



400 West Summit Hill Drive, Knoxville, Tennessee 37902

September 16, 2025

Michael Longmire
President/Chief Executive Officer
Milan Public Utilities Authority
1085 S. 2nd St.
Milan, TN 38358

Dear Mr. Longmire:

Thank you for submitting Milan Public Utilities Authority (MPUA's) broadband loan request letter, form, and supporting documentation in accordance with TVA's modified review and authorization process for local power company (LPC) investments in commercial broadband. The modified broadband review process provides an avenue for LPCs to seek TVA authorization to invest in broadband consistent with the wholesale power contract (Power Contract).

TVA has reviewed the information submitted. We are pleased to inform you that MPUA is authorized to invest an amount not to exceed \$1,194,524 of electric system revenue in its broadband entity, MiLink, subject to certain terms and conditions. Enclosed is a term sheet (Enclosure 1) that outlines the terms and conditions of TVA's authorization for the investment of electric system revenues in commercial broadband.

Within 30 days from the date of this authorization letter, MPUA is required to furnish a disclosure statement to all its electric system consumers acknowledging TVA's authorization of its commercial broadband investment. Enclosed is a template disclosure statement (Enclosure 2) that MPUA may use to satisfy TVA's notice requirements to ratepayers. Alternatively, MPUA may prepare its own disclosure notice for TVA's approval prior to disclosure. Following MPUA's publication of the disclosure statement, please provide your Customer Relations Manager (CRM) with written confirmation and submit documentation verifying that the TVA-approved disclosure statement was provided to all electric ratepayers by no later than October 14, 2025.

Additionally, a Use of Funds Agreement (Agreement) will need to be executed by the parties to memorialize the financial transaction, commercial broadband investment amount, and repayment terms, conditions, and reporting requirements as set forth in Enclosure 1. TVA will coordinate delivery of the Use of Funds Agreement to MPUA within 60 days of the date of this letter.

After executing the Use of Funds Agreement, MPUA will be required to complete a self-prepared joint cost study within six to twelve months from the effective date of the Agreement. The joint cost study will be the basis for a joint use agreement that will need to be executed within 24 months from the effective date of the Agreement. While the Power Contract expressly prevents LPCs from using electric system revenues and/or assets for non-electric purposes, Section 1(a) of the Schedule of Terms and Conditions permits LPCs to use property and personnel jointly for the electric system and other operations in certain instances and upon TVA agreement. The purpose of the joint cost study and the joint use agreement is to memorialize the appropriate allocation of any shared costs between MPUA and MiLink, to prevent subsidization of the commercial broadband business venture by electric system ratepayers. A Joint Cost Study Reference Manual and mandatory template is available on Valley Connect to assist you in

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preparing your joint cost study, and your Regulatory Assurance Analyst can provide you with additional details regarding the joint cost study and agreement.

We value our partnership with MPUA. We appreciate your work with us to help ensure electric ratepayers are protected and at the same time can benefit from the critical services that commercial broadband provides. Please do not hesitate to contact me at smwilliams12@tva.gov, or your CRM, should you have any questions.

Sincerely,



Sharon M. Williams
Director
Regulatory Assurance

Enclosures

Enclosure 1 - Term Sheet

Enclosure 2 - Disclosure Statement