

WORK SESSION MINUTES – WEDNESDAY, NOVEMBER 1, 2023

STATE OF KANSAS)
) SS
CITY OF KANSAS CITY)

Item #5 – Board Procedures Policy

The elected Board discussed a few remaining items within the Board Rules of Procedure Policy and requested that a clean copy be sent out for a final review. It was agreed to briefly discuss the policy during the November 15th Work Session, and to have it as an item on the Regular Session Agenda for an elected Board vote.

Item #6 – 2024 Budget Update- Revenue Forecast

Mr. Randy Otting, Director Accounting, presented the 2024 Revenue Forecast to the Board. He explained how the figures were generated and showed historical usage and revenue amounts for comparison.

Mr. Otting responded to questions and comments from the Board.

Ms. Lori Austin, Chief Financial Officer/Chief Administrative Officer, provided the Board with the 2024 Staffing budget breakdown, as discussed at the previous Work Session meeting, October 18th, 2023.

Item #7 – Adjourn

A motion was made to adjourn the Work Session at 5:51 PM by Ms. Gonzales, seconded by Mr. Bryant and unanimously carried.

ATTEST:


Secretary

APPROVED:


President



2024 REVENUE FORECAST

KANSAS CITY BOARD OF PUBLIC UTILITIES

NOVEMBER 8, 2023

2024 REVENUE FORECAST – COMPONENTS OF THE BILL

Electric Base Rate:

- Customer Chrg.
- Energy Chrg. (kWh)
- Demand Chrg. (kW)
- ~ 1/2 of bill (55% AVG)

Electric ERC:

- Fuel & Purchase Power costs
- Pass-thru
- Billed on kWh basis
- ~ 1/3 of bill

Electric ESC:

- Environmental Cost
- Feds/State/Local rules
- Past Bond projects
- Tied to Repayment Schedule
- ~ 10% of bill

PILOT & Sales Taxes:

- Not Revenue
- Pass-Thru to UG & State
- Based on Percentage of Base/ERC/ESC billed

Water Customer Chrg.:

- Customer Chg.
- Based on Meter Size
- Minimum Bills apply

Water Commodity Chrg.

- Unit/CCF Chg.
- One rate schedule
- 3 blocks

Water Fire Protection

- Private Fire Lines
- Based on Meter Size
- Large C&I locations
- Adder to Bill
- Typically zero consumption

PILOT & Sales Taxes:

- Not Revenue
- Pass-Thru to UG & State
- Based on Percentage of Base/ERC/ESC billed

ERC - FUEL & PURCHASE POWER

- Assuming monthly ERC rate of 4.1 cents / kWh
- ERC Reserve of \$1.5M/quarter or \$6.0M annually
- Based on Planning's forecast and SPP forecast
- Averaged 4.28 past 8 quarters

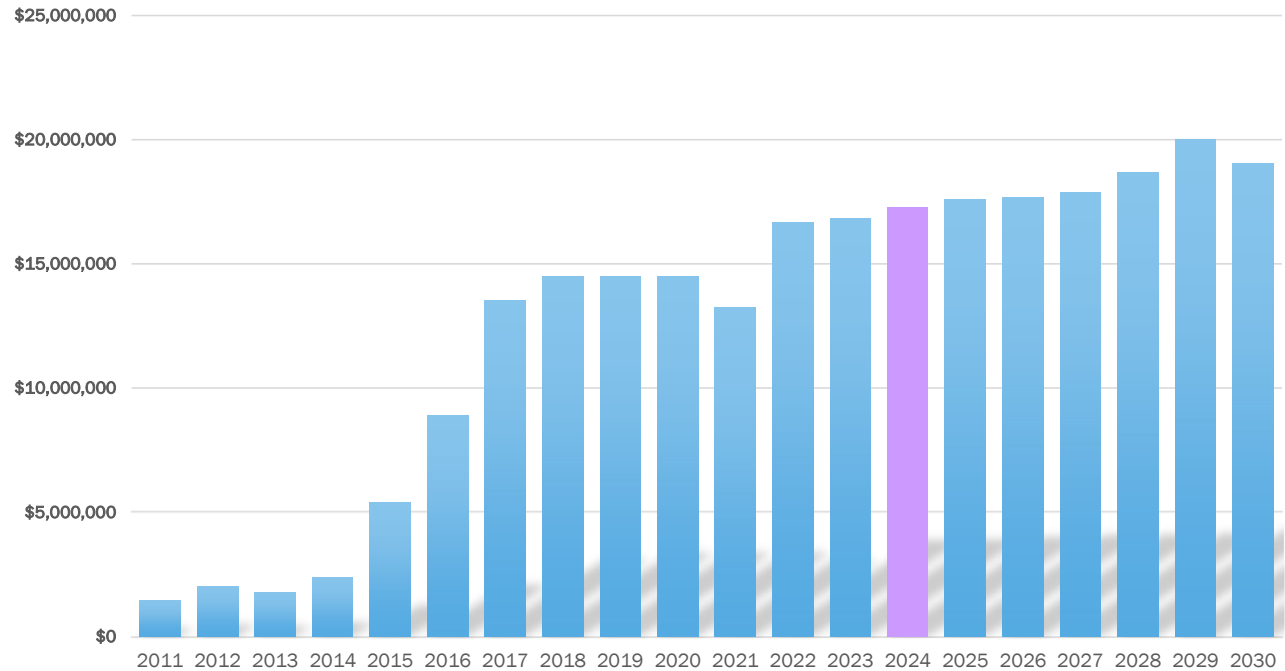
ENERGY RATE COMPONENT BASE		
Year	Period	Rate
2018	JAN THRU MAR	\$0.032590
2018	APR THRU JUN	\$0.032540
2018	JUL THRU SEP	\$0.032480
2018	OCT THRU DEC	\$0.035990
2019	JAN THRU MAR	\$0.033040
2019	APR THRU JUN	\$0.032980
2019	JUL THRU SEP	\$0.032110
2019	OCT THRU DEC	\$0.032650
2020	JAN THRU MAR	\$0.032040
2020	APR THRU JUN	\$0.033980
2020	JUL THRU SEP	\$0.031000
2020	OCT THRU DEC	\$0.030960
2021	JAN THRU MAR	\$0.026000
2021	APR THRU JUN	\$0.016000
2021	JUL THRU SEP	\$0.029980
2021	OCT THRU DEC	\$0.033900
2022	JAN THRU MAR	\$0.035010
2022	APR THRU JUN	\$0.036870
2022	JUL THRU SEP	\$0.044980
2022	OCT THRU DEC	\$0.045970
2023	JAN THRU MAR	\$0.046990
2023	APR THRU JUN	\$0.046990
2023	JUL THRU SEP	\$0.043650
2023	OCT THRU DEC	\$0.042290

ENVIRONMENTAL SURCHARGE (ESC)

Year	ESC Debt Service
2011	\$ 1,462,500
2012	\$ 2,023,743
2013	\$ 1,776,525
2014	\$ 2,381,525
2015	\$ 5,407,982
2016	\$ 8,901,180
2017	\$ 13,516,902
2018	\$ 14,471,550
2019	\$ 14,492,031
2020	\$ 14,486,640
2021	\$ 13,261,788
2022	\$ 16,670,298
2023	\$ 16,823,590
2024	\$ 17,288,479
2025	\$ 17,598,946
2026	\$ 17,669,485
2027	\$ 17,875,665
2028	\$ 18,678,444
2029	\$ 20,023,692
2030	\$ 19,027,254

Annual Debt Service Related to the ESC

- ESC Peaks in 2029



BREAKDOWN OF ELECTRIC BILL

BILLING COMPONENTS

	Tax Exemptions		0.00%	
	DAYS OF BILL		30	
	PRORATED		100.00%	
	Actual KWH		811	
		TOTAL		% of Bill
Base	Customer Charge	\$ 24.00		17%
Base	Energy Charge (1st 1,000 Kwh)	\$ 56.05		39%
Base	Energy Charge (Next 1,000)	\$ -		
Base	Energy Charge (All Add'l KWH)	\$ -		
ERC	ERC	\$ 35.40		25%
ESC	Environmental Surcharge	\$ 8.87		6%
UG PILOT SALES TAX	Pilot	\$ 14.79		
UG PILOT SALES TAX	City Tax	\$ 2.26		
UG PILOT SALES TAX	County Tax	\$ 1.39		13%
	Electric Total	\$ 142.76		100%



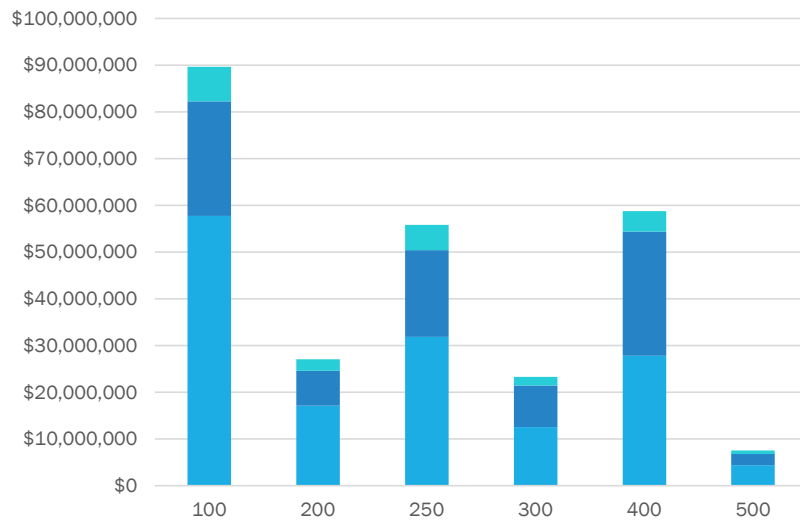
BASE
56%

ERC
25%

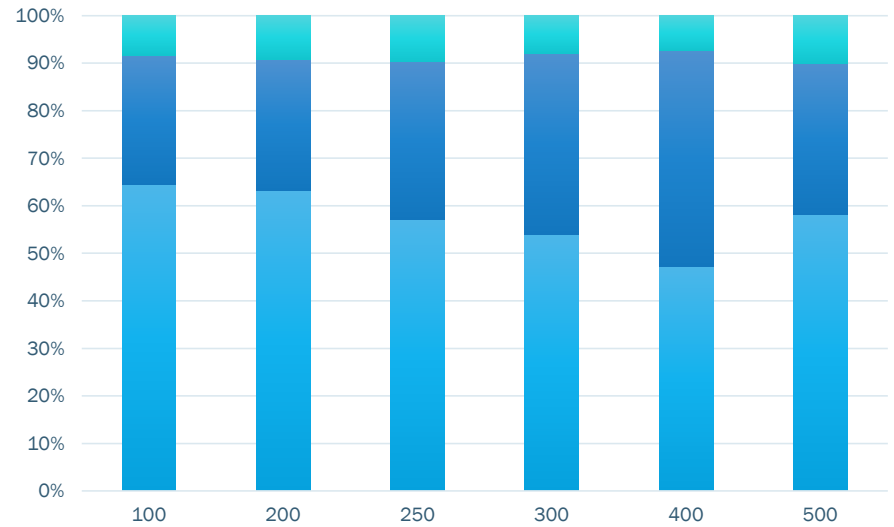
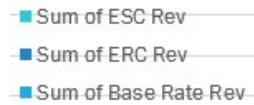
ESC
6%

UG PILOT
TAXES
13%

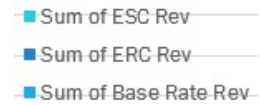
2024 BILLING COMPONENTS BY RATE CODE



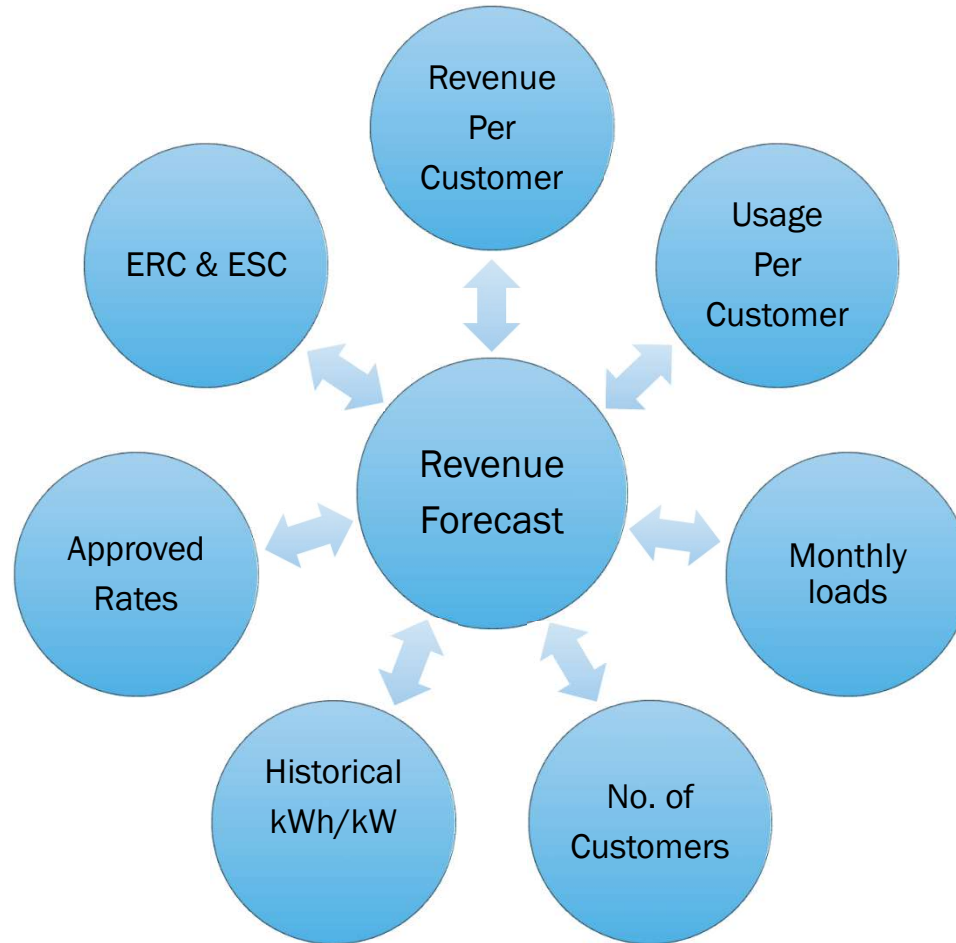
100	Residential
200	Small General Service
250	Medium General Service
300	Large General Service
400	Large Power Service
500	USD 500



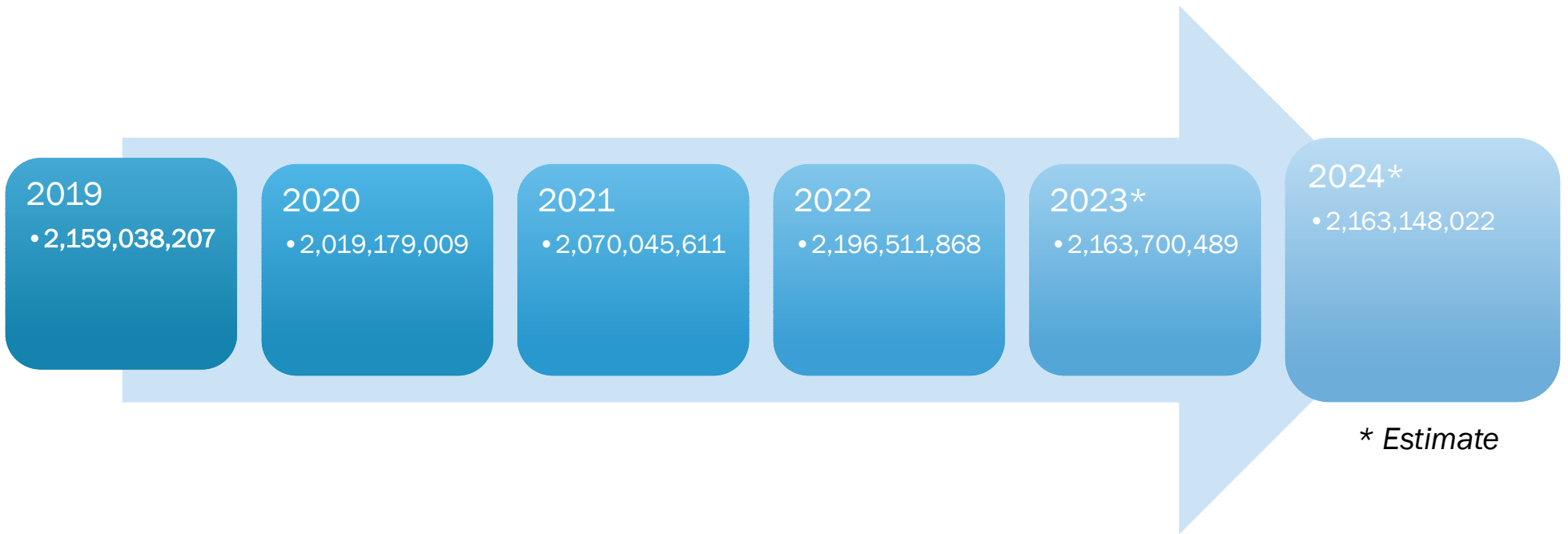
100	Residential
200	Small General Service
250	Medium General Service
300	Large General Service
400	Large Power Service
500	USD 500



2024 REVENUE FORECAST - INPUTS



ELECTRIC RETAIL LOAD /KWH

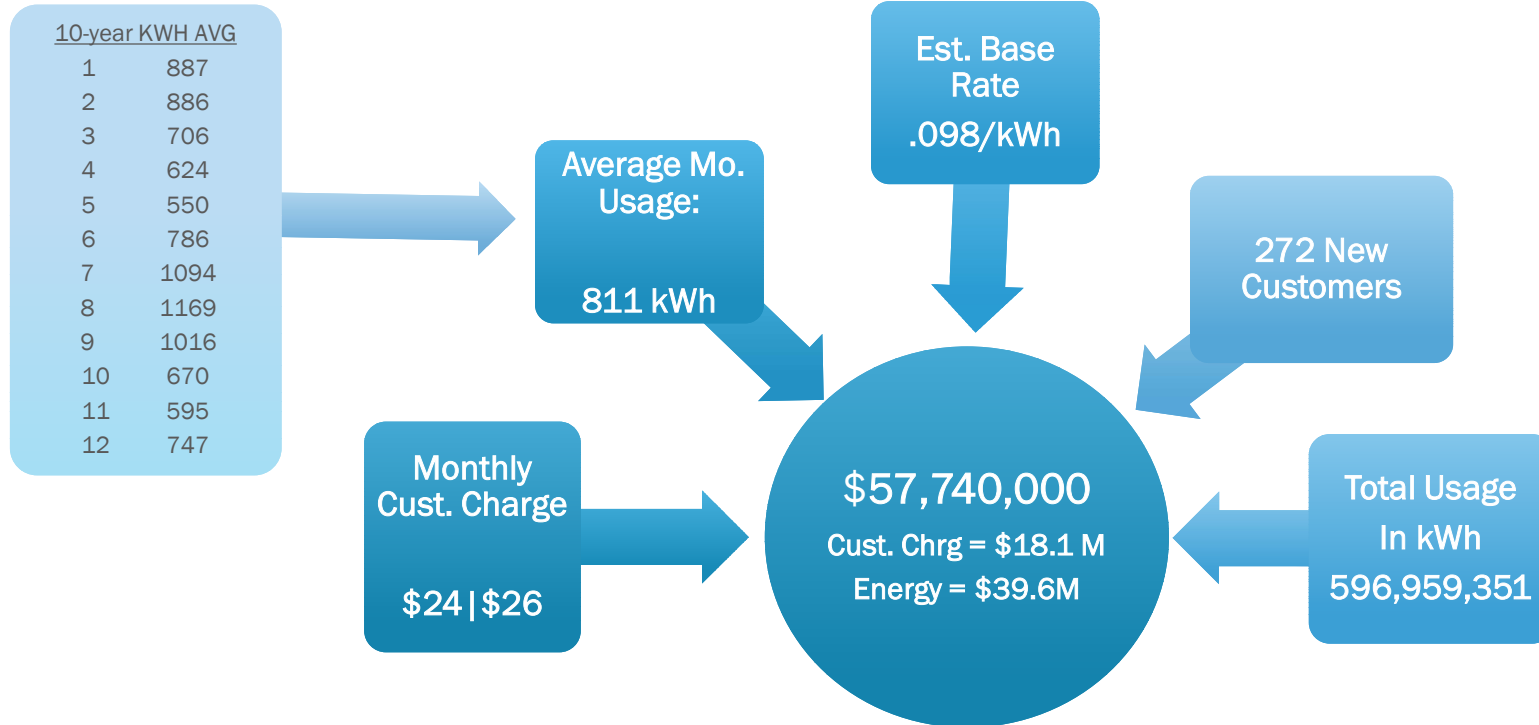


ELECTRIC ASSUMPTIONS

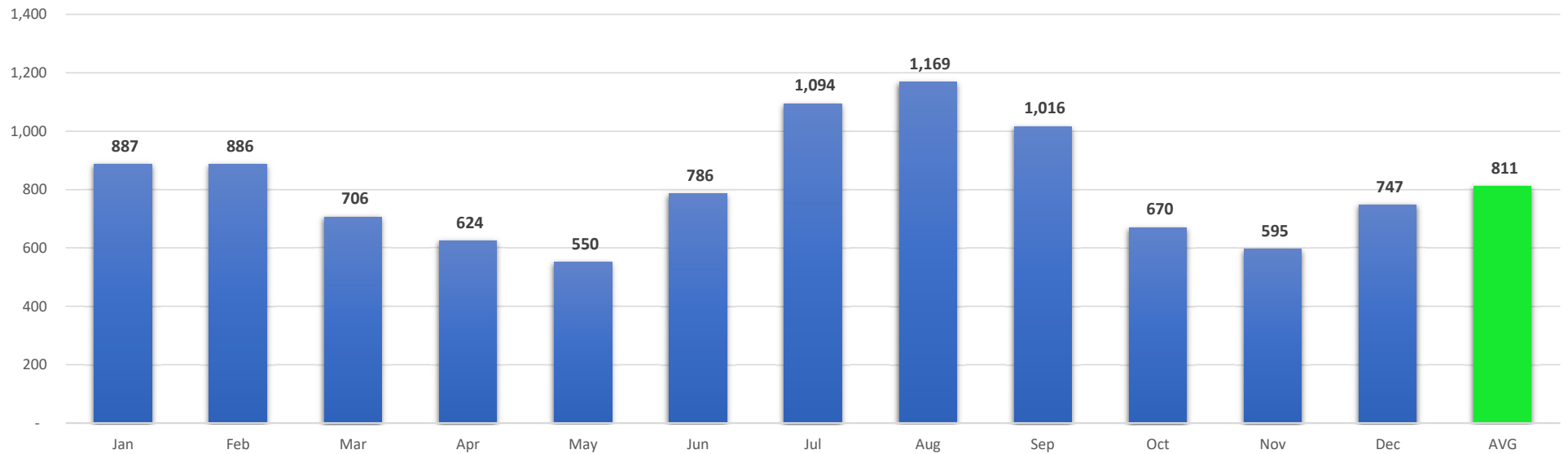
AVG NO. CUSTOMERS/BILLS

Year	Res	Small/Med C&I	Large C&I	Large Power	USD 500
2019	59,593	6,576	25	15	85
2020	59,932	6,596	25	15	86
2021	60,500	6,653	23	14	85
2022	60,670	6,712	24	14	85
2023	61,078	6,702	26	15	85
2024	61,350	6,729	26	14	85

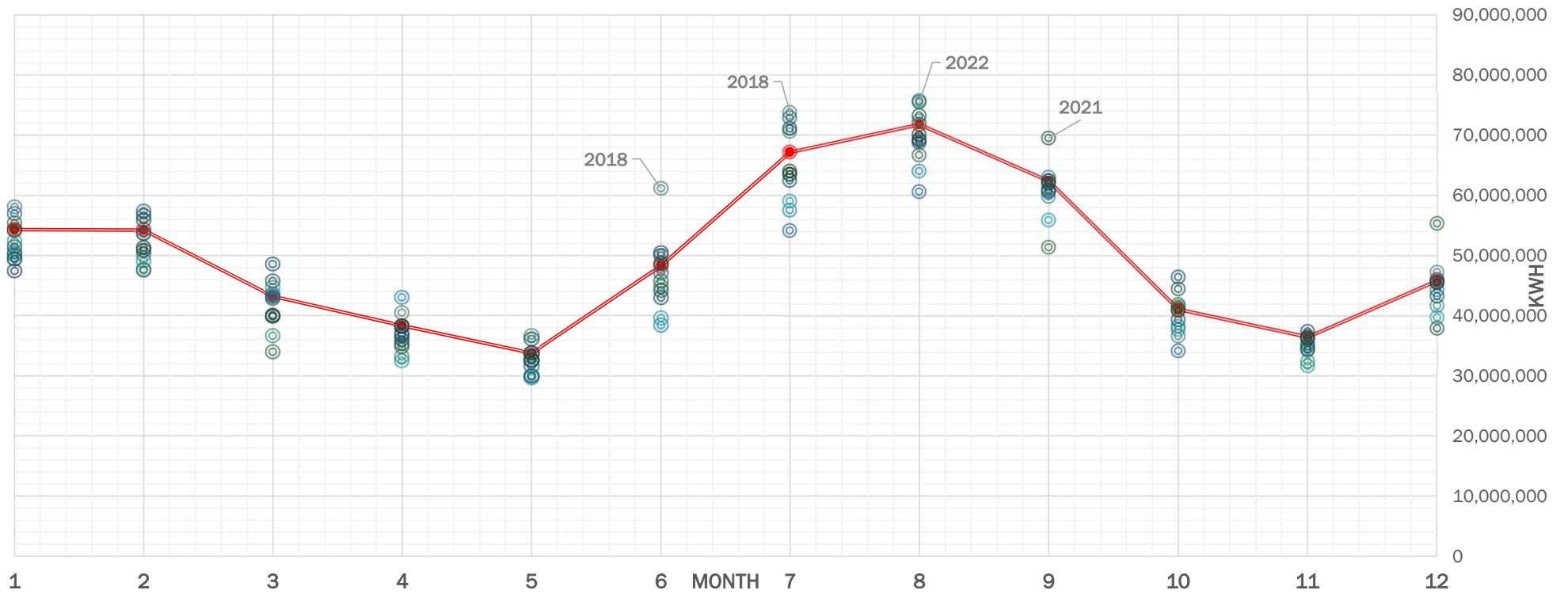
ELECTRIC RESIDENTIAL ASSUMPTIONS FOR 2024 – BASE RATES



RESIDENTIAL MONTHLY AVERAGE ENERGY (KWH) BY MONTH

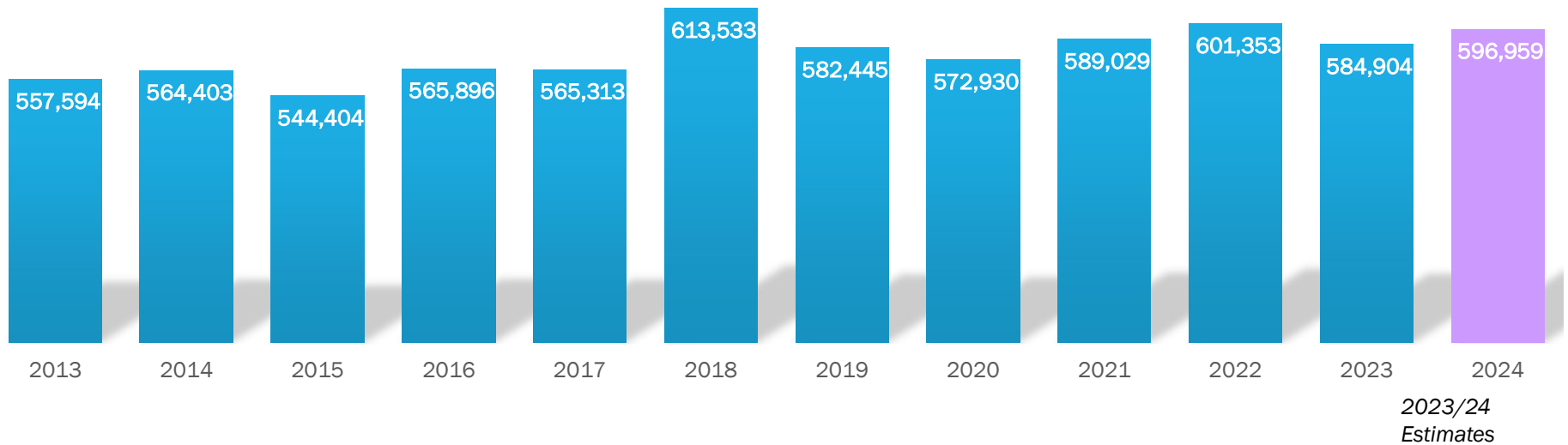


RESIDENTIAL KWH - 2013 THRU 2024

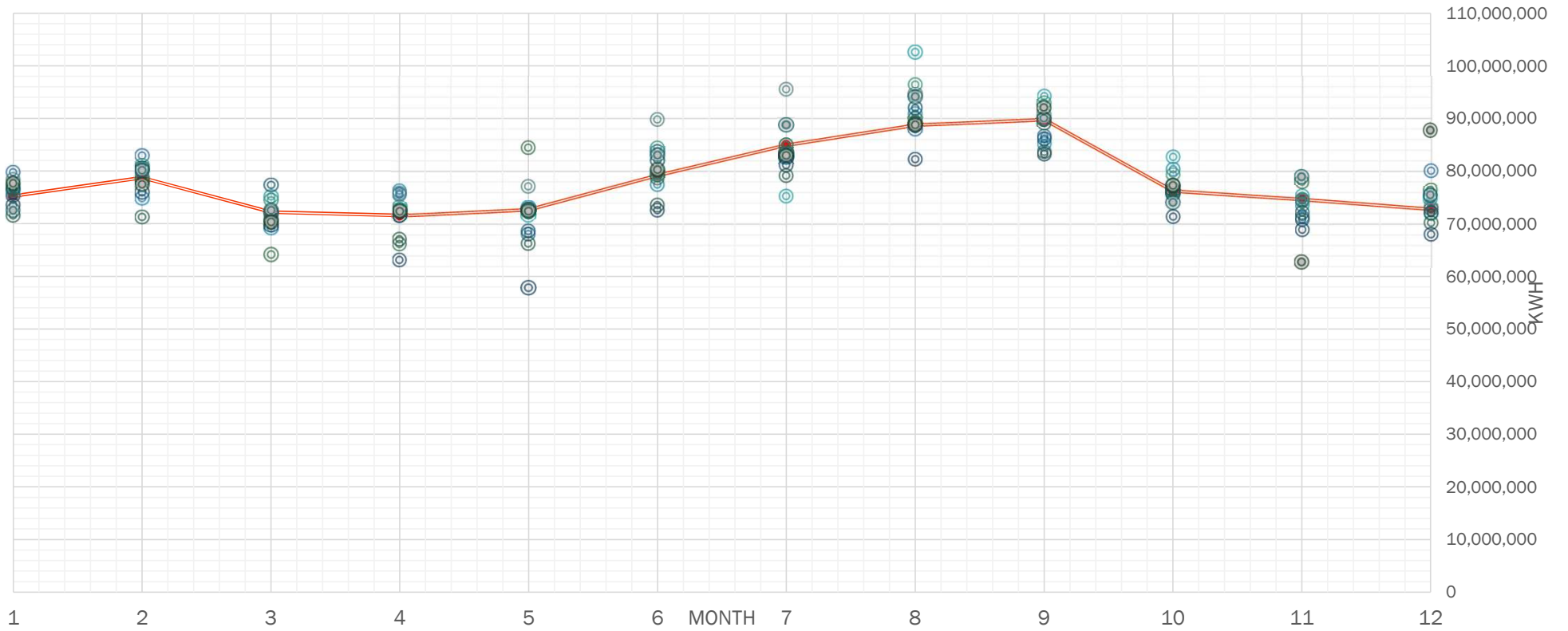


RESIDENTIAL LOAD FORECAST

MEGAWATT HOUR (MWH)

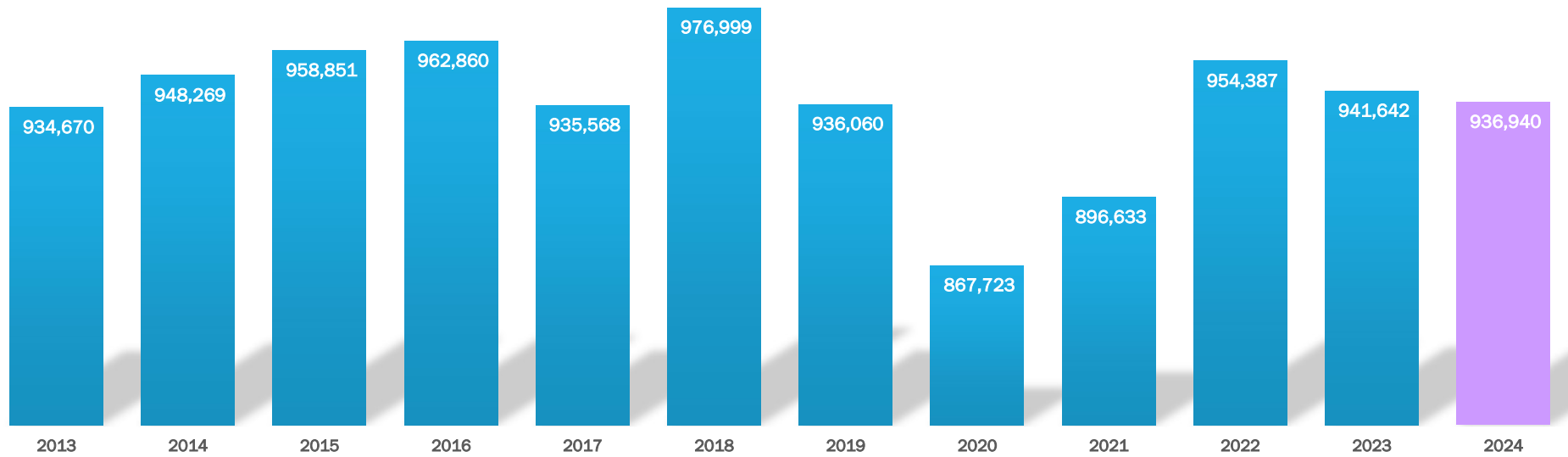


COMMERCIAL KWH - 2013 THRU 2024



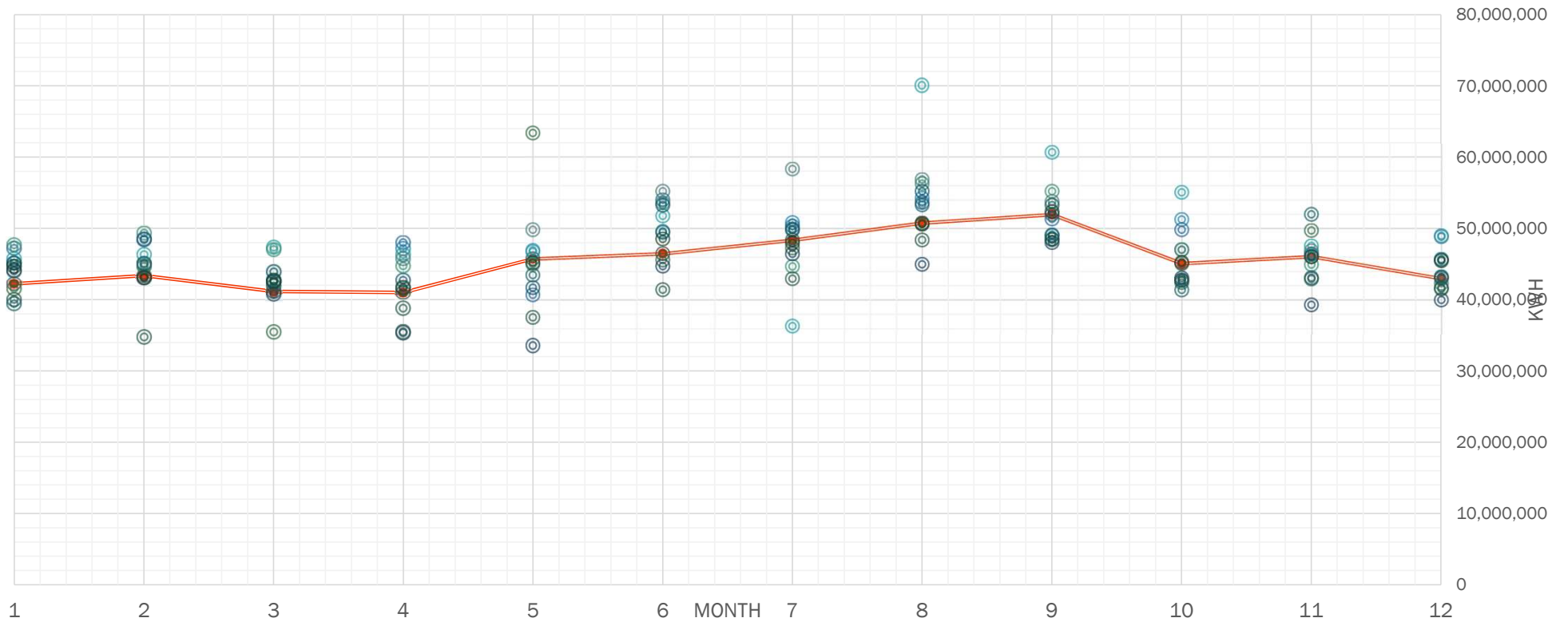
COMMERCIAL LOAD FORECAST

MEGAWATT HOUR (MWH)



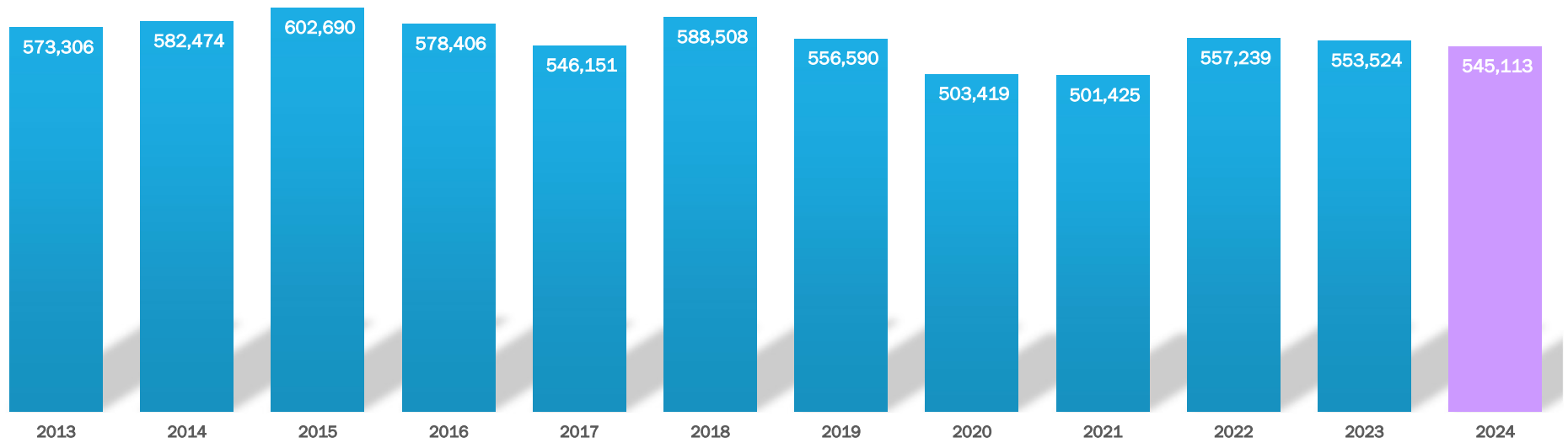
2023/24
Estimates

INDUSTRIAL KWH - 2013 THRU 2024



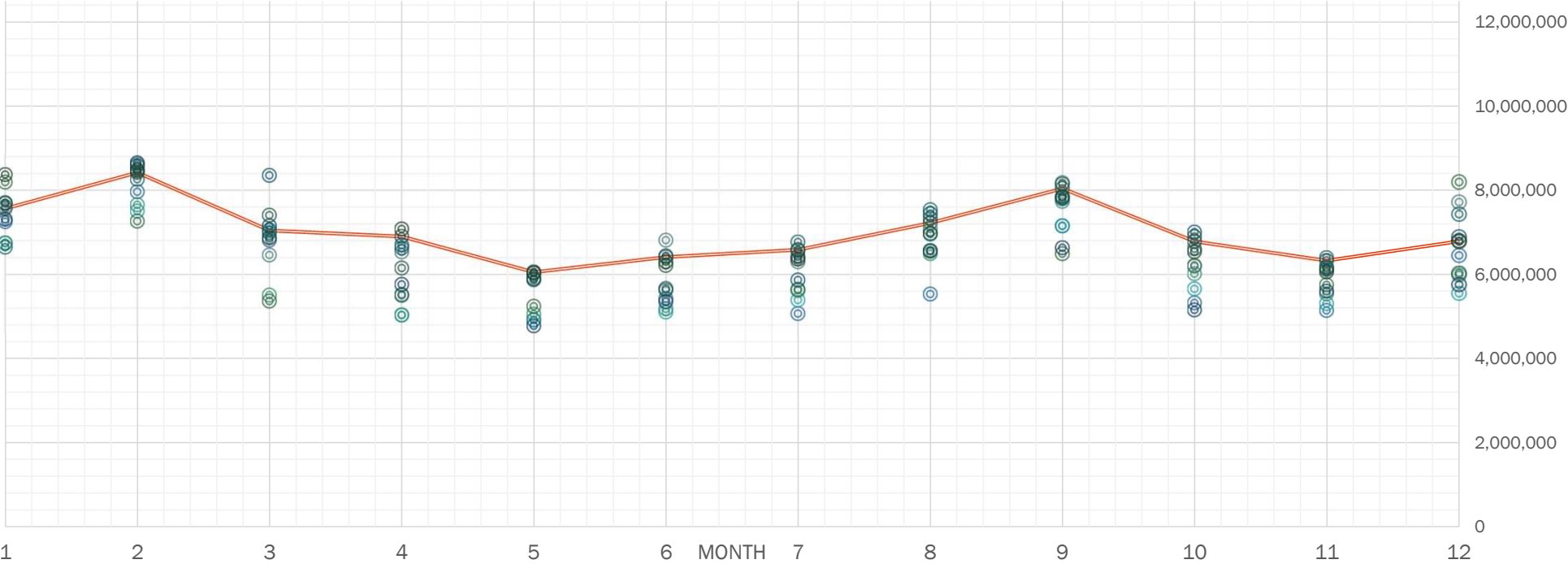
INDUSTRIAL LOAD FORECAST

MEGAWATT HOUR (MWH)



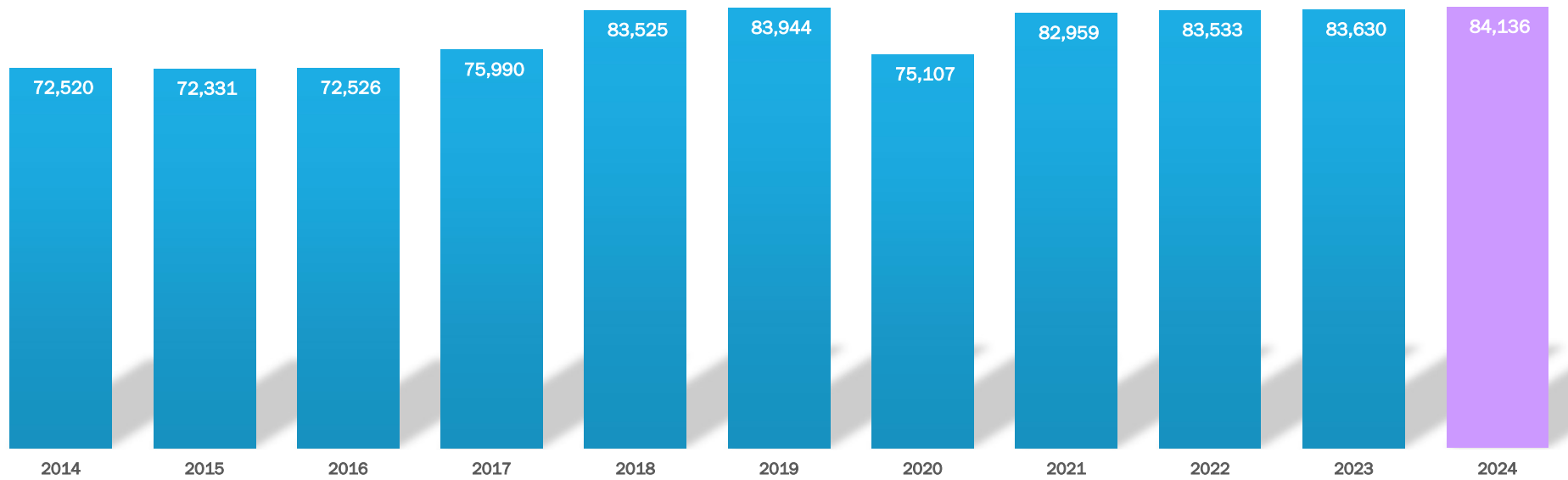
2023/24
Estimates

SCHOOLS KWH - 2014 THRU 2024



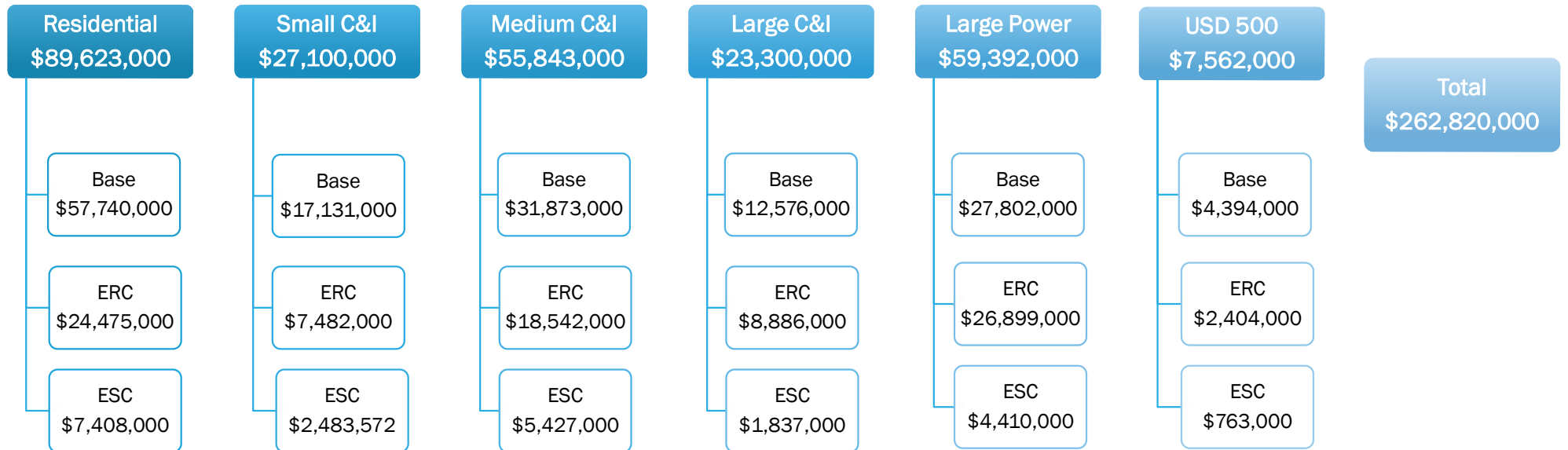
SCHOOLS LOAD FORECAST

MEGAWATT HOUR (MWH)



2023/24
Estimates

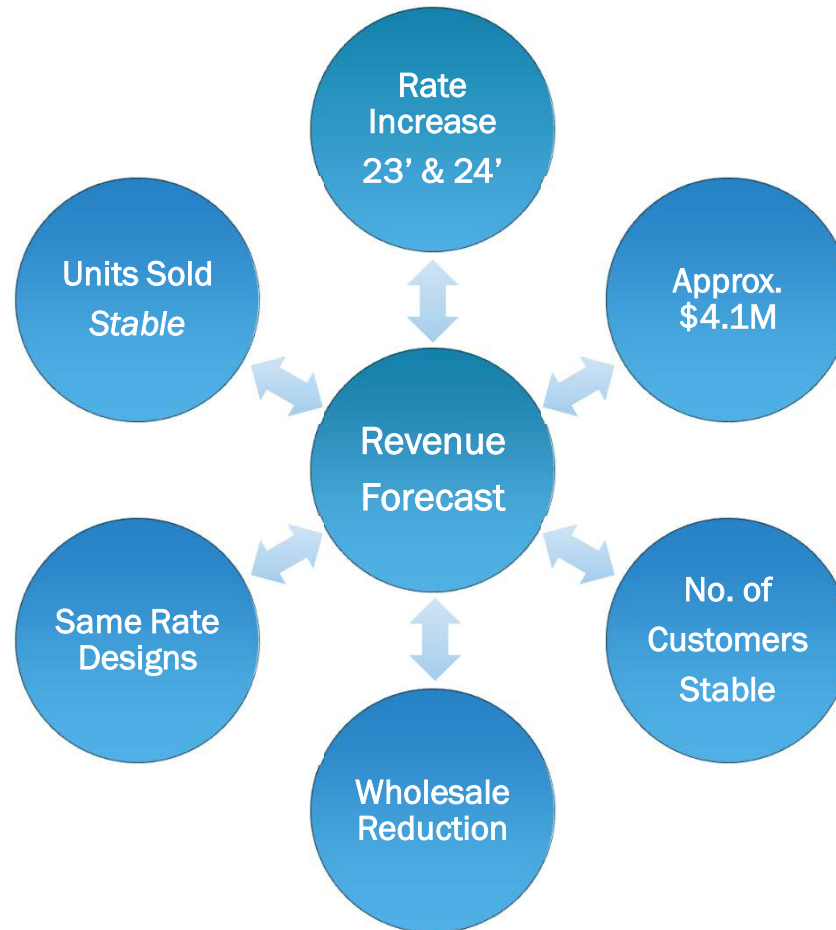
RETAIL RATES 2024



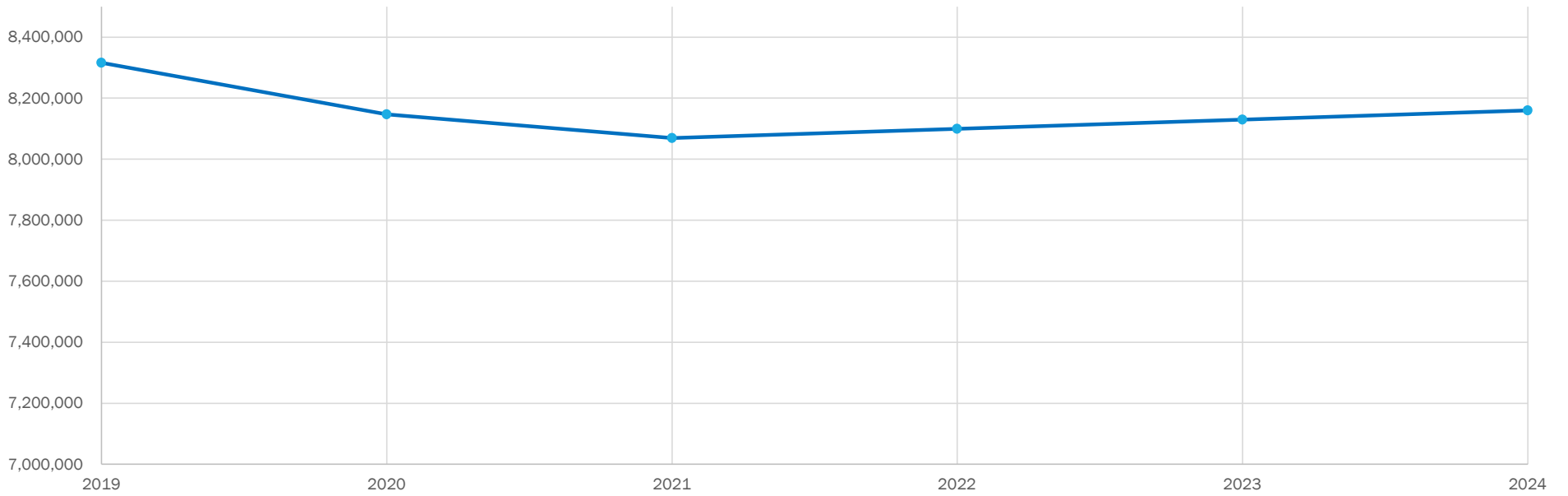
2024 ELECTRIC ESTIMATE

Class	2023 Budget	2024 Estimate
Residential	\$85,012,800	\$89,623,000
Commercial	\$107,555,000	\$109,611,000
Industrial	\$52,035,000	\$52,981,000
Schools	\$10,072,000	\$10,605,000
Highway Lighting	\$362,000	\$366,700
Total	\$255,036,800	\$263,185,700

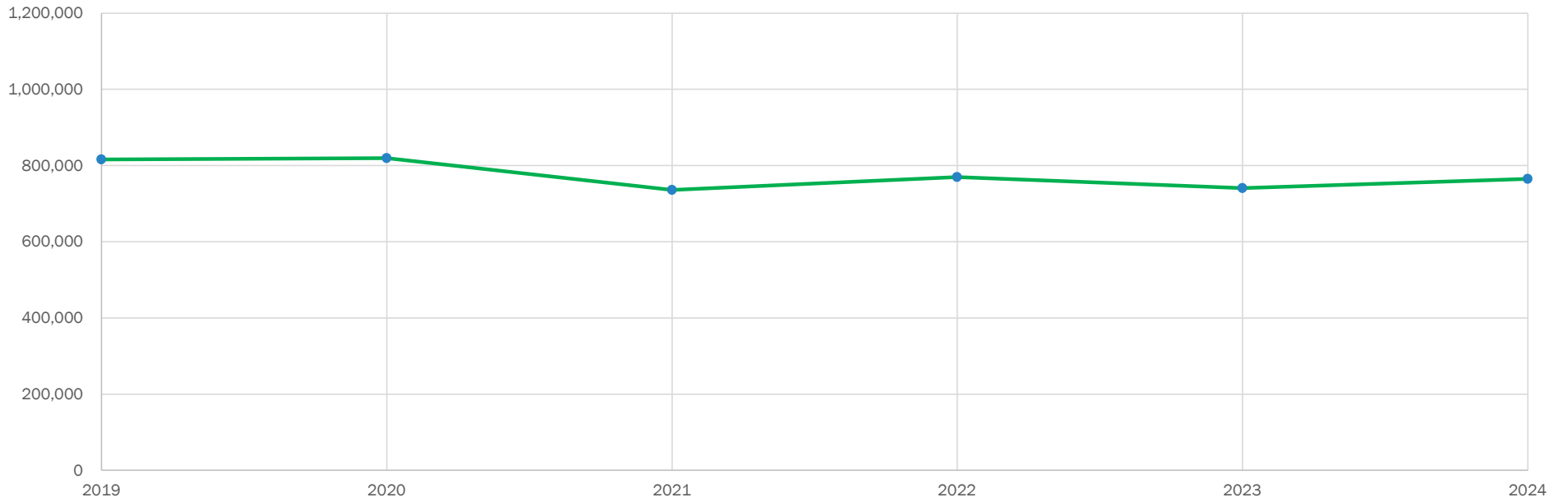
2024 WATER REVENUE FORECAST



WATER – RETAIL SALES IN UNITS



WATER – WHOLESALE SALES IN UNITS



2024 WATER ESTIMATE

Class	2023 Budget	2024 Estimate
Residential	\$24,750,000	\$26,993,000
Commercial	\$11,500,000	\$12,710,000
Industrial	\$6,200,000	\$6,750,800
Schools	\$671,000	\$666,960
Fire Protections	\$600,000	\$600,000
Wholesale	\$1,357,900	\$1,463,000
Total	\$45,078,900	\$49,183,760