altering injuries
Storm Restoration Recordable Injury Rate(TRIR) per 200,000 man hours worked	No more than 1.0
Post Storm Safety and After-Action Review	Within 3 business days of the close of all numbered storms
CUSTOMER SERVICE	
Percentage of Calls Answered (Rep Only)	Not less than 80 percent
Average Speed of Answer (Combined)	120 seconds or less
Average Speed of Answer (Rep Only)	210 seconds or less
Grade of Service (Combined)	Not less than 75 percent
Grade of Service (Rep Only)	Not less than 50 percent
Meet 'Blue-sky' Estimated Time of Restoration	Greater than 98 percent
Mobile App Adoption Rate	15% MoM growth
Call Center Deflection Rate (self-service adoption)	≥5% YoY Rep Call Reduction
FINANCIAL	
Operations & Maintenance Expense per customer	Less than $673.95 per customer
Distribution Expense per customer	Less than $305.67 per customer
Customer Service Expense per customer	Less than $92.38 per customer
Administrative & General Expense per customer	Less than $275.90 per customer
Capital Expenditures	$195.0 million
Days in Receivables	25 days or less

RECOMMENDATION FOR APPROVAL OF DATA CENTER POLICY, RATES AND CIAC APPROACH

Large-load data center development and other requests can create significant electric system planning, reliability, infrastructure, and cost recovery considerations. NES evaluates these requests based on the technical characteristics of the load, including size, timing, location, ramping profile, redundancy needs, power quality impacts, and required system upgrades.

TVA is developing a regional framework for data center load that includes a separate wholesale data center rate class, additional cost recovery mechanisms, and other requirements intended to protect grid reliability and avoid shifting costs to existing customers. Because NES purchases its wholesale power from TVA and is responsible for local distribution service, NES must establish a corresponding retail framework that aligns with TVA's wholesale treatment while preserving NES's ability to recover local costs and protect existing customers.

This recommendation is based on the scale, timing, infrastructure requirements, and financial risk that can be created by large electric loads. NES's objective is to ensure that customers whose projects create significant incremental electric system costs are responsible for those costs. Management recommends that the Board approve the following actions:

1. Authorize NES participation in the Federal Ratepayer Protection Pledge, subject to final legal review. The voluntary pledge aligns with NES's policy objective that data center customers should bear the costs and risks created by their projects and that those costs should not be shifted to existing customers.

2. Approve the conceptual creation of a separate NES retail data center rate class for data center loads of 5 MW or greater. This approval would establish the class so NES can align retail treatment with TVA's wholesale data center treatment. There would be no immediate current-year rate impact, and any specific rate schedule or tariff language would return to the Board for approval before implementation.

3. Approve a data-center-specific CIAC approach with no revenue allowance. Under this approach, data center customers of 5 MW or greater would be responsible for applicable incremental infrastructure costs without receiving a revenue allowance offset. This is intended to prevent existing customers from subsidizing infrastructure required primarily to serve data center load.

These approvals establish Board policy direction only. Final tariff language, policy documents, CIAC methodology, service agreements, and related implementation documents will be brought back to the Board for approval before becoming effective.

Management recommends approval of these data center ratepayer protection actions.

Coordinating Responsible Data Center Development

Aligning Community Protections, Electric Reliability, and Customer Safeguards

Tony Richman
INTERIM PROJECT MANAGEMENT OFFICE

Barry Daniel
REVENUE AND RATES MANAGER

August 26, 2026

Why This Matters Now

Data centers are large commercial customers that reshape electric system planning

Serving large data-center loads requires system planning, reliability determinations, cost-recovery tools, operational considerations, and ratepayer protections.

THE LARGE-LOAD LENS: FIVE DIMENSIONS EVERY PROJECT IS EVALUATED AGAINST

Reliability
1

Resource adequacy, contingency planning & voltage stability

Cost
2

Cost recovery, study fees & customer-funded facilities

Infrastructure
3

Substations, feeders, transmission & upgrades

Operations
4

Ramping, duty cycle, curtailment & interruption

Community
5

Land use, siting & protection of existing customers

These technical and community factors determine the need for studies, upgrades, and protections.
Not the customer type.

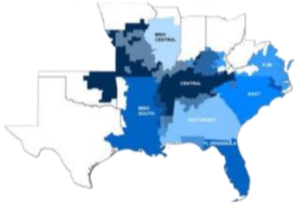
NES

The Electric Reliability Framework

A layered structure governs every large-load service decision

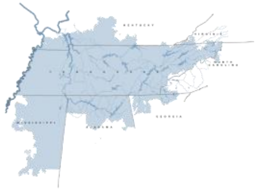
NERC

North American Electric Reliability Corporation sets bulk-power reliability standards for the interconnected system



SERC

Reliability Corporation (SE) aims to support reliability monitoring & coordination for the region



TVA

Tennessee Valley Authority conducts long-term resource, generation-adequacy & regional transmission planning

NES

Nashville Electric Service Local distribution planning, interconnection & service readiness studies

Rapid, concentrated load growth raises the importance of disciplined forecasting, interconnection studies and close coordination among all four levels.

How a "Large Load" Is Determined

Classification is driven by technical characteristics, not customer type.

THE THRESHOLD

≥ 5 MW

New customer load at or above 5 MW triggers joint NES / TVA load-forecast evaluation and system impact studies.

< 5 MW	≥ 5 MW
Standard service →	Joint large-load review

TECHNICAL CHARACTERISTICS ASSESSED

- Size – Megawatts (MW)
- Timing & phasing
- Location on system
- Ramping behavior
- Duty cycle
- Redundancy needs
- Power-quality impacts

Data centers are evaluated similar to hospitals, manufacturing plants or logistics campuses with large load profiles.

Early Utility Coordination Is Essential

Complete, stable information early improves feasibility, timing & certainty

WHAT APPLICANTS BRING TO NES / TVA EARLY

- Site location
- Requested load (MW)
- Phasing plan
- Target in-service date
- Redundancy needs
- Ramp schedule
- Duty cycle
- Operational profile

Requiring documented NES engagement before final approvals aligns timelines and identifies infrastructure needs up front.

NES

The Decision-Making Hierarchy

Two parallel decision tracks

RATE DECISIONS

NERC / FERC
Bulk-power reliability standards & wholesale framework

↓

TVA Rate Policy
Regional rate design & ratepayer-protection strategy

↓

NES Electric Power Board
Public, transparent adoption of data-center rates

LOCATION & SERVICE DECISIONS

TVA Regional Planning
Generation & transmission adequacy for new load

↓

NES Distribution Studies
Feasibility, capacity, upgrades & cost responsibility

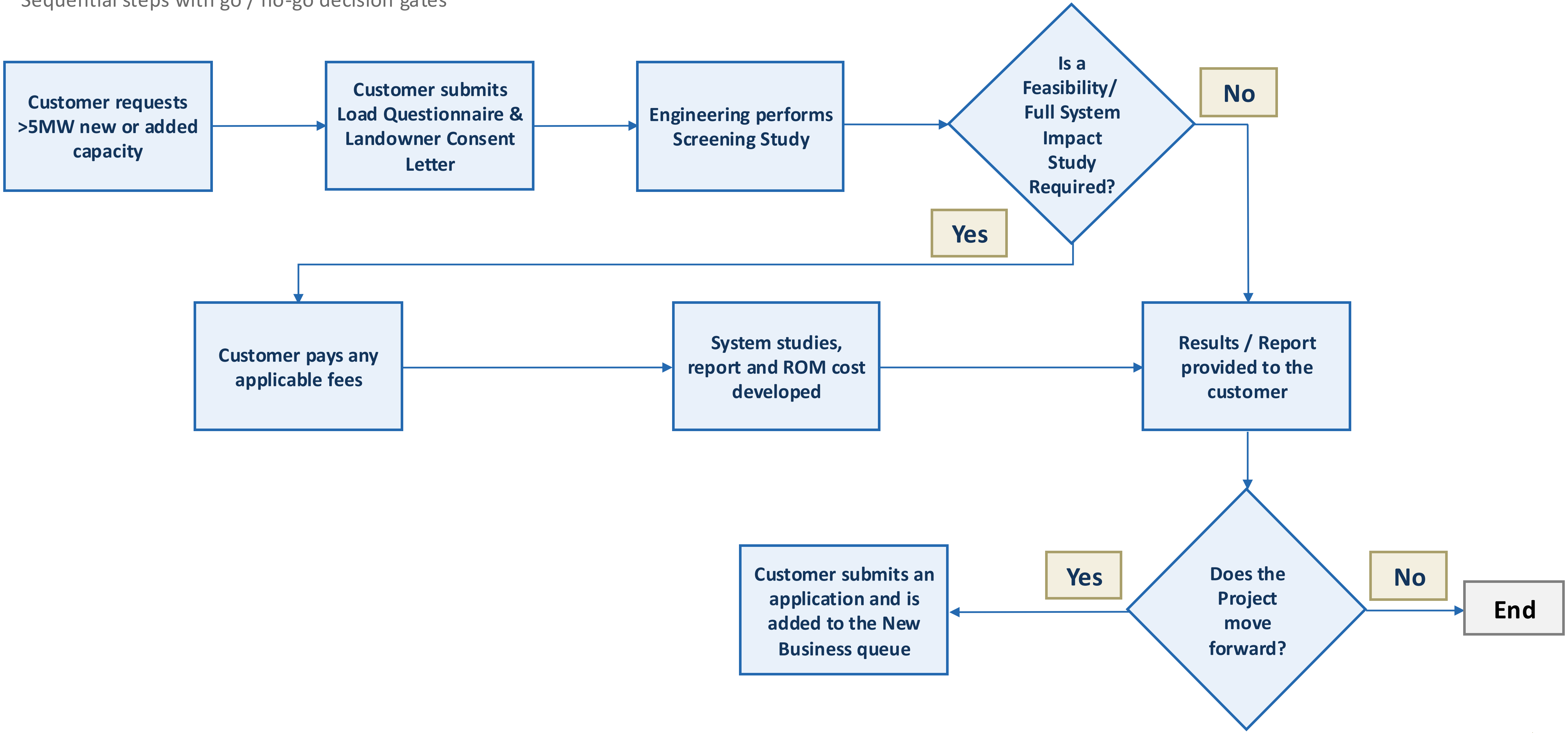
↓

Land Use Approval
Siting, design & community-facing impacts

Rate structures are adopted only in a fully public, transparent NES Electric Power Board setting, ensuring customer protection, cost recovery and accountability.

Data Center Inquiry Process

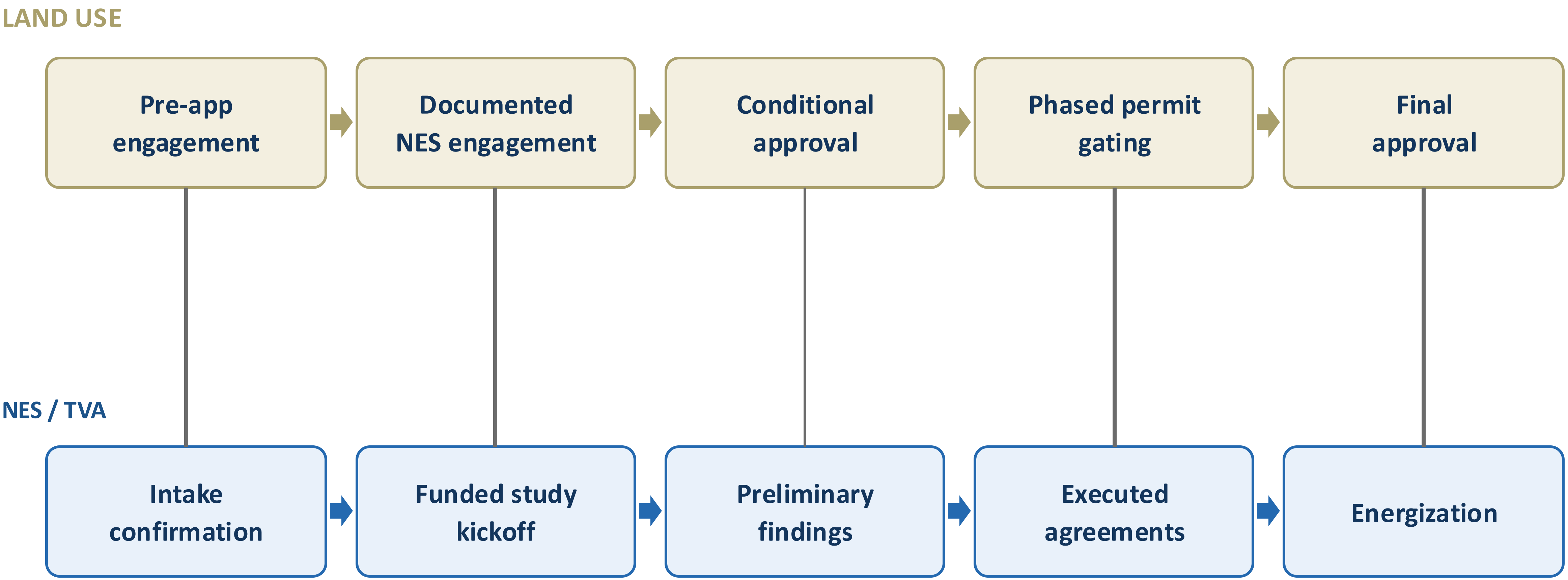
Sequential steps with go / no-go decision gates



Service feasibility, timing and cost responsibility remain contingent on NES/TVA studies, available capacity, required upgrades and executed agreements.

Coordinated Approval Sequencing

Tie land use milestones to NES/TVA utility milestones



Phased or campus-scale approvals can be keyed to utility study completion and service-agreement milestones so vertical development follows confirmed electrical feasibility.

TVA Rate Actions Effective Oct. 1, 2026

Capacity Commitment Provisions

Capacity commitment provisions would be added to TVA data center rate schedules B, C and D

Charges & Reliability Terms

New or expanding loads above 5 MW:

- Subject to a Capacity Commitment Charge (CCC)
- Recovers incremental capacity costs and prevents cost shifting
  - Power Interruption Provision
  - Addresses reliability when a data center seeks to operate before capacity is available

Transition & Pledge Terms

Projects already in development must meet criteria to qualify for transitional provisions

Under the Ratepayer Protection Pledge:

- Develop or procure new power supply
- Fund transmission and distribution upgrades
- Pay for dedicated capacity whether or not it is used
- Invest in local workforce; support grid reliability

The data center proposal is part of a broader package of TVA rate actions slated to take effect October 1, 2026.

Recommendations for Approval of Data Center Ratepayer Protection Actions

Protecting Customers & Ratepayers

Authorize NES participation in the Federal Ratepayer Protection Pledge, subject to final legal review.

The voluntary pledge aligns with NES's policy objective that data center customers should bear the costs and risks created by their projects and that those costs should not be shifted to existing customers.

Approve the conceptual creation of a separate NES retail data center rate class for data center loads of 5 MW or greater.

This approval would establish the class so NES can align retail treatment with TVA's wholesale data center treatment. There would be no immediate current-year rate impact, and any specific rate schedule or tariff language would return to the Board for approval before implementation.

Approve a data-center-specific CIAC approach with no revenue allowance.

Under this approach, data center customers of 5 MW or greater would be responsible for applicable incremental infrastructure costs without receiving a revenue allowance offset. This is intended to prevent existing customers from subsidizing infrastructure required primarily to serve data center load.

NES

A PRACTICAL, TRANSPARENT FRAMEWORK FOR THE GREATER NASHVILLE AREA

Responsible Growth with Reliable Service

County | NES | TVA | Communities | Customers

NES

RECOMMENDATION FOR APPROVAL OF A BANKING SERVICES CONTRACT

Management requests Board approval to award a contract for primary banking services for an initial five-year term, with five additional one-year renewal options. The request follows a competitive Request for Proposals process conducted by an evaluation committee consisting of five members representing areas of the business that directly or indirectly work with the banking services provider, including Financial Planning and Analysis, Accounting, Customer Services, and Information Technology.

Proposals were solicited from eight vendors. Two vendors did not respond, three vendors indicated they could not meet the minimum service requirements, and three vendors submitted proposals for evaluation: Regions Bank, Pinnacle Financial Partners, and JP Morgan. The proposals were evaluated based on price, scope of services, historical experience and ability to serve, and vendor outreach. Committee members evaluated the non-pricing components of the proposals and presentations, while pricing was scored using a cost model agreed upon by both the Committee and Procurement. Based on the results of the evaluation process, Pinnacle Financial Partners received the highest overall score.

Management recommends Board approval of a banking services contract with Pinnacle Financial Partners for a total contract amount not to exceed $750,000.

COMMERCIAL PAPER PROGRAM SERVICE PROVIDER SELECTIONS

Management requests approval of the service providers necessary to establish NES's commercial paper program. The program will provide an additional short-term financing tool to support capital funding needs, manage the timing of long-term debt issuances, and enhance liquidity. The program is also expected to help provide low-cost interim financing for costs anticipated to be reimbursed by FEMA.

The commercial paper program is expected to be structured as Electric System subordinate revenue notes, with an initial authorization of approximately $100.0 million, subject to required approvals. The selected providers will support the program by providing liquidity support (liquidity bank), placing notes with investors (dealer bank), and performing issuance and payment administration (issuing and paying agent).

The liquidity bank provides credit and liquidity support for the commercial paper notes, typically through a direct-pay letter of credit or similar facility. This support helps ensure that principal and interest on maturing notes can be paid on time, even if new commercial paper cannot be issued or remarketed on a particular day. For NES, the liquidity bank is expected to provide same-day funding support, coordinate with the working group, support rating agency criteria, and enter into the reimbursement and related agreements required for the program. The liquidity bank services were competitively bid through the NES request for bid process. Based on those results, management recommends approval of a 5-year contract with TD Bank, N.A., in the amount of $2.0 million for the liquidity bank services, subject to negotiation of the final contract form. The contract will take the form of a Letter of Credit and Reimbursement Agreement.

The dealer bank is responsible for marketing and placing NES' commercial paper notes with investors. The dealer works with NES and its financial advisor to determine timing, maturity structure, interest rates, and market conditions for each issuance. The dealer's role is important because successful placement of the notes helps provide NES with access to short-term financing at competitive market rates. A request for information process was conducted for the dealer bank services. Based on the review of information received, management recommends approval of professional services contracts with J.P. Morgan Securities LLC and BofA Securities, Inc. for the co-dealer bank services for $500,000 each, subject to negotiation of the final contract form. Each contract will take the form of a Dealer Agreement.

The issuing and paying agent provides the operational platform for the commercial paper program. This provider authenticates and issues the notes, maintains program records, processes maturities, receives issuance proceeds, and makes principal and interest payments to investors when notes mature. The issuing and paying agent also coordinates with the liquidity bank to draw on the liquidity facility if needed to ensure timely payment of maturing commercial paper. A request for information process was conducted for the issuing and paying agent bank services. Based on the review of information received, management recommends approval of a professional services contract with US Bank in the amount of $75,000 for the issuing and paying agent services, subject to negotiation of final contract form. The contract will take the form of an Issuing and Paying Agency Agreement.

Management recommends approval of the liquidity bank, dealer bank and issuing and paying agent service providers necessary to establish NES's commercial paper program. The commercial paper program is expected to be presented to the Board for consideration in the fall of 2026, together with the forms of all program documents, including the Dealer Agreements, the Issuing and Paying Agent Agreement, and the Letter of Credit and Reimbursement Agreement.

Recommendation of Purchases and Contracts
at the Meeting on Wednesday August 26, 2026

Management recommends Board approval
of the following purchases and contracts:

Total Materials and Supplies Purchases	**$7,148,116.00**
Total Contracts and Services	**$800,000.00**
Total Additions, Extensions, and Changes	**$8,204,490.00**
Total Ratified Purchases and Contracts	**$2,599,965.51**
TOTAL	**$18,752,571.51**

Line Item Totals	**$3,825,000.00**

All above items have been processed in accordance with Board approved policy and applicable rules and regulations.

August 26, 2026

MATERIALS AND SUPPLIES PURCHASES

Item Description	Vendor	Amount	Type Contract	Bids Received/Sent
Cable, Aluminum, 25kV, 4/0, 19 Strand (24,000 circuit ft.)	Wesco Distribution	*$533,664.00	Competitive (1 Year) **Blanket**	3/8
Cable, Aluminum, 795 MCM ACSR (230,400 ft)	City Electric Supply	824,832.00	Competitive (1 Year) **Blanket**	6/8
Cable, Copper, 15kV EPR, 750 (24,000 circuit ft.)	Border States Industries	*3,411,936.00	Competitive (1 Year) **Blanket**	3/8
Conductor, Copper, 15kV, EPR, 350, 37 Strand, Compact (10,000 circuit ft.)	Stuart C. Irby	669,500.00	Competitive	2/5
Network Transformer, Subway Type, Three Phase, 750 kVA, 13,750-480/277V (6)	Pioneer Transformers	590,400.00	Competitive	3/4
Recloser, 27KV (40)	**Southern States LLC**	819,800.00	Competitive **Sole Brand**	2/4
Underground Puller, Tracked, 2026, New (1)	Global Rental Co.	297,984.00	Cooperative	N/A
TOTAL		**$7,148,116.00**		

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* Price includes a 20% contingency.

CONTRACTS AND SERVICES

Item Description	Vendor	Amount	Type Contract	Bids Received/Sent
HVAC Replacement-Central Fleet	Anderson Piping Co., Inc.	**$400,000.00	Competitive	2/8
Vehicle and Equipment Tire Service	Southern Tire Mart	400,000.00	Competitive (1 Year)	2/7
TOTAL		**$800,000.00**		

**Price includes a $30,000.00 contingency.

All above items have been processed in accordance with Board approved policy and applicable rules and regulations.

ADDITIONS, EXTENSIONS, AND CHANGES

Item Description	Contractor	Additional Amount	Change Requested
Architectural and Engineering Services	Moody-Nolan, Inc.	N/A	Extension (1 Year)
Cloud Phone Solution and Implementation Services	Carahsoft Technology Corp.	$2,000,000.00	Addition (New NTE $3,700,000.00) Extension (3 Years)
EDMS Subscription Renewal and Consulting Services	Mycelium Software	204,490.00	Addition (New NTE $542,890.00) Extension (2 Years)
Health and Safety Consulting Services	Leidos Engineering	250,000.00	Addition (New NTE $475,000.00)
Third Party Administrator for Worker's Compensation	Charles Taylor TPA	N/A	Extension (4 Months)
Traffic Control	AWP, Inc.	5,000,000.00	Addition (New NTE $17,000,000.00)
UVM Services Ground Maintenance	Wright Tree Service	750,000.00	Addition (New NTE $6,750,000.00) *Extension (3 Months)
TOTAL		**$8,204,490.00**	

*Total contract term will be five years and six months.

RATIFIED PURCHASES AND CONTRACTS

Item Description	Vendor	Amount	Type Contract	Bids Received/Sent
Automatic Deadend, 3/8" Long Bail (7,800)	Border States Industries	$174,720.00	Competitive (1 Year) **Blanket**	4/8
Cable, Aluminum, 600v, XLP 350 4/0 Triplex (36,000 ft)	Wesco Distribution	168,840.00	Competitive (1 Year) **Blanket**	6/8
Cable, Aluminum, 600v, 4/0-2/0N, Triplex (72,000 ft.)	Stuart C. Irby	197,280.00	Competitive (1 Year) **Blanket**	6/8

All above items have been processed in accordance with Board approved policy and applicable rules and regulations.

Cable, MCM, ACSR (96,372 ft.)	Border States Industries	208,163.52	Competitive (1 Year) **Blanket**	8/8
Cascade Software Maintenance	**DNV Energy Insights USA, Inc.**	53,894.59	**Sole Source** (1 Year)	N/A
Chevrolet OEM Repair Parts and Service	Nashville Automotive	150,000.00	Competitive (4 Years, 6 Months)	1/3
Conductor, Aluminum, 25kV, 37 strand (15,000 ft.)	Wesco Distribution	*186,840.00	Competitive	4/16
Conductor, Copper, 15kV, 7 Strand (4,600 Circuit ft.)	Border States Industries	*109,406.40	Competitive	4/5
Electric Vehicle Supply Equipment and Related Services	ChargePoint Holdings	250,000.00	Cooperative (5 Years)	N/A
Employee Driver License Status Monitoring	Samba Holdings, Inc.	150,000.00	Addition (New NTE $172,000.00)	N/A
FuelMaster FMLive Upgrade: Software and Hardware Purchase and Implementation Project	Nashville Equipment Service	0.00	Extension (10 Months)	N/A
Gartner Professional Services	Gartner	231,455.08	State of Michigan (1 Year)	N/A
Government Relations and Consulting Services	Hall Strategies, LLC	95,000.00	Professional Service (1 Year)	N/A
Maintenance Services for Uninterruptible Power Supply Systems	Gruber Technical, Inc.	50,000.00	Addition (New NTE $104,150.00)	N/A
PCB Oil Disposal	Emerald Transformer	100,000.00	Competitive	4/14
Pole, Steel, Galvanized, H4, 100 ft. (4)	Stuart C. Irby	50,148.00	Competitive	6/7
Software and Hardware Maintenance and Support	**Itron, Inc.**	58,099.32	**Sole Source** (1 Year)	N/A
Storm Recovery Support of the Four Pillars	E Source Companies LLC	0.00	Extension (7 Months)	N/A
Surge Arrestor, 12kV (300)	Stuart C. Irby	53,508.00	Competitive	7/33
Surge Arrestor, Distribution Class, Metal Oxide (500)	Stuart C. Irby	66,860.00	Competitive	7/24
Terminator for 3” Diameter Galvanized Conduit (460)	**Border States Industries**	97,156.60	Competitive **Sole Brand**	6/6

All above items have been processed in accordance with Board approved policy and applicable rules and regulations.

Transformer, Pad Mount, Three Phase, Live Front, 1000 kVA, 14.4/24.9-2.4/4.16 (1)	Central Moloney	58,936.00	Competitive	2/3
Voltage Detector, Personal	**Stuart C. Irby**	89,658.00	Competitive **Sole Brand**	11/74
TOTAL		**$2,599,965.51**		

*****price includes a 20% contingency.

LINE ITEMS

Item Description	Vendor	Amount	Type Contract	Bids Received/Sent
Banking, Custodial, and Cash Management Services	Pinnacle Financial Partners	$750,000.00	Competitive (5 Years)	3/8
Commercial Paper Program-Letter of Credit	TD Bank, N.A.	2,000,000.00	Competitive (5 Years)	4/11
Commercial Paper Program-Dealer Bank Services	Bank of America	500,000.00	Professional Service (5 Years)	N/A
Commercial Paper Program-Dealer Bank Services	JPMorgan Chase Bank	500,000.00	Professional Service (5 Years)	N/A
Commercial Paper Program-Issuing and Paying Agent Services	U.S. Bank	75,000.00	Professional Service (5 Years)	N/A
TOTAL		**$3,825,000.00**		

All above items have been processed in accordance with Board approved policy and applicable rules and regulations.

Referenced Items Included in Board Materials (Information Only) – No Presentations

NASHVILLE ELECTRIC SERVICE
MONTHLY FINANCIAL OVERVIEW
YEAR TO DATE AS OF JULY 31, 2026

FINANCIAL RESULTS

(millions)	YTD Actual	YTD Budget	Variance	%
Operating Revenues	$ 164.6	$ 155.3	$ 9.3	6.0%
Purchased Power	(119.3)	(118.3)	(1.0)	0.8%
Sales Margin	**$ 45.3**	**$ 37.0**	**$ 8.3**	22.4%
Operating Expenses	(18.3)	(26.1)	7.8	-29.9%
Other Revenues	1.8	2.6	(0.8)	-30.8%
Depreciation	(8.6)	(8.6)	-	0.0%
Taxes	(4.0)	(4.0)	-	0.0%
Interest Income	1.4	1.6	(0.2)	-12.5%
Other Non-Operating Income	-	0.1	(0.1)	-100.0%
Interest/Other Expense	(1.8)	(1.8)	-	0.0%
Winter Storm Fern Restoration Costs	-	-	-	NA
Change in Net Position	**$ 15.8**	**$ 0.8**	**$ 15.0**	1875.0%

Highlights

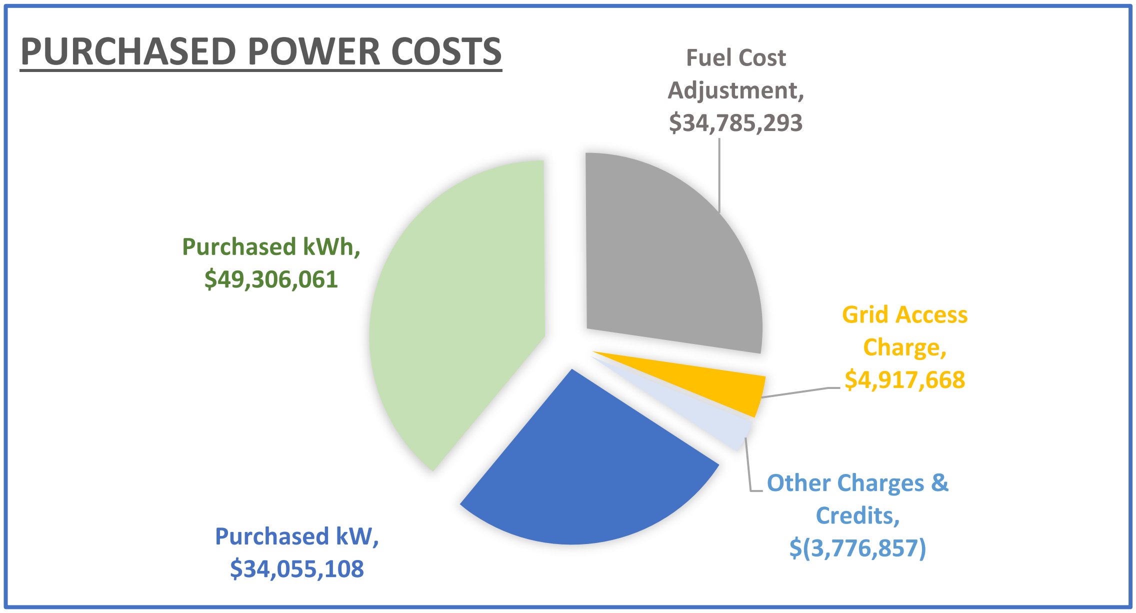
Margin - *more extreme weather patterns/temperatures than anticipated*
Operating Expenses - *lower pension expense from stronger investment returns and favorable actuarial results, along with reduced labor, medical, and IT shared services costs, partially offset by higher outside services expenses attributable to timing*
Other Revenues - *late fees suspended in July*
Interest Income - *lower investable balance than planned*
Other Non-Operating Income - *timing of the Power of Change funding*

FINANCIAL GOALS		
GOAL	TARGET	ACTUAL
Debt Service Coverage	2.0	3.7
Days Cash on Hand	90	114

NASHVILLE ELECTRIC SERVICE
MONTHLY FINANCIAL OVERVIEW
YEAR TO DATE AS OF JULY 31, 2026

WHOLESALE UNITS AND CHARGES

Purchased kW	2,692,404	$	34,055,108	*28.5%*
Purchased kWh	1,309,136,528	$	49,306,061	*41.3%*
Fuel Cost Adjustment		$	34,785,293	*29.2%*
Grid Access Charge		$	4,917,668	*4.1%*
Other Charges & Credits		$	(3,776,857)	*-3.2%*
Total Purchased Power Costs		**$**	**119,287,273**	



Units & Charges: Retail Sales vs. Wholesale Purchased

Description		Retail		Wholesale
kWh		1,273,764,177		1,309,136,528
KW		1,645,913		2,692,404
Sales / Purchases	$	164,562,486	$	119,287,273
FCA	$	34,567,668	$	34,785,293
Degree Days		487		515
Temperature at Peak		Various		Various

NASHVILLE ELECTRIC SERVICE
MONTHLY FINANCIAL OVERVIEW
YEAR TO DATE AS OF JULY 31, 2026

SALES VOLUME & CUSTOMER STATS

SALES VOLUME - MWH				
Sales Volume	**YTD Actual**	**YTD Budget**	**Variance**	**%**
Residential	562,421	530,595	31,826	6.0%
Small Commercial	86,573	85,323	1,250	1.5%
Large Commercial	616,594	602,506	14,088	2.3%
Street & Highway Lighting	8,177	8,475	(298)	-3.5%
Total MWH Sales	**1,273,765**	**1,226,899**	**46,866**	3.8%

NUMBER OF CUSTOMERS	
Residential	435,625
Small Commercial	37,272
Large Commercial	7,307
Large Commercial BCD	43
Street & Highway Lighting	206
Total Number of Customers	**480,453**

CAPITAL BUDGET RESULTS

(millions)	**FY27 Budget**	**YTD Actuals**	**FY27 Balance**	**YTD % Budget**
New Business	16,622	2,230	14,392	*13%*
System Construction - Capacity	16,459	273	16,186	*2%*
System Construction - Reliability	2,253	78	2,175	*3%*
System Construction - Asset Mgmt	40,045	1,582	38,463	*4%*
Unplanned Replacements	27,036	1,444	25,592	*5%*
Relocations	10,827	886	9,941	*8%*
Lighting Systems	13,650	237	13,413	*2%*
Meters	4,559	512	4,047	*11%*
Transformers	41,100	4,680	36,420	*11%*
Equipment & Facilities	22,482	108	22,374	*0%*
Total Capital Budget Results	**195,033**	**12,030**	**183,003**	***6%***

REPORT ON INVESTMENT PROGRAM AND INVESTMENT ACTIVITY

The NES investment policy requires Management to present an annual report on the investment program and investment activity to the Board within 90 days of the end of the fiscal year. Such report shall include a twelve-month comparison of returns and include an investment plan for the ensuing fiscal year. The following report is in response to this requirement.

Twelve-Month Comparison of Returns

Management monitors three different interest rate benchmarks: 1) The 90 day U.S. Treasury Bill which is the goal, 2) The State of Tennessee's Local Government Investment Pool (LGIP) which is an investment pool managed by the State of Tennessee's Treasurer and invests in short term U.S. Treasury products, offering more liquidity similar to a money market type fund, and 3) The earnings rate offered by Tennessee Valley Authority (TVA) for power companies who want to prepay their purchased power bill.

NES investment returns averaged 4.08 percent which was 19 basis points (bps) higher than the average 90-day U.S. Treasury Bill benchmark's return of 3.89 percent. The average rate of return was comparable to the LGIP and TVA benchmarks. The table below shows average rates for the twelve months ended June 30, 2026.

AVERAGE INVESTABLE BALANCE	YTD INTEREST INCOME	AVERAGE RATE OF RETURN	AVERAGE 90 DAY T-BILL RATE	LGIP RATE	TVA RATE
$450,100,000	$18,739,000	4.08%	3.89%	3.88%	3.88%

Average 90-day Treasury bill rates ranged between 3.67 percent in January 2026 and 4.41 percent in July 2025. As of June 30, 2026, the bank interest rates were approximately 3.82 percent, Federal Funds Rates were 3.63 percent to 3.68 percent, and the 90-day Treasury Bill rate was 3.87 percent.

Investment Structure

NES has a short-term investment policy that has a principal-preservation focus. Investment maturities are restricted to terms of no more than two years to reduce exposure to interest rate volatility. Investment instruments that are authorized by the Tennessee Code Annotated are limited to the following: United States treasury securities and other obligations guaranteed by the federal government or its agencies, collateralized certificates of deposit or other collateralized bank deposits, bonds of the State of Tennessee and institutions under its control, bonds of any county or municipal corporation of the State of Tennessee, prime bankers' acceptances, prime commercial paper, and the State's LGIP. Management utilizes these conservative investment options to earn interest on funds held in the General Fund.

Funds held in depository accounts are required to be secured under State of Tennessee ("State") statute. Deposits held by financial institutions must be insured by the FDIC or secured and collateralized by the institutions. The collateral must meet certain requirements and have a total minimum market value of up to 105 percent of the value of the deposits placed in the institutions less the amount protected by federal depository insurance. Collateral requirements are not applicable for financial institutions that participate in the State’s collateral pool.

Currently, all of NES’ bank deposits are held by financial institutions which are FDIC insured or participate in the bank collateral pool administered by the State Treasurer. Public-fund accounts covered by the State’s pool are considered to be insured for purposes of credit risk. As of June 30, 2026, NES has an investment of $4.2 million in the State’s LGIP and intends to keep a nominal amount in that account so that it is immediately available.

Investment Strategy for Fiscal 2027

NES expects to continue to hold cash at the bank as a primary means of achieving its investment objectives. This provides NES the ability to best balance liquidity, safety, and return objectives. Deposits are maintained through FDIC-insured deposit networks, helping to maximize federal insurance coverage and diversify custodial risk. Cash balances are held in interest-bearing accounts with earnings generally linked to prevailing short-term market rates and are protected through a combination of FDIC insurance and collateralization arrangements, including participation in the State's collateral pool where applicable. NES will also retain its investment in the LGIP to preserve flexibility in managing liquidity and short-term investment needs.

NES will continue to evaluate options to purchase U.S. Treasury and U.S. government agency securities and commercial paper keeping in mind the risks associated with market rate volatility.

NASHVILLE ELECTRIC SERVICE
QUARTERLY ASSET MANAGER S REPORT
JUNE 30, 2026

Pension Results for the Quarter

The NES Plan had a gain of 9.47 percent for the quarter as compared to a gain of 10.38 percent for the dynamic index. A summary of the results for the funds follows (benchmark indexes are italicized):

FUND DESCRIPTION	BALANCE	QUARTER ENDED 6/30/2026	12-MONTHS ENDED 6/30/2026	SINCE INCEPTION 6/30/2026
Large Cap				
S&P 500 Index Fund	$128,028,038	15.18%	22.22%	13.85%
S&P 500 Index		*15.20%*	*22.32%*	*13.90%*
US Equity Factor Allocation Fund	150,850,822	13.79%	23.20%	20.29%
Russell 3000		*15.44%*	*22.82%*	*19.34%*
SEI Extended Market Index Fund	31,946,145	19.31%	29.13%	11.88%
Russell Small Cap Completeness Index		*19.32%*	*29.05%*	*11.81%*
International				
SEI World Equity Ex-US Fund	207,030,012	12.05%	23.57%	8.44%
Net MSCI All Country World Ex-US		*14.49%*	*27.66%*	*7.56%*
Bonds / Cash				
SEI Core Fixed Income Fund	133,704,504	0.63%	3.92%	4.18%
Bloomberg US Aggregate Bond		*0.67%*	*3.79%*	*3.57%*
Limited Duration Fund *	63,131,335	0.73%	3.74%	4.76%
ICE B of A ML 1-3 Year Treasury		*0.39%*	*2.94%*	*3.84%*
SEI High Yield Bond Fund	39,673,395	2.33%	5.79%	7.10%
SEI US HY Historical Blend		*2.45%*	*5.74%*	*6.35%*
SEI Emerging Markets Debt Fund	39,408,736	5.49%	14.61%	5.44%
Emerging Markets Debt Index		*4.24%*	*9.82%*	*4.43%*
Cash	1,024,026			
Gov't Fund Inst	938			
Composite	**$794,797,951**	9.47%	16.70%	6.97%
Total Portfolio Index		10.38%	18.02%	7.22%

**Fund established May 2023*

Individual Fund Performance

US Equity Factor Allocation Fund underperformed its index by 1.65 percent. Momentum contributed as AI-linked and prior winners continued to lead. Quality and low volatility detracted as defensive and higher-quality exposures lagged the market's strongest growth areas.

World Equity Ex-US Fund underperformed its index by 2.44 percent. The Fund's underweight to the rallying semiconductors industry detracted, as did over weights to the higher-quality pharmaceuticals and consumer staples industries. It was also challenged by headwinds to quality, value, and low volatility; all three underperformed in a narrow AI-led rally for Korean and Taiwanese semiconductors and technology hardware where Emerging Asia was the sole region to outperform the benchmark. Momentum exposure pared these losses.

Emerging Markets Debt Fund overperformed its index by 1.25 percent. Over the period, the Fund benefited from selection in high-yield hard-currency debt, particularly Venezuelan sovereign bonds and energy-related securities (Pemex, PDVSA). Off-benchmark exposure to the Egyptian pound and an overweight to the Hungarian forint also added as both currencies rallied against the U.S. dollar.

Asset Allocation

The Plan's asset allocation for the quarter's end consists of 39 percent domestic equity, 35 percent fixed income, 26 percent foreign equity, and less than one percent cash. The investment strategy goal is to have no more than one percent of the funds in cash.

Manager	Benchmark Index	Market Value (Millions)	Goal %	Actual %
S&P 500 Index Fund	*S&P 500 Index*	$128.0	*16.00%*	*16.10%*
US Equity Factor Allocation Fund	*Russell 3000*	150.9	*19.00%*	*19.00%*
SEI Extended Market Fund	*Russell Small Cap*	32.0	*4.00%*	*4.00%*
SEI World Equity Ex-US Fund	*MSCI All Country World Ex-US*	207.0	*26.00%*	*26.10%*
Core Fixed Income Funds	*Bloomberg US Aggregate*	133.7	*17.00%*	*16.80%*
Limited Duration Fund	*ICE B of A ML 1-3 Year Treasury*	63.1	*8.00%*	*7.90%*
SEI High Yield Bond Fund	*SEI US HY Historical Blend*	39.7	*5.00%*	*5.00%*
SEI Emerging Markets Debt Fund	*Emerging Markets Debt Index*	39.4	*5.00%*	*5.00%*
Cash/Cash Equivalents		1.0	*0.00%*	*0.10%*
Total		**$794.8**	*100.00%*	*100.00%*

Dynamic Index

The Pension Plan and OPEB Plan use a dynamic benchmark index representing a fund currently consisting of 16 percent S&P 500 Index, 19 percent Russell 3000 Index, 4 percent Russell Small Cap Completeness Index securities, 26 percent MSCI All Country World Ex-US Index, 17 percent Bloomberg US Aggregate Bond Index, 8 percent ICE Bank of America ML 1-3 year Treasury Index, 5 percent Historical Blend High Yield Bond Index and 5 percent Emerging Markets Debt Index.

OPEB (Other Post-Employment Benefits) Trust Results for the Quarter

The composite result for the OPEB trust had a gain of 9.37 percent as compared to the dynamic index which had a gain of 10.38 percent. The OPEB trust held $338.2 million of assets as of June 30, 2026. The asset mix mirrors the Pension Plan allocation.

401(a) Defined Contribution Trust Results for the Quarter

The 401(a) Trust held $70.1 million of assets as of June 30, 2026. The trust transitioned from a set fund allocation for all participants to a custom NES Target Date Fund Series in November 2025. The funds are tailored to based on age ranges and are designed to adjust investment risk as retirement approaches. Below are the results for Q2 performance by target fund series:

FUND DESCRIPTION	BALANCE	QUARTER ENDED 6/30/2026
NES Target Fund 2020	$138,562	4.68%
NES Target Fund 2025	$648,782	6.00%
NES Target Fund 2030	$3,476,669	7.37%
NES Target Fund 2035	$5,481,983	8.90%
NES Target Fund 2040 - NES Target Fund 2070	$60,312,129	10.94%
Total	**$70,058,125**	

Investment Committee Actions

The Investment Committee approved a change to the portfolio mix for the Pension and OPEB Plans during the March 2026 Quarterly Investment Committee meeting. The change in the investment mix is intended to decrease risk of concentration in particular markets.

The revised portfolio allocation for the Pension and OPEB Plans for Board Recommendation are shown in the table below.

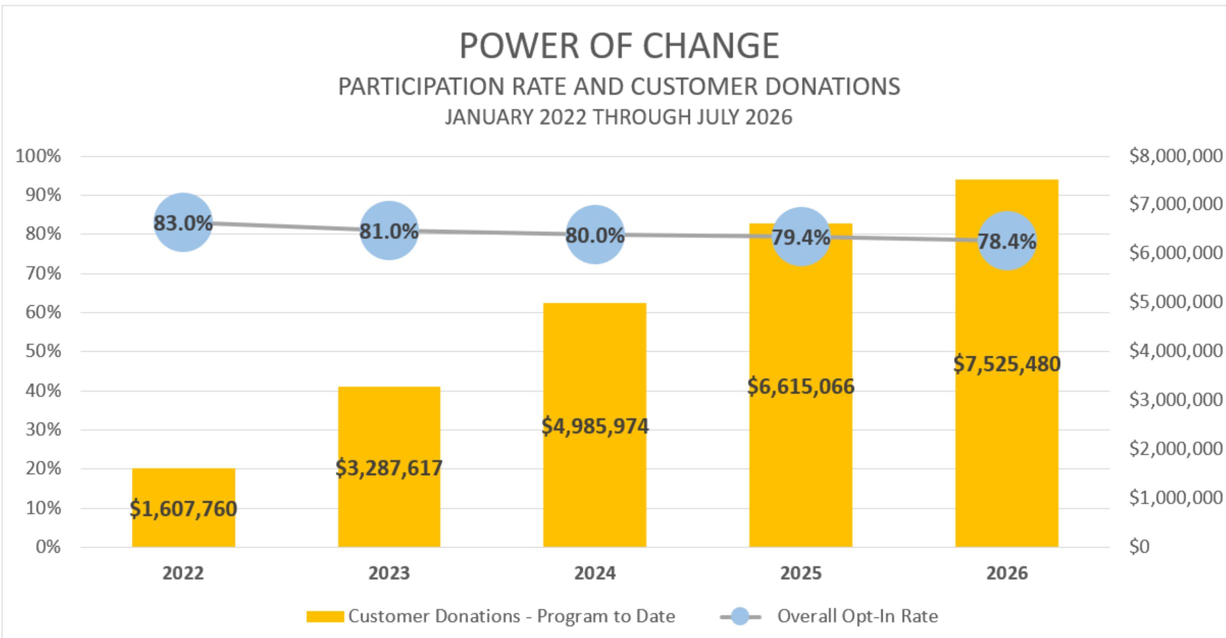
Fund Type	New Allocation	Prior Allocation
S&P 500 Index Fund	*16%*	*23%*
US Equity Factor Allocation Fund	*19%*	*10%*
SEI Extended Market Fund	*4%*	*4%*
SEI Small-Mid Cap Fund	*0%*	*2%*
SEI World Equity Ex-US Fund	*26%*	*26%*
Core Fixed Income Funds	*17%*	*17%*
Limited Duration Fund	*8%*	*8%*
SEI High Yield Bond Fund	*5%*	*5%*
SEI Emerging Markets Debt Fund	*5%*	*5%*
Total	*100%*	*100%*

The 401(a) Plan fund allocations are tailored based on age ranges of the participants and were not impacted by the portfolio allocation above.

QUARTERLY HOME UPLIFT – POWER OF CHANGE UPDATE

Power of Change

Since program inception in January 2022, NES customers have donated over $7.5 million to the Power of Change program. These donations are remitted monthly to Pathway Lending for inclusion in the Home Uplift program for weatherization and energy efficiency purposes. The customer participation rate of 78.4 percent continues to exceed the required 70 percent participation rate. The chart below shows cumulative customer donations and participation rates since program inception.



Home Uplift

The Home Uplift program funds home energy efficiency upgrades and weatherization measures that reduce low-income customers' energy burdens and lowers energy carbon emissions while providing health benefits and improving quality of life. Current weatherization measures include HVAC and ductwork repair or replacement, insulation, air sealing, windows and doors, LED lightbulbs, and electric water heaters. Quality of life improvements include better air quality, humidity reduction in the home, reduction in thermal stress, and improved overall comfort. The weatherization and efficiency measures also enable participants to enjoy use of their homes more fully during summer and winter months.

Through July 2026, total funding for Home Uplift approximates $22.7 million, of which $22.6 million has been expended to install weatherization and energy efficiency measures. Administrative costs, such as CLEAResult program administration and Pathway Lending disbursement accounting and audit procedures, are covered by TVA outside of Home Uplift funding. Through July, 2,253 homes have received Home Uplift weatherization and energy efficiency measures.

The average spend per home, energy saving, and carbon impact statistics are as follows:

Completed Home Statistics		
	Single Home Stats	**Program to Date**
Average amount spent per completed home or total spend	$10,017	$22,567,659
TVA calculated average energy (kWh) savings (annual)*	3,780	32,144,290

* Determined by DNV (TVA's independent third-party data provider), energy saving calculations are based on industry best practices and measurement type installed.

Applications and Demographics

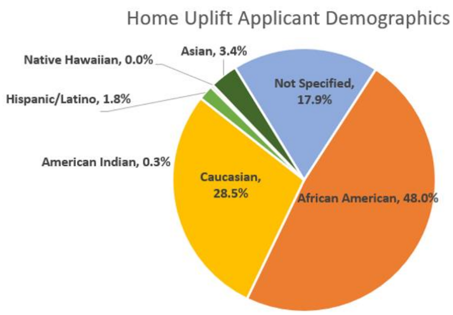
NES employees engage with customers at community events providing Home Uplift program information and assisting with any questions and documentation requirements. Additionally, NES Corporate Communications and CLEAResult offer application assistance sessions monthly at NES.

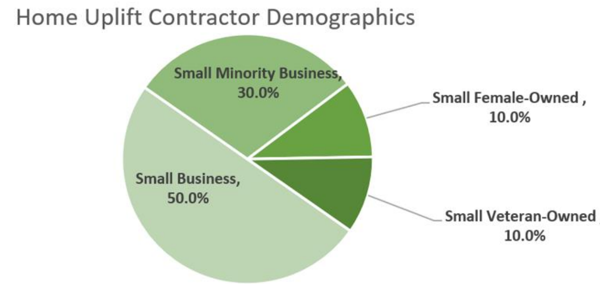
Due to the numerous program events and marketing efforts, the Home Uplift program has a wait list of 136 approved participants and CLEAResult is working with over 150 customers on applications that are in the review queue. New applications are primarily received through the online portal and NES and CLEAResult are actively working with participants on missing or incomplete documentation.

Application Statistics	
Received *(not reviewed)*	0
Incomplete *(lacks required documentation or information)*	163
Waitlist *(approved, but not started)*	114
In Progress *(started, but not completed)*	18

Both applicant and contractor demographics (requested from applicants and contractors, but not required) are tracked by CLEAResult and are shown in the charts below.

Demographic Information





Conclusion

Annually, TVA determines the amount of available funding for the Home Uplift program and for fiscal year 2027, TVA's maximum program donation is $729,474. To make the program donation, TVA requires a matching donation from NES. Management recommends contributing to Home Uplift the amount budgeted for fiscal year 2027 of $1,200,000. These funds will be derived from non-electric revenue.

Donations from TVA and NES are made to TVA's partner, Pathway Lending, which handles the accounting, expense verification, and auditing functions of the Home Uplift program.

NES ENGAGEMENT REPORT
August 2026

OPERATIONS

We trimmed 37 circuit miles during the month of July.

CUSTOMER RELATIONS

In July, six advisors achieved Pacesetter status by exceeding productivity goals, and 12 advisors earned membership in the 100 Percenters Club by achieving 100 percent in all call monitoring categories.

COMMUNITY INVOLVEMENT

On July 27, NES employees Jeremy Wilson and Tyler Blanton participated in Chick-fil-A’s Touch-a-Truck event at Century Farms.

Employees participated in multiple Back-to-School community events, including the Stratford, Antioch, Whites Creek, Hunters Lane, James Lawson, McGavock, and Signature Schools cluster bashes, as well as Back-to-School Night at Madison Creek Elementary, supporting student and family engagement ahead of the new school year.

Employees participated in the English Language Learners (ELL) Block Party at Berkley Hills Apartments, increasing visibility of NES programs and services within the community.

Employees attended the 3rd Annual MNPS & Friends Back-to-School Basketball Celebration at Lipscomb University's Allen Arena, supporting a districtwide celebration for students and families returning to school.

Employees participated in Nashville Sounds community engagement events at First Horizon Park on August 15 and August 16.

MISCELLANEOUS

On August 11, Dr. Trish Holliday facilitated the opening retreat for the Valley Public Power Leadership Academy. The kickoff focused on “The 3 C’s: Collaboration, Community and Connection,” emphasizing the importance of building a strong network across the Tennessee Valley.

Artetta West was selected for Class XIII of Leadership Tennessee’s NEXT program, which brings emerging leaders together to represent their regions, communities and professions while exploring solutions to the challenges and opportunities facing Tennessee.

Miscellaneous

Recess to Civil Service Board Meeting

Consent Agenda

THE MINUTES OF THE ONE THOUSAND NINETEENTH MEETING OF THE ELECTRIC EMPLOYEES' CIVIL SERVICE AND PENSION BOARD HELD JULY 22, 2026

The regular meeting of The Electric Employees' Civil Service and Pension Board was held July 22, 2026.

Board Members Present: Interim Chair – Rob McCabe, Clifton Harris, Ian Prunty. Officers Present: Teresa Broyles-Aplin, David Frankenberg, Laura Smith, Brad Heck, and Dr. Trish Holliday.

Interim Chair McCabe called the meeting to order at 9:15 a.m. and stated that the matters on the consent agenda had been provided to the Board in advance. The consent agenda included the recommendation for approval of the Civil Service Minutes from the meeting held June 24, 2026.

> Upon motion by Member Harris and seconded by Member Santos, the consent agenda was approved, which included the minutes from the meeting held June 24, 2026.

HUMAN RESOURCES WORKFORCE UPDATE

Dr. Holliday noted that the HR – Corporate Services Workforce Update is in the Board packet for review. Highlights from Training, Staffing and Employee Relations, Safety, Fleet, and Facilities and Security sections were shared to emphasize the significant activities within the department.

MISCELLANEOUS

There were no miscellaneous items to come before the Board.

ADJOURNMENT

The meeting adjourned at approximately 9:16 a.m.

Approved,

Chair

Attest:

Secretary
07-22-2026

Discussion Items

RECOMMENDATION FOR APPROVAL OF AN AMENDMENT TO THE NASHVILLE ELECTRIC SERVICE DEFINED CONTRIBUTION RETIREMENT PLAN QDRO PROCEDURES

The Nashville Electric Service Defined Contribution Retirement Plan (the “DC Plan”) currently allows for Qualified Domestic Relations Orders (“QDROs”). A QDRO allows a DC Plan participant’s former spouse to receive a portion of such participant’s benefits in the DC Plan. Pursuant to the terms of the QDRO, the participant’s account in the DC Plan is reduced by the amount awarded to the former spouse, and such amount is transferred into an account created for the benefit of the former spouse. Under the DC Plan’s current QDRO procedures, former spouses can access the money in their account as of the earlier of (i) the date the participant reaches age 50 or (ii) the termination of the participant.

When the DC Plan was created, the intent was to mirror the provisions of the Nashville Electric Service Retirement Annuity and Survivors’ Benefit Plan (the “DB Plan”) as much as possible. Under the DB Plan, QDRO amounts are accessible to former spouses only when the participant retires or terminates employment upon reaching age 65. This proposed amendment changes the DC Plan’s QDRO procedures so that the amount awarded to the former spouse is only available when the participant could receive a distribution, which is generally when the participant retires or terminates employment upon reaching age 65. This change is designed to bring the DC Plan and DB Plan into alignment on this issue.

Management recommends the approval of this amendment to the DC Plan QDRO Procedures, effective July16, 2026.

Procedures and Guidelines

Relative to Qualified Domestic Relations Orders

Submitted to the

Nashville Electric Service Defined Contribution Retirement Plan

(Effective as of and after ~~9/1/2021~~7/16/2026)

Contents:

Introduction	Article 1
Basic Terms and Definitions	Article 2
Requirements for a QDRO	Article 3
Determination of QDRO Status	Article 4
Effect of a Valid QDRO	Article 5
~~Sample Qualified Domestic Relations Order~~	~~Article 6~~

Procedures Current as of: ~~September 2021~~July 2026

ARTICLE 1
Introduction

The Electric Power Board of the Metropolitan Government of Nashville and Davidson County, Tennessee (herein referred to as "Nashville Electric Service" or "NES") maintains a defined contribution plan for the retirement benefits of certain existing and retired employees, commonly known as the Nashville Electric Service Defined Contribution Retirement Plan (the "Plan").

Pursuant to the terms of the Plan, NES (the "Administrator") administers and manages the Plan, and has the authority to establish and manage these Procedures and Guidelines for the qualification and processing of a domestic relations order ("DRO") submitted to the Plan.

The Plan is a local government pension plan qualified under section 401(a) of the Internal
Revenue Code of 1986, as amended (the "Code"), and subject to the laws of the State of Tennessee (the "State") and the charter of the Metropolitan Government as it pertains to NES. Pursuant to laws of the State of Tennessee, a qualified retirement plan maintained by a local government is required to honor claims under a qualified domestic relations order ("QDRO"). **A QDRO for a governmental pension plan is defined by Section 414(p)(1) of the Code as a DRO which creates or recognizes the existence of an Alternate Payee's (as hereinafter defined) right to, or assigns to an Alternate Payee the right to, receive all or a portion of the benefits payable with respect to a participant in the Plan.**

Under these procedures, unless a DRO meets the necessary criteria that make it a QDRO, including all requirements prescribed herein by these QDRO Procedures, the Administrator will not authorize the segregation of a Participant's account for the benefit of, nor distribution of benefits to, anyone other than the Participant. The determination of whether a DRO is a QDRO is made by the Administrator.

The information contained in these procedures is provided to help Participants, former spouses and attorneys who are, or will be, submitting DROs to the Plan, understand the process for obtaining a QDRO. Much of the information in these procedures is specific to the Plan. Note that these procedures only apply to DROs~~,~~ and are not intended to apply to orders for assignment of support issued pursuant to Section 36-5-501 of the Tennessee Code Annotated.

In addition to these QDRO procedures, there is a Sample QDRO that you may use as a model in preparation of an order. Use of the language in the Sample QDRO is not required, but it will help to expedite the review process. Also, use of the Sample QDRO form could avoid an adverse determination by the Administrator that an order you submit which does not include everything in the Sample QDRO form is not a QDRO.

The Administrator gives no assurance that the language the Sample QDRO will meet the requirements of the state court issuing the order. **You should consult your own attorney for all legal advice regarding domestic relations orders**. The Sample QDRO is intended solely as a guide for use by legal counsel~~,~~ and does not represent legal advice.

DETERMINING THE CORRECT LANGUAGE FOR THE QDRO IS SOLELY THE RESPONSIBILITY OF THE PARTIES TO THE DIVORCE AND THEIR COUNSEL. NES DOES NOT ASSUME ANY RESPONSIBILITY IF THE LANGUAGE IN THE SAMPLE ORDER DOES NOT PRODUCE THE RESULT THAT THE PARTIES INTEND. THE PARTICIPANT, THE ALTERNATE PAYEE AND THEIR COUNSELS ARE STRONGLY ADVISED TO SEEK ADVICE FROM A PROFESSIONAL WHO IS AN EXPERT ON DEFINED CONTRIBUTION PLANS BEFORE OBTAINING A FINAL ORDER.

ARTICLE 2
Basic Terms and Definitions

Alternate Payee – ~~means~~ the spouse, former spouse, child or other dependent of a Participant who is recognized by a DRO as having a right to receive all, or a portion of, the benefits payable to that Participant under the Plan.

Administrator – ~~means~~ NES in accordance with the terms of Article VIII of the Plan. All or some of the responsibilities assigned to the Administrator throughout these procedures may be reassigned by the Administrator to a third party.

Code – the Internal Revenue Code of 1986, as amended from time to time, and as in effect on the relevant date to be interpreted hereunder.

Compensation and Benefits Department – refers to the NES Compensation and Benefits Department located at 1214 Church Street, Nashville, Tennessee 37246. The phone number is 615-747-3942.

Domestic Relations Order (**DRO**) – a final judgment, decree or order, issued pursuant to a state domestic relations law, which relates to the provision of child support, alimony payments or marital property rights to ~~a spouse, former spouse, child or other dependent of a Participant (the "~~an Alternate Payee~~")~~ and which assigns to such Alternate Payee the right to receive all or a portion of the benefits payable with respect to that Participant. A copy of such judgment, decree or order submitted to NES must be certified by the clerk of the court that entered the order.

*Note: a DRO is not a **Qualified Domestic Relations Order** (QDRO) until the Administrator determines that it meets the requirements to be qualified.*

NES – ~~means~~ the Electric Power Board of the Metropolitan Government of Nashville and Davidson County, Tennessee.

Participant – ~~means~~ an employee or former employee of NES who has an account under the Plan.

Plan – ~~means~~ the Nashville Electric Service Defined Contribution Retirement Plan, which is qualified under Section 401(a) of the Code.

Qualified Domestic Relations Order (**QDRO**) – ~~means~~ a DRO that meets the requirements of the Code, the Plan and these QDRO Procedures, and which is determined by the Administrator to meet all such requirements.

QDRO Procedures – include the entire contents of this package. These procedures have been designed to explain what happens when the Administrator is presented with a DRO and how the Administrator will go through the process of determining whether the order is a QDRO.

Sample QDRO – the form provided by the Administrator to assist an attorney or interested party in drafting a DRO for submission to the Plan. This form has been designed as a convenience to Participants, Alternate Payees and their respective legal counsel. While use of the Sample QDRO form may help expedite the process, it is not required by the Administrator. The Administrator gives no assurance that the Sample QDRO form complies with any particular state laws or court rules. Furthermore, the provision of this form should not be construed as the practice of law in any jurisdiction.
You should consult your own attorney for all legal advice regarding domestic relations orders.

ARTICLE 3

Requirements for a QDRO

List of Requirements

The Administrator will accept a DRO as a valid QDRO if it meets ~~all~~each of the following requirements, as well as the requirements of the Code and the Plan:

(a) ~~(a)~~ The DRO must relate to the provision of child support, alimony payments or marital property rights to an Alternate Payee of a Participant in the Plan.

(b) ~~(b)~~ The DRO must be presented to the Administrator in the form of a certified copy of an original or amended order dated on or after September 1, 2021.

(c) ~~(c)~~ The order must identify NES, and specifically the Nashville Electric Service Defined Contribution Retirement Plan, as the retirement plan to which it is directed.

(d) ~~(d)~~ The DRO must have been issued by a court of competent jurisdiction in a divorce proceeding and pursuant to the domestic relations law of a state.

(e) ~~(e)~~ The DRO must contain the name, current address and social security number of the Participant, except as provided in subparagraph (~~j~~k) below.

(f) ~~(f)~~ The DRO must contain the name, current address and social security number of the Alternate Payee, except as provided in subparagraph (~~j~~k) below.

(g) ~~(g)~~ The DRO may express the amount to be paid to the Alternate Payee either as a specified dollar amount or as a percentage of the amount being paid, or the manner ~~in~~by which the amount or percentage is to be determined.

(h) Any payments to be made to the Alternate Payee under the DRO must not commence earlier than the earliest payment date permitted under the Plan, and the DRO must **not** contain any provision inconsistent with this rule.

(i) ~~(h)~~ A DRO that purports to require a Participant to terminate employment, retire or apply for early retirement at a particular time, or which requires the Plan to provide a type or form of benefit, or any option that is not available according to the provisions of the Plan, will **not** be accepted by the Administrator as a valid QDRO.

(j) ~~(i)~~ A DRO that purports to assign the Participant's benefits that are or will be paid to another Alternate Payee under another order that was previously determined to be a QDRO will **not** be accepted by the Administrator as a valid QDRO.

(k) ~~(j)~~ The DRO may specify an alternative method for the parties to verify their social security numbers to the Administrator, if the court finds that omission of the numbers in the order is necessary to reduce the risk of identity theft. The order is not a QDRO if the Administrator determines that the method of verification is insufficient for the purposes of payment of benefits or reporting of income for tax purposes.

~~(k) A DRO must not require that any payment be made to the Alternate Payee earlier than 15 days following the date that the DRO is first received by the Administrator.~~

ARTICLE 4
Determination of QDRO Status

Initial Inquiry Procedure

All initial inquiries about the QDRO procedure should begin with the Participant, the Alternate Payee, or an attorney representing one of these parties, contacting the Compensation and Benefits Department. The initial inquiry may take the form of:

- a telephone call;
- correspondence;
- a court subpoena, or other legal mandate served on, or otherwise delivered to, the Administrator; or
- a final domestic relations order executed by the court or other authorized state agency.

Upon request, the Administrator will send to the Participant and the notifying party a copy of the Plan's written QDRO Procedures. All parties are instructed that correspondence or DROs must be emailed, mailed or delivered to the following address to be reviewed in accordance with these QDRO Procedures:

Nashville Electric Service
Compensation and Benefits Department
Attn: Compensation and Benefits Manager
1214 Church Street Room 141
Nashville, Tennessee 37246
~~[Email Address]~~
Email: jeck@nespower.com

The Administrator may, in its sole discretion, review a draft of a DRO before it is submitted to the Court and may provide either pre-approval of the draft or comments on the changes that will be required in order to obtain pre-approval. The Administrator may decide at any time, and for any reason, not to review a particular draft DRO, or any draft DRO, or not to provide any comments, in which case the party submitting the draft DRO will have to obtain a final DRO and submit a certified copy of such final order to the Administrator for review and processing.

Sharing Information

These written QDRO Procedures and the Sample QDRO will be sent out to anyone directly involved who requests them. Additionally, the Participant, Alternate Payee or their legal representatives may also request, and be provided with, general Plan information such as the Plan document and other items (not specific to the Participant's account) upon request.

Account Hold

A hold may be placed on the Participant's account when the Administrator receives a DRO or some other legal mandate that informs the Administrator that the Alternate Payee may be entitled to a portion of the Participant's account under the Plan. The hold is meant to protect the Alternate Payee's potential rights to Plan benefits. The Participant is not eligible to receive any distributions or withdrawals from the affected account while the DRO is being reviewed.

The Administrator will not maintain a hold on the Participant's account for a period of longer than 18 months beginning with the first date the DRO would require payment to the Alternate Payee. This 18-month period will not begin before the Administrator receives the DRO.

Once a hold has been placed on the Participant's account, the hold can only be lifted by:

(1) a determination by the Administrator that the DRO is a QDRO (this will allow the Participant's account to be ~~split~~permanently segregated and eventually distributed to Alternate Payee in accordance with Article 5);

(2) an order of the court or government entity of proper jurisdiction, releasing the Participant's account from the hold;

(3) a notarized letter (release) from the Alternate Payee or a letter from his or her attorney, indicating that the Participant's benefits are no longer the subject of a domestic dispute;

(4) a written joint request from the Participant and Alternate Payee, requesting that the hold be lifted; or

(5) a written request from the Participant to lift the hold, approved by the Administrator, as detailed below in the subsection entitled "Resolving a Flawed Order."

DRO Review Procedure

The review process – All DROs that are properly sent by email, mail or personal delivery will be reviewed by the Administrator ~~in order~~ to determine if the order meets the requirements of these QDRO Procedures and therefore is a QDRO. The copy of the DRO or other legal mandate that is submitted for review must be certified by the clerk of the court that entered the order.

Results of the Review Procedure

Review in Reasonable Time Period. Unless there are extraordinary circumstances, the Administrator will process the DRO and make a determination as to its qualified status within 90 days of the date the order is received.

Notice of Administrator's Determination. The Administrator (or its representative) will notify the Participant and Alternate Payee, or their legal representatives, about its determination regarding the DRO. If the DRO is not qualified, the notice will include the following information:

A. The reason(s) the order is not qualified;

B. Citation of the Plan provisions or QDRO Procedures upon which the determination is based;

C. Instruction that the parties have 90 days to appeal the determination (by sending in a new or amended DRO); and

D. A descriptive listing of any additional documentation, information or revisions essential for the order to be qualified and an explanation of why the listed items are necessary.

Upon a determination by the Administrator that the DRO meets all requirements to be a QDRO, the Administrator (or its representative) will notify the Participant and Alternate Payee of its determination via first class mail at the address for each that is set out in the
QDRO.

Resolving a Flawed Order. When a DRO is not qualified, the Plan will continue to maintain the hold on the Participant's account for a period of time (after notification) to permit the parties to resubmit a new DRO. If 90 days after such notification, a new DRO has not been received by the Administrator, the Participant has the right to make a written request that the hold on his or her account be lifted. Depending on the circumstances, the Administrator may lift the hold based on this request.

Unless an appeal is pending (see "Appeal Rights" below), the Administrator will lift the hold if the status of ~~an order~~a DRO is not resolved within the 18-month period discussed above under the subsection entitled "Account Hold~~." At that time the Administrator will pay out the segregated amounts~~," and any benefits otherwise payable during and after such 18-month period shall revert to the person or persons ~~entitled to such amounts had there been no order~~to whom those benefits would be payable in the absence of the DRO.

Appeal Rights. In the event that the Participant or Alternate Payee believes that the final determination by the Administrator that the DRO either is, or is not, a QDRO is erroneous, or that the Alternate Payee is entitled to some different amount than what was determined by the Administrator, that person may file an appeal in writing with the Administrator. Such written appeal must be filed within 90 days following receipt of written notice of the final adverse determination. The appeal shall be conducted in the same manner as specified in the claims procedure for the Plan regarding appeal of a denial of a claim for benefits, except that the period for the response by NES to such appeal shall be 90 days after receipt of the written appeal.

Binding Decision. Any decision by NES or the Administrator under these DRO procedures shall be conclusive and binding on the Alternate Payee, the Participant and all other affected persons.

Limitation Period for Lawsuit. No legal or equitable action to contest the determination by the Administrator that the DRO either is, or is not, a QDRO, or to enforce the claimant's rights under the QDRO to future benefits under the Plan, or against the Administrator, any fiduciary of the Plan or NES, may be brought more than one year following the earlier of:

(i) the date such limitations period would commence under applicable law; ~~or~~
or

(ii) the date upon which the claimant received notice of the final adverse determination by the Administrator (including any appeal) of the status of the DRO as a QDRO or of the amount due that is different from the amount claimed by the claimant; or

(iii) the date on which the claimant has fully exhausted the Plan's administrative remedies.

ARTICLE 5
Effect of a Valid QDRO

Segregation of Alternate Payee's Award

A new Plan account will be established in the Alternate Payee's name as soon as administratively feasible following the date the DRO is determined to be a QDRO by the Administrator. This account will hold the amount awarded to the Alternate Payee under the QDRO, and any earnings thereon. The Alternate Payee will have rights over this account as if he or she were a Participant.

Commencement of Payments to Alternate Payee

~~Payment~~Once an account has been established for the Alternate Payee, payment to an Alternate Payee under a QDRO may be made as soon as administratively feasible following the ~~date this QDRO is approved by the Administrator, or at the~~ earliest payment date permitted under the Plan~~ or Section 414(p) of the Internal Revenue Code, if later~~. Generally, the earliest date that payment may begin under the Plan is the Participant's termination or retirement after reaching the Normal Retirement Date (which is generally age 65). In no event can the Alternate Payee commence benefits later than April 1, following the year in which the Participant attains age 72.

Taxation Issues

- If the Alternate Payee who is the spouse or former spouse the Participant receives a distribution from the Plan, then a Form 1099-R will be sent to the Alternate Payee at the end of the tax year. According to the Internal Revenue Service, a QDRO may not assign tax liability when the Internal Revenue Code has already provided income tax rules.
- The Alternate Payee who is the spouse or the former spouse of the Participant may direct the Plan to distribute some or all the benefits assigned under the QDRO in the form of a tax-qualified rollover to an IRA or other qualified plan that will accept the rollover, provided the payment is otherwise eligible for rollover.

Alternate Payee's Responsibility

An Alternate Payee is responsible for reporting to the Compensation and Benefits Department in writing each change in his or her name, residence address, or direct deposit information. If the Participant becomes eligible for and requests a distribution of his or her account, NES will send notice to the last address of the Alternate Payee reported to the Compensation and Benefits Department. Other than sending such notice, NES shall have no duty to take any other action to locate an Alternate Payee.

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Execution Page to Procedures and Guidelines

IN WITNESS WHEREOF, Nashville Electric Service has caused these Procedures and Guidelines for the Nashville Electric Service Defined Contribution Retirement Plan to be executed by its duly authorized representative this ~~__________day of____________________ 2021~~___ day of July 2026, and effective ~~September 1~~July 16, ~~2021~~2026.

By: ______________________________________

~~By:~~ ____

[Title]

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~~ARTICLE 6~~
~~Sample Qualified Domestic Relations Order~~

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Summary report: Litera Compare for Word 11.13.0.54 Document comparison done on 7/16/2026 2:49:26 PM	
Style name: Default Style	
Intelligent Table Comparison: Active	
Original DMS: iw://bassberry.cloudimanage.com/bbs/31413213/3 - NES Defined Contribution Plan QDRO Procedures.docx	
Modified DMS: iw://bassberry.cloudimanage.com/bbs/31413213/5 - NES Defined Contribution Plan QDRO Procedures.docx	
Changes:	
Add	56
~~Delete~~	65
~~Move From~~	1
Move To	1
Table Insert	0
~~Table Delete~~	0
Table moves to	0
~~Table moves from~~	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	123

Procedures and Guidelines

Relative to Qualified Domestic Relations Orders

Submitted to the

Nashville Electric Service Defined Contribution Retirement Plan

(Effective as of and after 7/16/2026)

Contents:

Introduction	Article 1
Basic Terms and Definitions	Article 2
Requirements for a QDRO	Article 3
Determination of QDRO Status	Article 4
Effect of a Valid QDRO	Article 5

Procedures Current as of: July 2026

ARTICLE 1
Introduction

The Electric Power Board of the Metropolitan Government of Nashville and Davidson County, Tennessee (herein referred to as “Nashville Electric Service” or “NES”) maintains a defined contribution plan for the retirement benefits of certain existing and retired employees, commonly known as the Nashville Electric Service Defined Contribution Retirement Plan (the “Plan”).

Pursuant to the terms of the Plan, NES (the “Administrator”) administers and manages the Plan, and has the authority to establish and manage these Procedures and Guidelines for the qualification and processing of a domestic relations order (“DRO”) submitted to the Plan.

The Plan is a local government pension plan qualified under section 401(a) of the Internal Revenue Code of 1986, as amended (the “Code”), and subject to the laws of the State of Tennessee (the “State”) and the charter of the Metropolitan Government as it pertains to NES. Pursuant to laws of the State of Tennessee, a qualified retirement plan maintained by a local government is required to honor claims under a qualified domestic relations order (“QDRO”). **A QDRO for a governmental pension plan is defined by Section 414(p)(1) of the Code as a DRO which creates or recognizes the existence of an Alternate Payee’s (as hereinafter defined) right to, or assigns to an Alternate Payee the right to, receive all or a portion of the benefits payable with respect to a participant in the Plan.**

Under these procedures, unless a DRO meets the necessary criteria that make it a QDRO, including all requirements prescribed herein by these QDRO Procedures, the Administrator will not authorize the segregation of a Participant’s account for the benefit of, nor distribution of benefits to, anyone other than the Participant. The determination of whether a DRO is a QDRO is made by the Administrator.

The information contained in these procedures is provided to help Participants, former spouses and attorneys who are, or will be, submitting DROs to the Plan, understand the process for obtaining a QDRO. Much of the information in these procedures is specific to the Plan. Note that these procedures only apply to DROs and are not intended to apply to orders for assignment of support issued pursuant to Section 36-5-501 of the Tennessee Code Annotated.

In addition to these QDRO procedures, there is a Sample QDRO that you may use as a model in preparation of an order. Use of the language in the Sample QDRO is not required, but it will help to expedite the review process. Also, use of the Sample QDRO form could avoid an adverse determination by the Administrator that an order you submit which does not include everything in the Sample QDRO form is not a QDRO.

The Administrator gives no assurance that the language the Sample QDRO will meet the requirements of the state court issuing the order. **You should consult your own attorney for all legal advice regarding domestic relations orders**. The Sample QDRO is intended solely as a guide for use by legal counsel and does not represent legal advice.

DETERMINING THE CORRECT LANGUAGE FOR THE QDRO IS SOLELY THE RESPONSIBILITY OF THE PARTIES TO THE DIVORCE AND THEIR COUNSEL. NES DOES NOT ASSUME ANY RESPONSIBILITY IF THE LANGUAGE IN THE SAMPLE ORDER DOES NOT PRODUCE THE RESULT THAT THE PARTIES INTEND. THE PARTICIPANT, THE ALTERNATE PAYEE AND THEIR COUNSELS ARE STRONGLY ADVISED TO SEEK ADVICE FROM A PROFESSIONAL WHO IS AN EXPERT ON DEFINED CONTRIBUTION PLANS BEFORE OBTAINING A FINAL ORDER.

ARTICLE 2 Basic Terms and Definitions

Alternate Payee – the spouse, former spouse, child or other dependent of a Participant who is recognized by a DRO as having a right to receive all, or a portion of, the benefits payable to that Participant under the Plan.

Administrator – NES in accordance with the terms of Article VIII of the Plan. All or some of the responsibilities assigned to the Administrator throughout these procedures may be reassigned by the Administrator to a third party.

Code – the Internal Revenue Code of 1986, as amended from time to time, and as in effect on the relevant date to be interpreted hereunder.

Compensation and Benefits Department – refers to the NES Compensation and Benefits Department located at 1214 Church Street, Nashville, Tennessee 37246. The phone number is 615-747-3942.

Domestic Relations Order (**DRO**) – a final judgment, decree or order, issued pursuant to a state domestic relations law, which relates to the provision of child support, alimony payments or marital property rights to an Alternate Payee and which assigns to such Alternate Payee the right to receive all or a portion of the benefits payable with respect to that Participant. A copy of such judgment, decree or order submitted to NES must be certified by the clerk of the court that entered the order.

*Note: a DRO is not a **Qualified Domestic Relations Order** (QDRO) until the Administrator determines that it meets the requirements to be qualified.*

NES – the Electric Power Board of the Metropolitan Government of Nashville and Davidson County, Tennessee.

Participant – an employee or former employee of NES who has an account under the Plan.

Plan – the Nashville Electric Service Defined Contribution Retirement Plan, which is qualified under Section 401(a) of the Code.

Qualified Domestic Relations Order (**QDRO**) – a DRO that meets the requirements of the Code, the Plan and these QDRO Procedures, and which is determined by the Administrator to meet all such requirements.

QDRO Procedures – include the entire contents of this package. These procedures have been designed to explain what happens when the Administrator is presented with a DRO and how the Administrator will go through the process of determining whether the order is a QDRO.

Sample QDRO – the form provided by the Administrator to assist an attorney or interested party in drafting a DRO for submission to the Plan. This form has been designed as a convenience to Participants, Alternate Payees and their respective legal counsel. While use of the Sample QDRO form may help expedite the process, it is not required by the Administrator. The Administrator gives no assurance that the Sample QDRO form complies with any particular state laws or court rules. Furthermore, the provision of this form should not be construed as the practice of law in any jurisdiction. **You should consult your own attorney for all legal advice regarding domestic relations orders.**

ARTICLE 3

Requirements for a QDRO

List of Requirements

The Administrator will accept a DRO as a valid QDRO if it meets each of the following requirements, as well as the requirements of the Code and the Plan:

(a) The DRO must relate to the provision of child support, alimony payments or marital property rights to an Alternate Payee of a Participant in the Plan.

(b) The DRO must be presented to the Administrator in the form of a certified copy of an original or amended order dated on or after September 1, 2021.

(c) The order must identify NES, and specifically the Nashville Electric Service Defined Contribution Retirement Plan, as the retirement plan to which it is directed.

(d) The DRO must have been issued by a court of competent jurisdiction in a divorce proceeding and pursuant to the domestic relations law of a state.

(e) The DRO must contain the name, current address and social security number of the Participant, except as provided in subparagraph (k) below.

(f) The DRO must contain the name, current address and social security number of the Alternate Payee, except as provided in subparagraph (k) below.

(g) The DRO may express the amount to be paid to the Alternate Payee either as a specified dollar amount or as a percentage of the amount being paid, or the manner by which the amount or percentage is to be determined.

(h) Any payments to be made to the Alternate Payee under the DRO must not commence earlier than the earliest payment date permitted under the Plan, and the DRO must **not** contain any provision inconsistent with this rule.

(i) A DRO that purports to require a Participant to terminate employment, retire or apply for early retirement at a particular time, or which requires the Plan to provide a type or form of benefit, or any option that is not available according to the provisions of the Plan, will **not** be accepted by the Administrator as a valid QDRO.

(j) A DRO that purports to assign the Participant's benefits that are or will be paid to another Alternate Payee under another order that was previously determined to be a QDRO will **not** be accepted by the Administrator as a valid QDRO.

(k) The DRO may specify an alternative method for the parties to verify their social security numbers to the Administrator, if the court finds that omission of the numbers in the order is necessary to reduce the risk of identity theft. The order is not a QDRO if the Administrator determines that the method of verification is insufficient for the purposes of payment of benefits or reporting of income for tax purposes.

ARTICLE 4 Determination of QDRO Status

Initial Inquiry Procedure

All initial inquiries about the QDRO procedure should begin with the Participant, the Alternate Payee, or an attorney representing one of these parties, contacting the Compensation and Benefits Department. The initial inquiry may take the form of:

- a telephone call;
- correspondence;
- a court subpoena, or other legal mandate served on, or otherwise delivered to, the Administrator; or
- a final domestic relations order executed by the court or other authorized state agency.

Upon request, the Administrator will send to the Participant and the notifying party a copy of the Plan's written QDRO Procedures. All parties are instructed that correspondence or DROs must be emailed, mailed or delivered to the following address to be reviewed in accordance with these QDRO Procedures:

Nashville Electric Service
Compensation and Benefits Department
Attn: Compensation and Benefits Manager
1214 Church Street Room 141
Nashville, Tennessee 37246
Email: jeck@nespower.com

The Administrator may, in its sole discretion, review a draft of a DRO before it is submitted to the Court and may provide either pre-approval of the draft or comments on the changes that will be required in order to obtain pre-approval. The Administrator may decide at any time, and for any reason, not to review a particular draft DRO, or any draft DRO, or not to provide any comments, in which case the party submitting the draft DRO will have to obtain a final DRO and submit a certified copy of such final order to the Administrator for review and processing.

Sharing Information

These written QDRO Procedures and the Sample QDRO will be sent out to anyone directly involved who requests them. Additionally, the Participant, Alternate Payee or their legal representatives may also request, and be provided with, general Plan information such as the Plan document and other items (not specific to the Participant's account) upon request.

Account Hold

A hold may be placed on the Participant's account when the Administrator receives a DRO or some other legal mandate that informs the Administrator that the Alternate Payee may be entitled to a portion of the Participant's account under the Plan. The hold is meant to protect the Alternate Payee's potential rights to Plan benefits. The Participant is not eligible to receive any distributions or withdrawals from the affected account while the DRO is being reviewed.

The Administrator will not maintain a hold on the Participant's account for a period of longer than 18 months beginning with the first date the DRO would require payment to the Alternate Payee. This 18-month period will not begin before the Administrator receives the DRO.

Once a hold has been placed on the Participant's account, the hold can only be lifted by:

(1) a determination by the Administrator that the DRO is a QDRO (this will allow the Participant's account to be permanently segregated and eventually distributed to Alternate Payee in accordance with Article 5);

(2) an order of the court or government entity of proper jurisdiction, releasing the Participant's account from the hold;

(3) a notarized letter (release) from the Alternate Payee or a letter from his or her attorney, indicating that the Participant's benefits are no longer the subject of a domestic dispute;

(4) a written joint request from the Participant and Alternate Payee, requesting that the hold be lifted; or

(5) a written request from the Participant to lift the hold, approved by the Administrator, as detailed below in the subsection entitled "Resolving a Flawed Order."

DRO Review Procedure

The review process – All DROs that are properly sent by email, mail or personal delivery will be reviewed by the Administrator to determine if the order meets the requirements of these QDRO Procedures and therefore is a QDRO. The copy of the DRO or other legal mandate that is submitted for review must be certified by the clerk of the court that entered the order.

Results of the Review Procedure

Review in Reasonable Time Period. Unless there are extraordinary circumstances, the Administrator will process the DRO and make a determination as to its qualified status within 90 days of the date the order is received.

Notice of Administrator's Determination. The Administrator (or its representative) will notify the Participant and Alternate Payee, or their legal representatives, about its determination regarding the DRO. If the DRO is not qualified, the notice will include the following information:

A. The reason(s) the order is not qualified;
B. Citation of the Plan provisions or QDRO Procedures upon which the determination is based;
C. Instruction that the parties have 90 days to appeal the determination (by sending in a new or amended DRO); and
D. A descriptive listing of any additional documentation, information or revisions essential for the order to be qualified and an explanation of why the listed items are necessary.

Upon a determination by the Administrator that the DRO meets all requirements to be a QDRO, the Administrator (or its representative) will notify the Participant and Alternate Payee of its determination via first class mail at the address for each that is set out in the QDRO.

Resolving a Flawed Order. When a DRO is not qualified, the Plan will continue to maintain the hold on the Participant's account for a period of time (after notification) to permit the parties to resubmit a new DRO. If 90 days after such notification, a new DRO has not been received by the Administrator, the Participant has the right to make a written request that the hold on his or her account be lifted. Depending on the circumstances, the Administrator may lift the hold based on this request.

Unless an appeal is pending (see "Appeal Rights" below), the Administrator will lift the hold if the status of a DRO is not resolved within the 18-month period discussed above under the subsection entitled "Account Hold," and any benefits otherwise payable during and after such 18-month period shall revert to the person or persons to whom those benefits would be payable in the absence of the DRO.

Appeal Rights. In the event that the Participant or Alternate Payee believes that the final determination by the Administrator that the DRO either is, or is not, a QDRO is erroneous, or that the Alternate Payee is entitled to some different amount than what was determined by the Administrator, that person may file an appeal in writing with the Administrator. Such written appeal must be filed within 90 days following receipt of written notice of the final adverse determination. The appeal shall be conducted in the same manner as specified in the claims procedure for the Plan regarding appeal of a denial of a claim for benefits, except that the period for the response by NES to such appeal shall be 90 days after receipt of the written appeal.

Binding Decision. Any decision by NES or the Administrator under these DRO procedures shall be conclusive and binding on the Alternate Payee, the Participant and all other affected persons.

Limitation Period for Lawsuit. No legal or equitable action to contest the determination by the Administrator that the DRO either is, or is not, a QDRO, or to enforce the claimant's rights under the QDRO to future benefits under the Plan, or against the Administrator, any fiduciary of the Plan or NES, may be brought more than one year following the earlier of:

(i) the date such limitations period would commence under applicable law; or

(ii) the date upon which the claimant received notice of the final adverse determination by the Administrator (including any appeal) of the status of the DRO as a QDRO or of the amount due that is different from the amount claimed by the claimant; or

(iii) the date on which the claimant has fully exhausted the Plan's administrative remedies.

ARTICLE 5
Effect of a Valid QDRO

Segregation of Alternate Payee's Award

A new Plan account will be established in the Alternate Payee's name as soon as administratively feasible following the date the DRO is determined to be a QDRO by the Administrator. This account will hold the amount awarded to the Alternate Payee under the QDRO, and any earnings thereon. The Alternate Payee will have rights over this account as if he or she were a Participant.

Commencement of Payments to Alternate Payee

Once an account has been established for the Alternate Payee, payment to an Alternate Payee under a QDRO may be made as soon as administratively feasible following the earliest payment date permitted under the Plan. Generally, the earliest date that payment may begin under the Plan is the Participant's termination or retirement after reaching the Normal Retirement Date (which is generally age 65). In no event can the Alternate Payee commence benefits later than April 1, following the year in which the Participant attains age 72.

Taxation Issues

- If the Alternate Payee who is the spouse or former spouse the Participant receives a distribution from the Plan, then a Form 1099-R will be sent to the Alternate Payee at the end of the tax year. According to the Internal Revenue Service, a QDRO may not assign tax liability when the Internal Revenue Code has already provided income tax rules.
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An Alternate Payee is responsible for reporting to the Compensation and Benefits Department in writing each change in his or her name, residence address, or direct deposit information. If the Participant becomes eligible for and requests a distribution of his or her account, NES will send notice to the last address of the Alternate Payee reported to the Compensation and Benefits Department. Other than sending such notice, NES shall have no duty to take any other action to locate an Alternate Payee.

Execution Page to Procedures and Guidelines

IN WITNESS WHEREOF, Nashville Electric Service has caused these Procedures and Guidelines for the Nashville Electric Service Defined Contribution Retirement Plan to be executed by its duly authorized representative this ___ day of July 2026, and effective July 16, 2026.

By: ___________________________________
[Title]

31413213.5

HUMAN RESOURCES / CORPORATE SERVICES WORKFORCE UPDATE
August 26, 2026

Below are the monthly section updates within the HR and Corporate Services Department:

Training Section
These numbers will change and go up as more people complete ICS 100 and 200.

NES began formal Emergency Management and Incident Command Structure (ICS) training in mid-June to equip employees with a consistent and scalable emergency response; two courses were determined to be required for all employees. Emergency Management 101 and ICS 100. Employees with designated storm response roles were also required to complete ICS 200, which provides the foundation for participating in the Incident Command System (ICS) structure during emergency operations.

These nationally recognized courses align with industry best practices and demonstrate NES's commitment to implementing improvements identified in the Winter Storm Fern After Action Review. This training is an important step in ensuring preparedness and accountability for our customers, Board, Council members, and other stakeholders.

We are proud to report that 99.7% of employees completed Emergency Management 101, 90.7% of employees have completed ICS 100 with an anticipated completion date of August 28th.

The employees designated with storm response roles and were required to complete ICS 200 are currently at 93.9% complete with an anticipated completion date of August 28th as well. This extraordinary undertaking highlights the commitment NES has made to ensure its employees are prepared for the next major weather event.

Talent Acquisition and Employee Relations
There are currently 915 active employees. There are thirty-four vacation positions in various stages of the personnel requisition process, these include both promotional opportunities and potential new employees. The configuration and demo sessions are ongoing for the transition from PeopleSoft Time and Labor and Absence Management to Oracle-HCM Time and Labor and Absence Management. This is a collaborative effort between HR and IT, and in partnership with audit insights and expertise.

Compensation & Benefits
Successfully completed the 401(a) contributions to employee accounts, totaling $2.3 million for 511 employees. Additionally, promoted Hinge Health, a musculoskeletal health program designed to address one of our organization’s key health concerns, resulting in 2.2% employee participation within the first 90 days.

Safety
During the month of August NES hosted the Inaugural Statewide Tennessee Safety Roundtable with more than 60 participants and multiple vendors.

Also, during August, training at the North Service Center includes TVPPA Substation and Labs, Hazardous Energy Control & Onboarding, and Apprentice evaluations.

Miscellaneous

Adjournment of Civil Service Meeting

Reconvene to ratify actions taken by Civil Service Board

Adjournment of Electric Power Board Meeting