



WORK SESSION MINUTES – WEDNESDAY, NOVEMBER 4, 2020

STATE OF KANSAS        )  
  ) SS  
CITY OF KANSAS CITY )

Mr. Groneman had virtually attended the Public Works and Safety meeting. There was nothing significant to report.

Mr. Eidson had a call with Dr. Mosier and Commissioner Bynum regarding the Kansas City Kansas Community College. They were discussing purchasing some property downtown and would be scheduling a meeting with Mr. Johnson and other BPU leadership to discuss.

Mr. Johnson reported that he had been in conversations with the Lanier group regarding parking needs for the upcoming apartments coming to the corner of 5<sup>th</sup> and Minnesota.

Ms. Gonzales asked if there were any discussions regarding a proposed Menard's development in the Argentine area.

Mr. Johnson said he had a conversation with Mr. Kindle with Wyandotte EDC but did not have information on their schedule.

Mr. Groneman inquired about the building being erected in the Turner diagonal area.

Mr. Johnson said the Turner diagonal development was going to be a mix of warehousing, logistics, ecommerce, etc., however there was not yet any specifics on tenant names.

Mr. Bryant said that one of the upcoming buildings would be used for Plastic Packaging manufacturing.

**Item #7 – Adjourn**

A motion was made to adjourn the meeting at 5:40 P.M. by Mr. Bryant, seconded by Ms. Groneman and unanimously carried.

ATTEST:

NOT SIGNED BY  
Secretary

Secretary due to  
Pandemic

Jenny Burley-Kenzer  
EXECUTIVE ASSISTANT  
11/23/20

APPROVED:

[Signature]  
President

Kansas City Board of Public Utilities

November 4, 2020

# **REVENUE FORECAST 2021**

# REVENUE FORECAST PART 3 OF 4



# CONSIDERATIONS FOR NEXT YEAR

- 2020 RESULTS & PANDEMIC IMPACT
- RATE CHANGES/ADJUSTMENTS
  - ERC & ESC RATES LOWER IN 2021
  - WATER BASE RATES ADJUSTMENT PROPOSED FEBRUARY 2020
  - NO CHANGE TO ELECTRIC BASE RATES
- SLIGHT GROWTH IN RESIDENTIAL SECTOR
- YTD COMMERCIAL USAGE
  - DOWN ~ -7% (REBOUND?)
- NEW COMMERCIAL GROWTH POTENTIAL IN 2022 & 2023
  - (ANY MATERIAL IMPACT TO 2021?) WOODLANDS & TURNER DIA AREAS
- INDUSTRIAL SECTOR STABLE
- OVERALL CONSERVATION TRENDS

# ELECTRIC RATE BASICS

DETAIL METER AND/OR SERVICE INFORMATION														
SERV	RATE	METER NUMBER OR	SERVICE		PREVIOUS	PRESENT	READ	METER	CURRENT	USAGE	CURRENT			
TYPE	CODE	SERVICE DESCRIPTION	FROM	TO	READ	READ	TYPE	CONST	DAYS	USAGE	TYPE	AMOUNT		
ELEC	101	13571903	09/03	10/03	102723	103651			1	30	928	KWH	60.00	50%
ELEC	ERC	Energy Rate Comp @ 0.03096											28.73	24%
ELEC	ESC	Environmental Sur @ 0.00892											8.28	7%
ELEC	ECC	Electric Customer Access Charge											22.00	18%

## 2019 Annual Percent of Bill

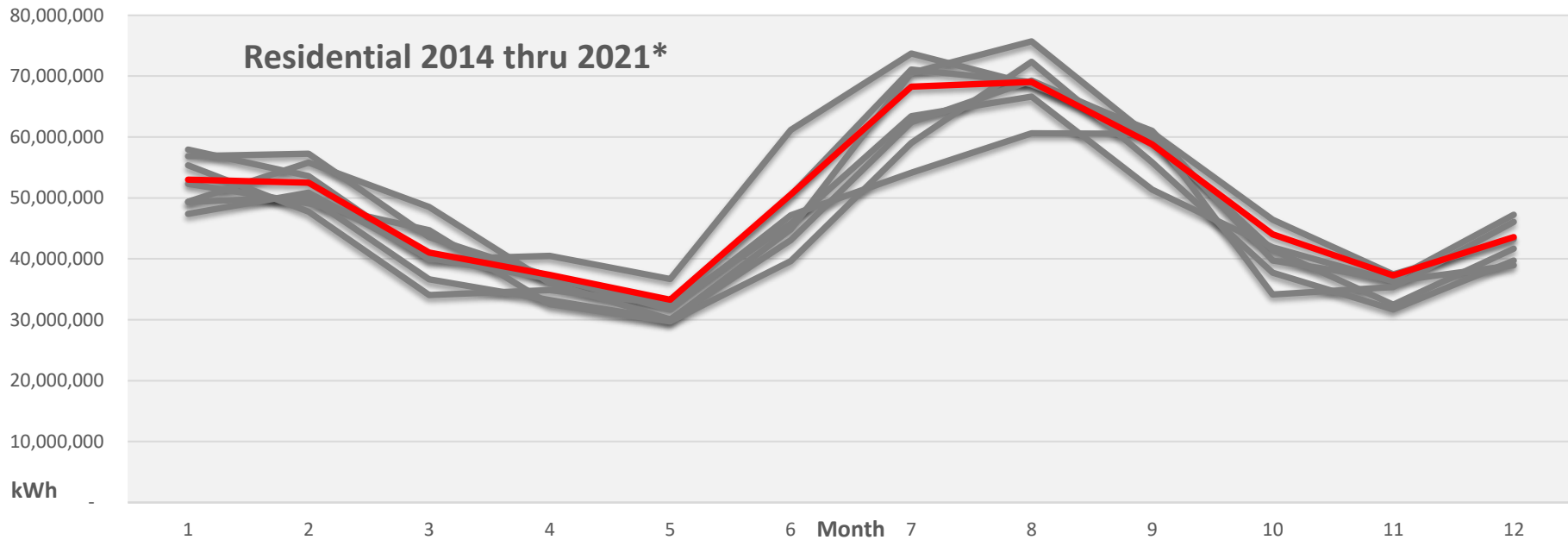
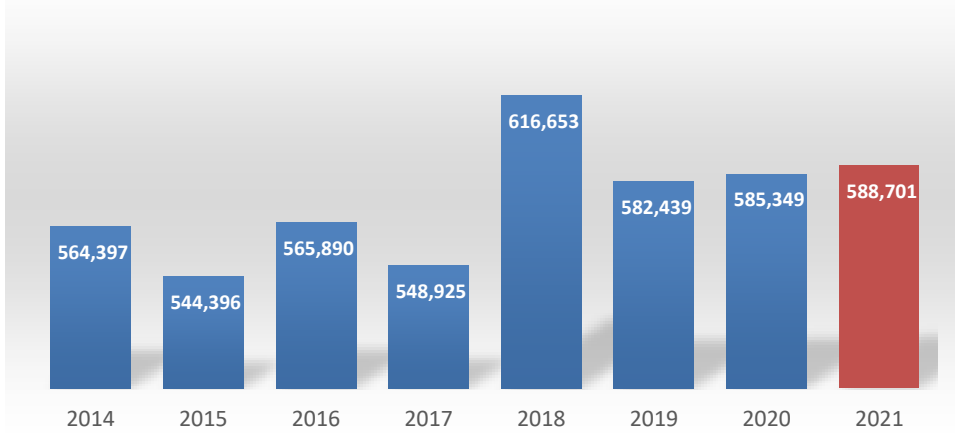
	<u>Access</u>	<u>Base</u>	<u>ERC</u>	<u>ESC</u>
Residential	20%	48%	25%	7%
C&I	3%	56%	32%	9%

## 4 Main Components on Electric Bill:

1. Customer Access Charge (18%)
2. Base Rate Charge (kWh/Energy & kW/Demand) (50%)
3. ERC (Fuel & Purchase Power) (25%)
4. ESC (Environmental Regulations) (7%)

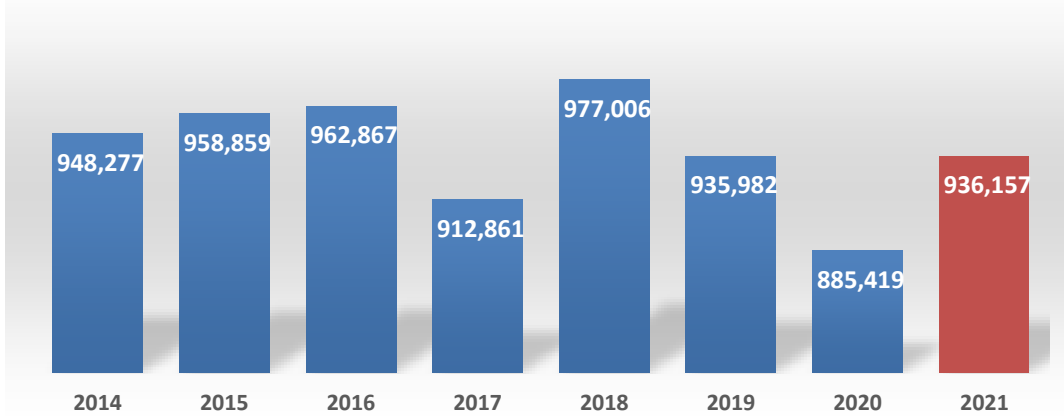
# ANNUAL LOAD FORECAST - RESIDENTIAL

Annual kWh - Residential

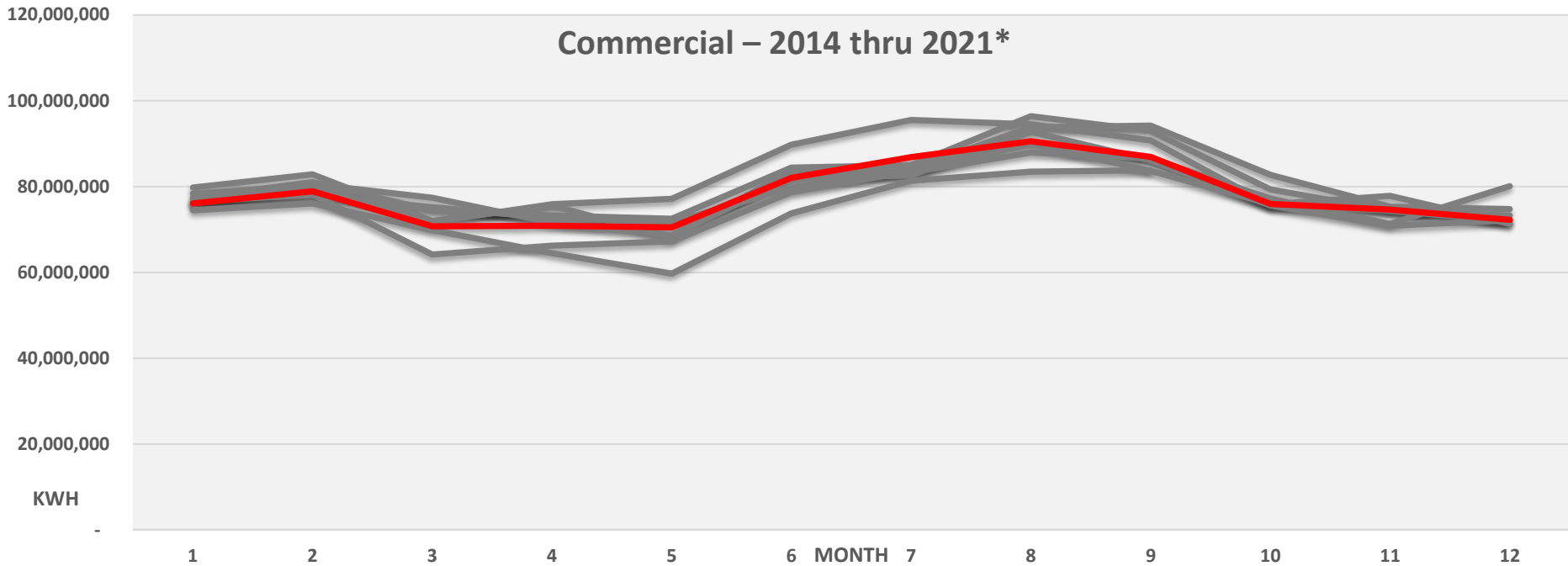


# ANNUAL LOAD FORECAST - COMMERCIAL

Annual kWh Commercial



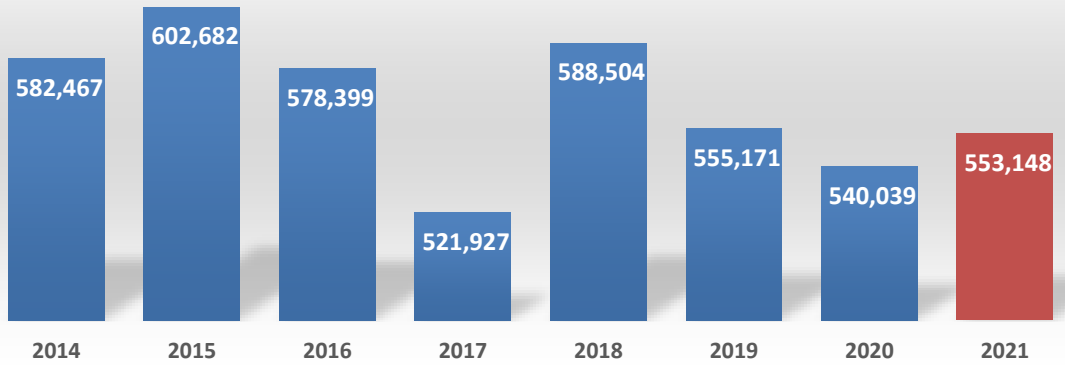
Commercial – 2014 thru 2021\*



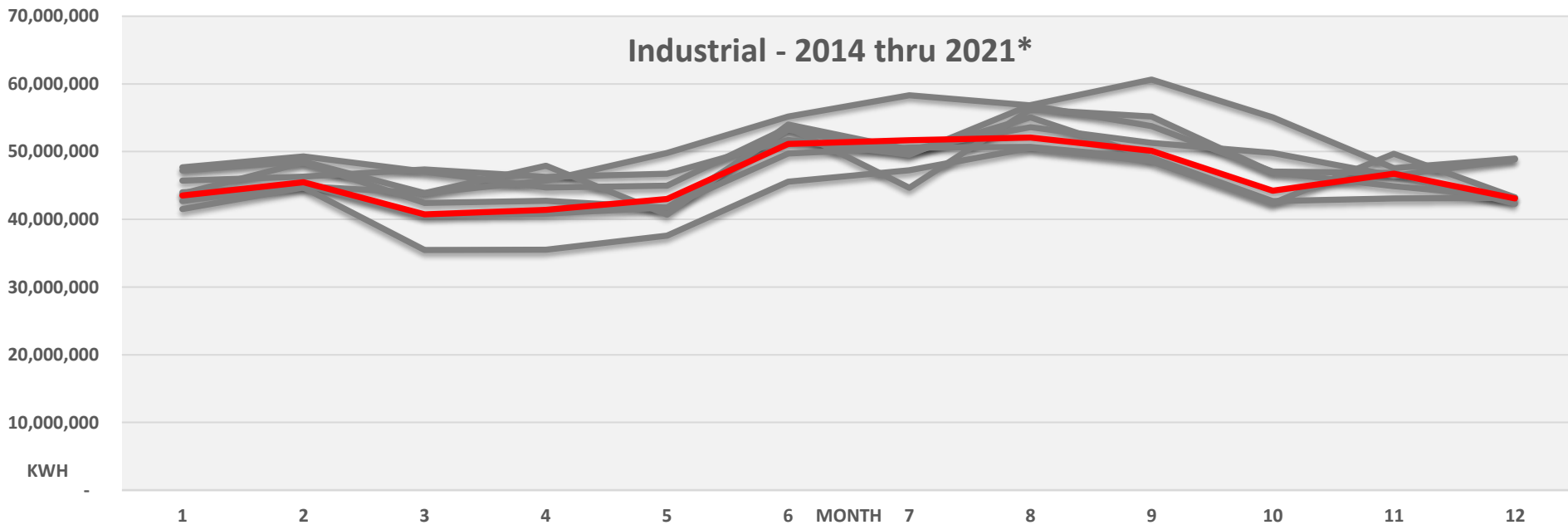


# ANNUAL LOAD FORECAST - INDUSTRIAL

Annual kWh - Industrial

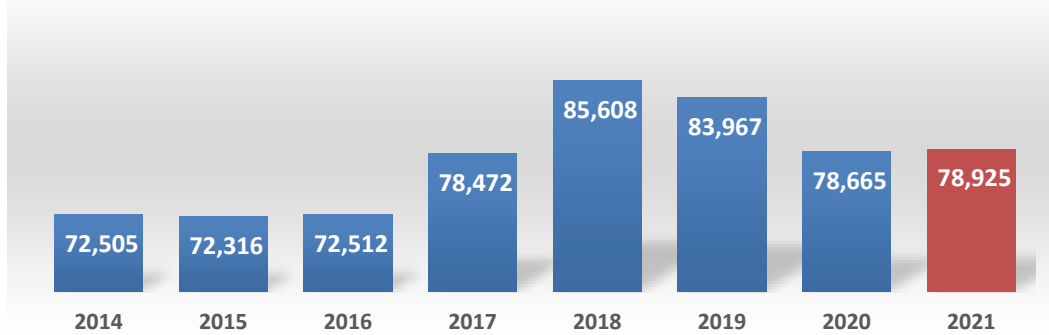


Industrial - 2014 thru 2021\*

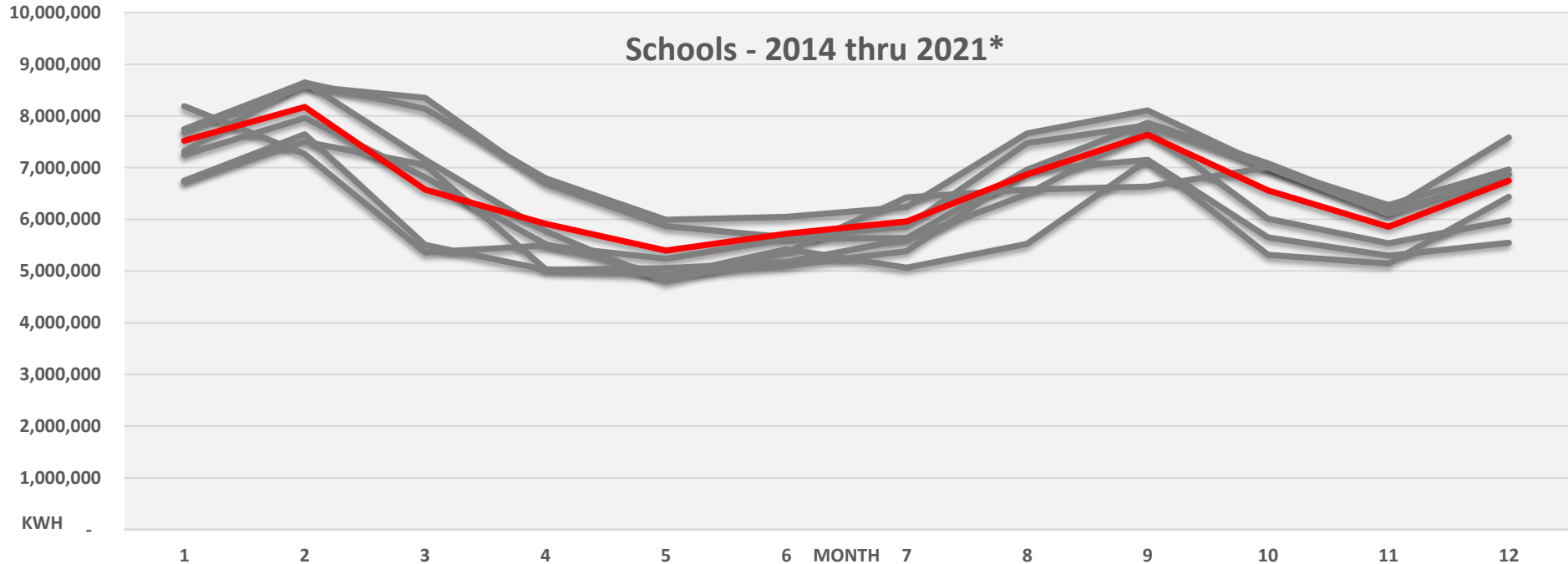


# ANNUAL LOAD FORECAST - SCHOOLS

Annual kWh - Schools



Schools - 2014 thru 2021\*



# ASSUMPTIONS FOR ELECTRIC

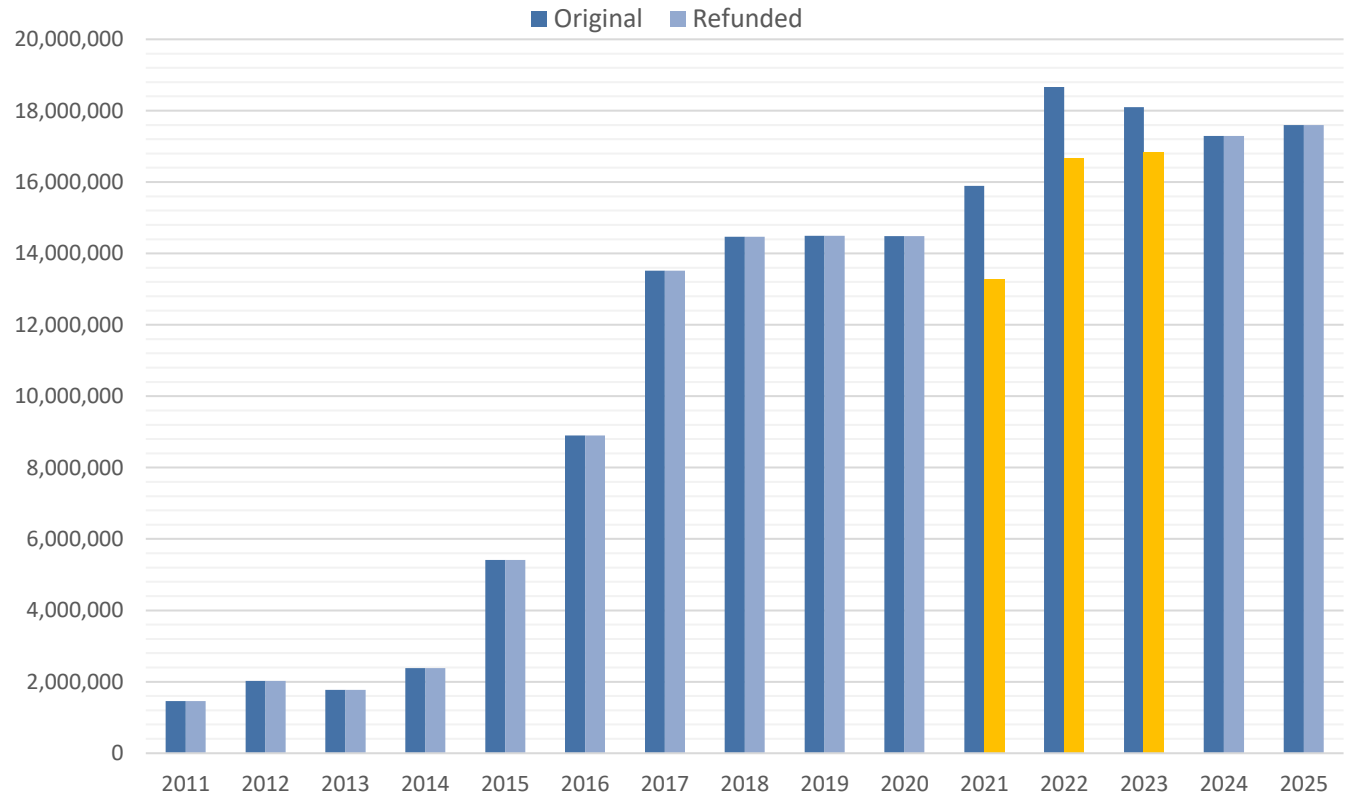
- **No Base Rate changes (No change for all classes)**
- **Customer Access Fees (No change for all classes)**
- **ERC = Lower due to overcollections in 2020 (est. 2.6 to 2.9 cents per kWh)**
- **ESC = Lower due to refinanced debt service (next slide)**
- **Annual Load Growth & Average number of accounts in FY21:**
  - **250 new Residential (5-year average is 355)**
  - **Residential growth ~ .50%**
  - **Commercial & Industrial (C&I) – (4-year average) Made adjustments for Pandemic**
  - **C&I similar to 2019's numbers**
  - **Schools Flat – (5 yr. Average) Added new square footage unknown impact**
  - **Schools consumption ~ .33%**

# ENVIRONMENTAL SURCHARGE

## NEARMAN POWER – AQC, TURBINE, LOW NOX , ASH POND, 316B

Year	Orig -Debt Payments on ESC	Refunded Amount
2011	1,462,500	1,462,500
2012	2,023,743	2,023,743
2013	1,776,525	1,776,525
2014	2,381,525	2,381,525
2015	5,407,982	5,407,982
2016	8,901,180	8,901,180
2017	13,516,902	13,516,902
2018	14,471,550	14,471,550
2019	14,492,031	14,492,031
2020	14,486,640	14,486,640
<b>2021</b>	<b>15,892,197</b>	<b>13,261,788</b>
2022	18,666,552	16,670,298
2023	18,095,767	16,823,590
2024	17,288,243	17,288,479
2025	17,598,932	17,598,945

Debt Service Related to the ESC



**Total ESC Recovery for 2021 = \$13,261,788 x 1.30 = \$ 17,240,324**

**~ \$1.6M lower compared to 2020**

# ENERGY REVENUE PROJECTION

Class	2016 Actual	2017 Actual	2018 Actual	2019 Actual	2020 Budget	2021 Budget
Residential	\$65,823,214	\$72,054,974	\$81,811,709	\$75,952,160	\$78,350,000	\$74,539,000
Commercial	90,335,199	102,217,692	106,882,111	101,781,643	103,270,000	92,238,000
Industrial	44,967,833	48,680,080	51,385,553	49,601,656	49,020,000	44,362,000
Schools	7,564,437	8,623,896	10,145,011	9,830,695	9,980,000	8,615,000
Highway Lighting	303,335	335,322	350,209	329,670	333,900	333,900
<b>Total</b>	<b>\$ 208,994,018</b>	<b>\$ 231,911,964</b>	<b>\$ 250,574,593</b>	<b>\$ 239,179,500</b>	<b>\$240,953,900</b>	<b>\$220,087,900</b>

# **WATER REVENUES**

## **Fixed Customer Access Charge & Variable Consumption Charge**

- **Fixed Charge based on Meter Size**
- **Consumption Charge is declining (greater volume = cheaper rate)**

**Historically used a Conservative Forecast**

**Historical 5-year trends growth ~ 1.3%/yr. (minus 2020)**

- **YTD billed retail consumption down ~ 2.1%**
- **YTD billed Wholesale down ~ 7.5%**

**Rate Adjustment 2021 ~ (\$2.2 Million)**

- **2013 was last Water rate adjustment**

**Retail Bills ~ 53,300 ( +400 over prior year) Some growth**

**5 Wholesale Accounts**

# WATER REVENUES

**2021 Reflects No Rate Adjustment**

Class	2016 Actual	2017 Actual	2018 Actual	2019 Actual	2020 Budget	2021 Estimate
Residential	\$ 23,956,301	\$ 24,209,408	\$ 24,235,761	\$ 24,036,511	\$ 25,039,000	\$ 24,228,000
Commercial	11,160,588	11,390,321	11,553,570	11,184,854	12,169,000	11,243,000
Industrial	5,658,555	5,973,841	5,860,912	5,937,471	5,619,000	6,200,000
Schools	643,637	637,691	655,705	683,839	680,000	658,000
Fire Protection - Private	540,910	555,110	560,998	562,114	575,000	575,000
Public Authority	28,000	28,000	28,000	28,000	28,000	28,000
Wholesale Water Sales	1,104,484	1,153,785	1,487,644	1,425,619	1,400,000	1,421,000
<b>Total</b>	<b>\$ 43,092,475</b>	<b>\$ 43,948,156</b>	<b>\$ 44,382,590</b>	<b>\$ 43,858,408</b>	<b>\$ 45,510,000</b>	<b>\$ 44,353,000</b>

**Impact of Rate Adjustment (est.)**

Class	5%	4%
Residential	\$ 1,221,500	\$ 916,000
Commercial	\$ 567,800	\$ 425,900
Industrial	\$ 301,400	\$ 225,800
Schools	\$ 34,100	\$ 25,500
Wholesale Water Sales	\$ 72,000	\$ 53,800
<b>Total</b>	<b>\$ 2,196,800</b>	<b>\$ 1,647,000</b>

# Other Utility Revenues

Class	2016 Actual	2017 Actual	2018 Actual	2019 Actual	2020 Budget	2021 Estimate
Forfeited Discounts (late fees)	\$ 2,794,416	\$ 2,999,510	\$ 3,186,533	\$ 2,828,024	\$ 2,795,000	\$ 2,984,935
Connect/Disconnect Fees	2,070,260	2,444,272	2,127,240	2,206,447	2,364,000	2,161,664
Ash Disposal	124,995	-	-	-	-	-
Diversion Fines	33,306	44,811	43,684	52,156	38,525	45,525
Tower/Pole Attachment Rentals	2,476,073	1,694,031	2,745,925	3,035,281	2,340,000	2,070,000
Service Fees	559,222	1,179,477	795,596	804,519	1,198,600	1,138,000
<b>Total</b>	<b>\$ 8,058,272</b>	<b>\$ 8,362,101</b>	<b>\$ 8,898,978</b>	<b>\$ 8,926,427</b>	<b>\$ 8,736,125</b>	<b>\$ 8,400,124</b>

**Fees are generally stable with no changes to fee structure**

**No change expected to Other Utility Revenues**



# COMMENTS / QUESTIONS

