

BOARD INFORMATION PACKET



**Board of Public Utilities
Kansas City, Kansas**

Regular Meeting of

March 15, 2023



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Board of Public Utilities
Kansas City, Kansas

BOARD AGENDA

Regular Session
March 15, 2023 – 6:00 P.M.

- I. Call to Order
- II. Roll Call
 - _____ Tom Groneman, District 2
 - _____ David Haley, At Large, Position 2
 - _____ Robert L. Milan, Sr., District 1
 - _____ Rose Mulvany Henry, At Large, Position 3
 - _____ Jeff Bryant, District 3
 - _____ Mary L. Gonzales, At Large, Position 1
- III. Approval of Agenda
- IV. Approval of the Minutes of the Regular Session of March 1, 2023
- V. Public Comments
- VI. Legislative Update - Kimberly and Josh Svaty
- VII. General Manager / Staff Reports
 - i. Customer Bill Presentation
 - ii. Budget Transfer – Electric Production
 - iii. Water Division Update
 - iv. Miscellaneous Comments
- VIII. Board Comments
- IX. Adjourn

REGULAR SESSION –WEDNESDAY, MARCH 1, 2023

STATE OF KANSAS)
) SS
CITY OF KANSAS CITY)

The Board of Public Utilities of Kansas City, Kansas (aka BPU, We, Us, Our) met in Regular Session on Wednesday, March 1, 2023 at 6:00 P.M. The following Board Members were present: Rose Mulvany Henry, President; Robert L. Milan, Secretary; Jeff Bryant, Mary Gonzales. Thomas Groneman, Vice President and David Haley.

Also present: William Johnson, General Manager; Angela Lawson, Deputy Chief Counsel; Lori Austin, Chief Financial Officer/Chief Administrative Officer; Johnetta Hinson, Executive Director Customer Service; Steve Green, Executive Director Water Operations; Glen Brendel, Executive Director Electric Production; Maurice Moss, Executive Director Corporate Compliance; Darrin McNew, Acting Executive Director Electric Operations; Jerry Sullivan, Chief Information Officer; David Mehlhaff, Chief Communications Officer; Dennis Dumovich, Director of Human Resources; Patrice Townsend, Director Utility Services; Dustin Miller, Director of Applications; Josef Perez, Supervisor EMS Operations; and Robert Kamp, IT Project Manager.

A video of this meeting is on file at the Board of Public Utilities and can be found on the BPU website, www.bpu.com.

Ms. Mulvany Henry called the Board meeting to order at 6:00 P.M. She welcomed all that were listening to or viewing the meeting. She informed all that the meeting was being recorded including video and audio. During the public comment section, those attending in person, wishing to speak, should use the sign-up sheet at the entry and provide their name and address. Public comments were limited to five minutes and should be addressed to the Board. Members of the public who wished to speak to the Board using Zoom needed to use the Raise Hand feature at the bottom of the application or window to signal that they wish to address the board during the public comment section. Members of the public connected by phone only, needed to press *9 to indicate they wished to address the Board in the public comment section. No confidential information should be shared, including, account information. Staff would not provide individual account information during an open meeting. As always, the public could also email or call the BPU with any concerns. Ms. Mulvany Henry introduced herself and the other Board Members along with the General Manager, and Legal Counsel.

Roll call was taken and all Board Members were present, Mr. Haley via Zoom.

Item #3 – Approval of Agenda

A motion was made to approve the Agenda by Mr. Bryant, seconded by Ms. Gonzales, and unanimously carried.

REGULAR SESSION –WEDNESDAY, MARCH 1, 2023

STATE OF KANSAS)
) SS
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Item #4– Approval of Work Session Minutes of February 15, 2023

A motion was made to approve the minutes of the Work Session of February 15, 2023, by Ms. Gonzales, seconded by Mr. Groneman, and unanimously carried.

Item #5– Approval of Regular Session Minutes of February 15, 2023

A motion was made to approve the minutes of the Regular Session of February 15, 2023, by Mr. Bryant, seconded by Mr. Milan, and unanimously carried.

Item #6– Public Comments

Mr. Ty Gorman, 2843 Parkwood Blvd., thanked the Board for the progress made regarding Community Engagement Committee. On behalf of the community group he worked with, he reiterated the stance regarding utility shut-offs, Unified Government (UG) fees, PILOT fees. He also spoke about the Inflation Reduction Act and other opportunities to help the community with assistance programs.

There was discussion on split of bills and also about the tentative date set for the Board Community Engagement committee to meet which was March 15, 2023.

Mr. Curtis Martin, 3071 N. 32nd, commented on the discussion regarding community engagement.

Ms. Susan Stevens, 4018 Silver, Community Conscious Action Network, commented on the formation of the working group.

Ms. Mulvany Henry clarified that the committee would determine how to, fairly, allow the community to pick its representatives for the engagement.

Ms. Tscher “CeCe” Mank, Wyandotte County, commented on her attendance to the BPU Board meetings and also about the increase in utility bills and the request to have meters investigated.

Ms. Janice Witt, 10940 Parallel, spoke about smart meters and increased billing at her residence.

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Mr. Johnson asked Ms. Witt to speak with Ms. Johnetta Hinson, Executive Director Customer Service, about her billing history.

Ms. Louise Lynch, Kansas City, KS, thanked Mr. Johnson for his comments about the PILOT at the UG Commission meeting. She also expressed her thoughts about the other fees on the BPU bill.

Mr. David Smith, 400 Troup Ave., expressed his thoughts regarding utility bills and community assistance.

Mr. Thomas Gordon, 2521 N. 7th Street, expressed his thoughts regarding an article in the Wyandotte Daily news about the UG Mayor and Commissioners and also the collection of fees.

Item #7– General Manager / Staff Reports

- i. *Preliminary January 2023 Financials:* Ms. Lori Austin, Chief Financial Officer/Chief Administrative Officer, reviewed the Preliminary January 2023 Financials with the Board. (See attached PowerPoint.)

Ms. Austin responded to questions from the Board.

It was decided to switch the order of the next two reports.

- iii. *Energy Market Conditions / Nearman Operation:* Mr. Josef Perez, Supervisor EMS Operations, and Mr. Glen Brendel, Executive Director Electric Production, reviewed current Nearman Power operations, as well as, the market conditions they had been seeing. They also discussed BPU’s generating resources, such as, renewables and local generation; how they were used in the market and how to leverage those generators to make them as valuable as possible for BPU. (See attached PowerPoint.)

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

- ii. *2023 Rate Hearing Process:* Ms. Kathy Peters, outside counsel for the BPU and attorney with Kutak Rock, reviewed the process of the upcoming rate hearing for water and electric. (See attached.) She explained that the rate hearing notice would be published in the Kansas City Star and the Wyandotte Echo. Letters would also be sent to previous interveners. The Board would receive a tentative schedule.

REGULAR SESSION –WEDNESDAY, MARCH 1, 2023

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Ms. Peters responded to questions from the Board.

- iv. *Miscellaneous Comments:* Mr. Johnson informed the Board of Mary Rupert of Wyandotte Daily’s passing. He commented that he would be part of a discussion panel speaking about the impact of current market conditions on the utility as well as customers, at the upcoming APPA CEO meeting. He also reported on attending the APPA Legislative conference where he was able to meet with the Kansas Representatives and Senators.

Item #8 – Board Comments

Mr. Groneman thanked everyone that came that evening and thanked staff for the reports given. He also spoke about the discussions with the community and suggested looking into the possibility of funding a customer advocate.

Ms. Mulvany Henry suggested making that an agenda item for the next Work Session.

Mr. Haley echoed Mr. Groneman’s comment and also commented on the need for a lobby with person to person interaction. He thanked staff for the informative reviews. He also spoke about KS Legislature Bill 154, which would limit the amount of fees and other charges on the utility bill. He also said he was encouraged by the progress in policy implementation.

Mr. Milan thanked the public for their comments and encouraged their participation. He reminded that the Board’s role was to listen carefully and defer situations to the proper staff. He spoke about his attendance at the Presidential Heights neighborhood meeting. He also said that page three on the BPU bill would show customers their daily usage.

Ms. Mulvany Henry thanked those who attended in person and on Zoom. She looked forward to seeing the results from the new committee in 2023. She also expressed her thanks for the evening’s presentations.

Mr. Bryant spoke about his hope that those who attended the meeting acquired an understanding of how complex it was to run a business that manufactured electricity and drinkable water. He asked that staff assemble an easy to understand walk through of a BPU bill, explaining each line item on a residential utility bill, not the UG charges, to present at an upcoming Board meeting.

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Ms. Gonzales also thanked the community for attending the Board meeting and hoped that their attendance gave a better understanding of what a utility did to provide clean water and electricity. She also thanked everyone for their presentations.

Mr. Haley asked that the minutes of the February 15, 2023 Regular Session be amended to reflect that fact that he did not leave the Executive Session portion of meeting. He remained on the line and participated in the roll call to adjourn.

A motion was made to amend the approved minutes of the February 15, 2023, Regular Session so to include that Mr. Haley was waiting in the wings, on hold, during the Executive Session, by Mr. Bryant, seconded by Ms. Gonzales, and unanimously carried.

Item #9 – Adjourn

At 8:22 P.M. a motion to adjourn was made by Mr. Bryant, seconded by Mr. Groneman and unanimously carried.

ATTEST:

APPROVED:

Secretary

President



January 2023 Preliminary Financial Results

March 1, 2023



Financial Results

2023 Billed kWh (YTD Jan)

Electric	(CY) 2023 YTD	(FY) 2022 YTD
Residential	53,627,649	49,847,104
Commercial	82,155,854	76,900,688
Industrial	43,265,510	36,065,626
	179,049,013	162,813,418
		10.0%



All customer classes usage was above 2022 levels

Residential – Up 8% Commercial – Up 7% Industrial – Up 20%

Financial Results

2023 Billed CCFs (YTD Jan)

Water	(CY) 2023 YTD	(PY) 2022 YTD
Residential	291,352	280,037
Commercial	203,448	184,423
Industrial	140,265	141,016
	635,065	605,476
		4.9%

↑ Residential and Commercial above 2022.
↓ Industrial down slightly from 2022 levels.

Residential – Up 4% Commercial – Up 10% Industrial – Down 1%

Financial Results

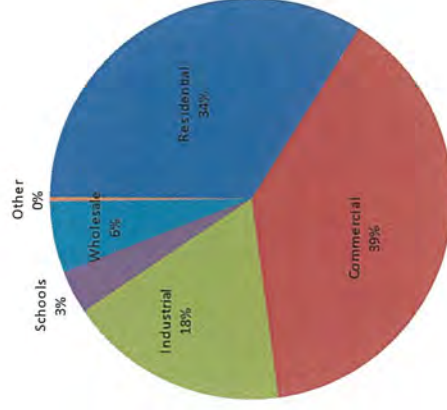
Revenues – 2023 MTD & YTD

	(CY) 2023 YTD	(PY) 2022 YTD	Budget 2023 YTD	(CY) 2023 YTD
Electric	\$ 27,263	\$ 24,182	\$ 25,030	\$ 27,263
Water	4,188	3,994	4,107	4,188
Combined	\$ 31,451	\$ 28,176	\$ 29,137	\$ 31,451
				7.9%

** Dollars in millions

Variance – YTD comparing Budget to Actual for 2023

<u>Electric:</u>	<i>Up 9%</i>	<u>Water:</u>	<i>Up 2%</i>
Residential	\$ 720K	Residential	\$101K
Commercial	\$ 1.2M	Commercial	\$ 92K
Industrial	\$ 318K	Industrial	\$ 30K
Schools	(\$60K)	Wholesale	\$ 3K
Wholesale	(\$420K)		



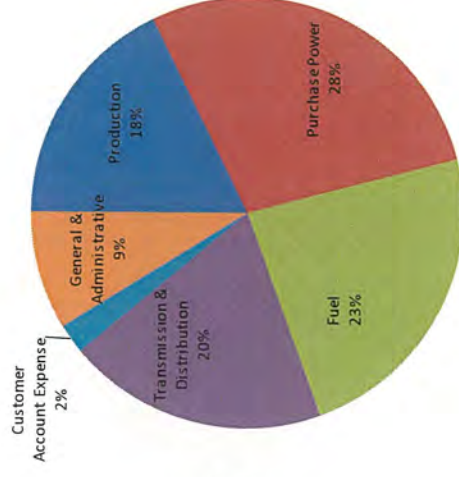
Operating Expenses – 2023 YTD (Total)

	(CY) 2023 YTD	(PY) 2022 YTD	Budget 2023 YTD	(CY) 2023 YTD
Electric	\$ 19,290	\$ 18,863	\$ 20,298	\$ 19,290
Water	3,134	2,928	3,290	3,134
Combined	\$ 22,424	\$ 21,791	\$ 23,588	\$ 22,424
			2.9%	-4.9%

**Dollars in millions

Actual Compared to 2023 Budget

- Electric - Down 5%
- Water - Down 5%
- Combined – Down 5%



Operating Expenses – 2023 YTD less Depreciation

	(CY) 2023 YTD	(PY) 2022 YTD	Budget 2023 YTD	(CY) 2023 YTD
Electric	\$ 16.361	\$ 16.324	\$ 17.410	\$ 16.361
Water	2.435	2.242	2.592	2.435
Combined	\$ 18.796	\$ 18.566	\$ 20.002	\$ 18.796
			1.2%	-6.0%

**Dollars in millions

Electric:

Purchased Power (\$930K)
 Fuel (\$1.8M)
 Production (\$430K)
 T&D (\$500K)
 G&A \$236K

Water:

Production (\$132K)
 T&D (\$ 77K)
 G&A \$86K

Variance – YTD comparing Budget to Actual 2023



Financial Results

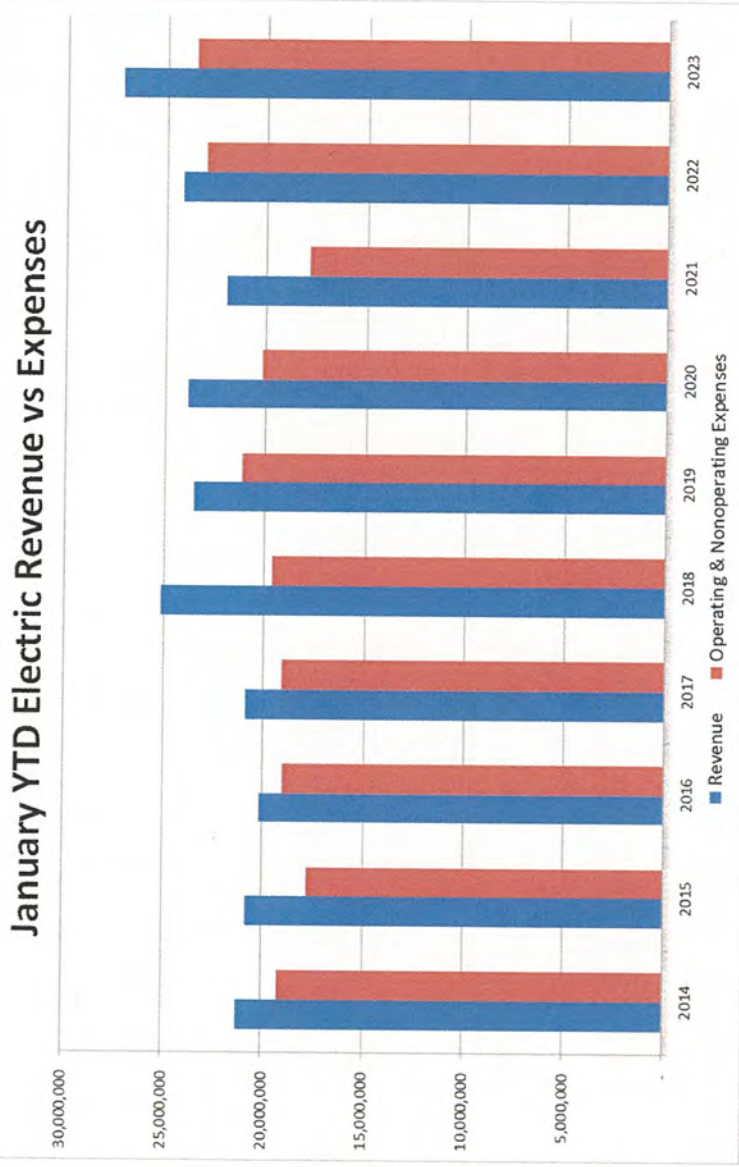
Change in Net Position – January 2023

	(CY) 2023 January	(PY) 2022 January	Budget 2023 January	(CY) 2023 January
Electric	\$ 3,680	\$ 1,173	\$ 0,715	\$ 3,680
Water	0,564	0,950	0,361	0,564
Combined	\$ 4,244	\$ 2,123	\$ 1,076	\$ 4,244

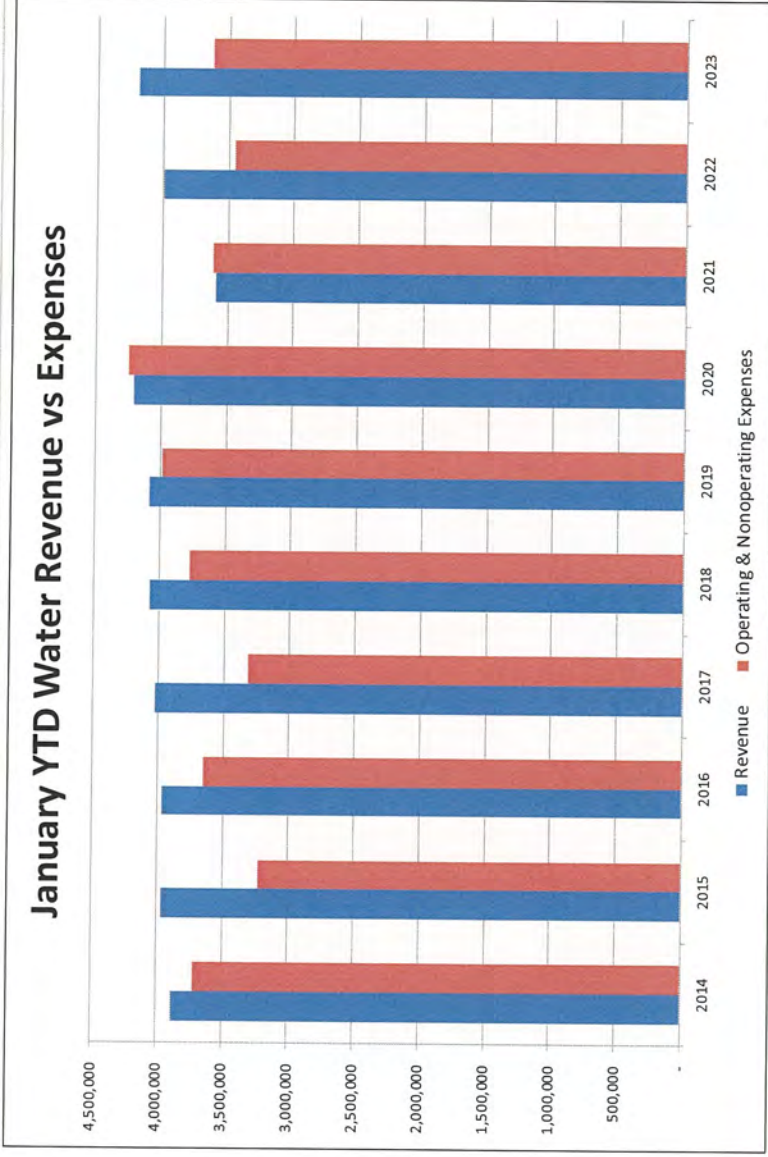


**Dollars in millions

Financial Results – 10 Year Trend



Financial Results - 10 Year Trend



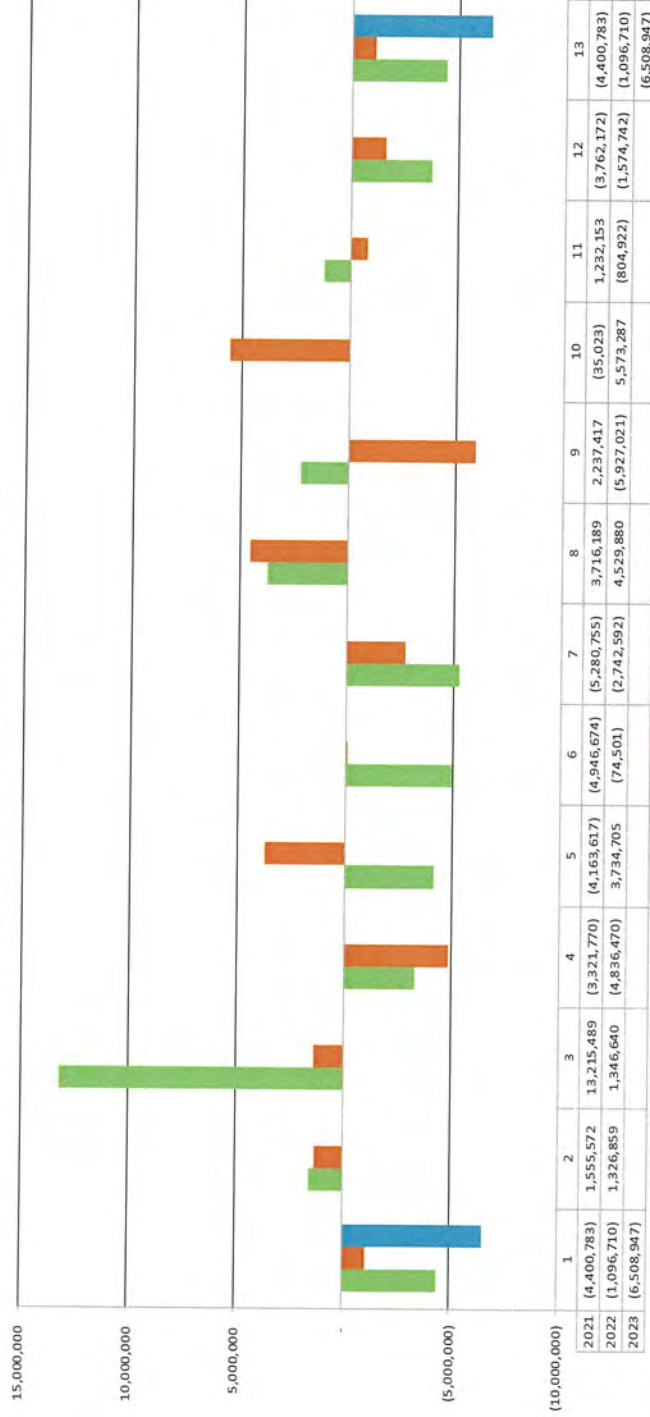
Financial Results

Average Daily Collections



Financial Results

Historical Monthly Cash Comparison





Financial Results

Cash Position

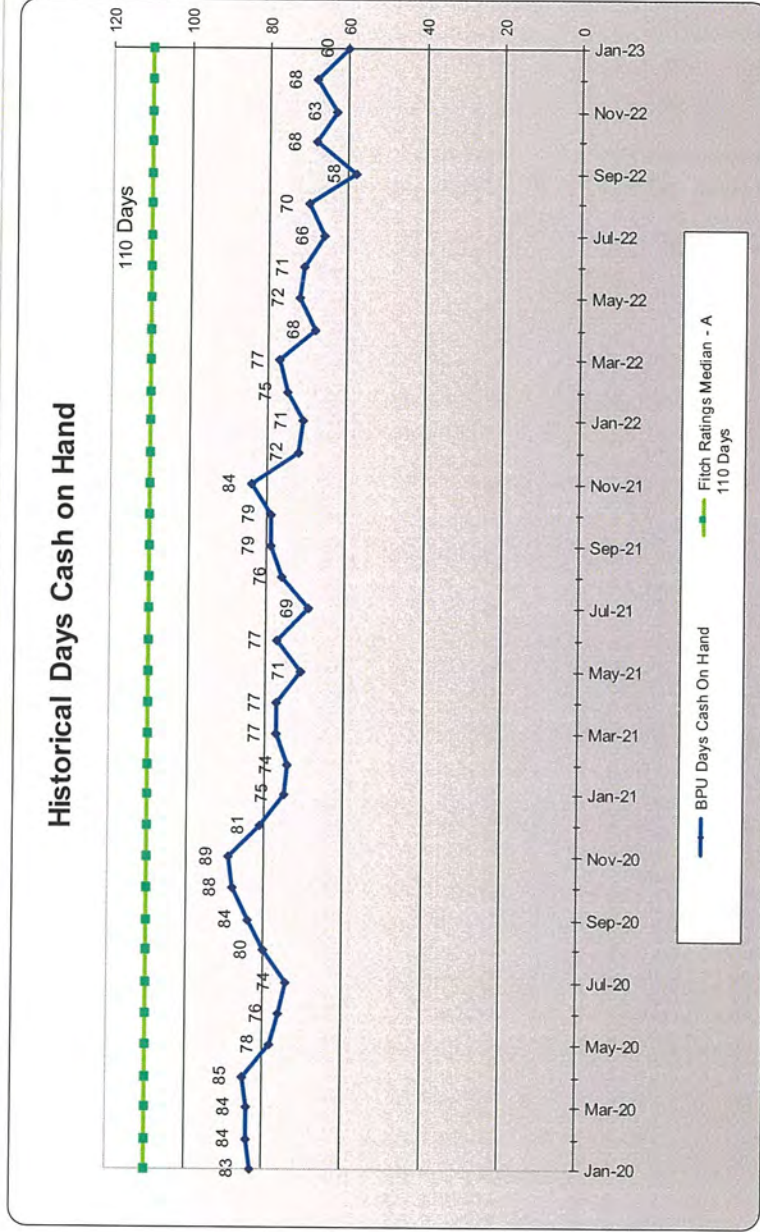
	(CY) 2023 January	(PY) 2022 January	2022 December
\$	38.94	\$ 44.13	\$ 44.56
	60	71	68

Combined (E&W)
Days Cash-on-Hand

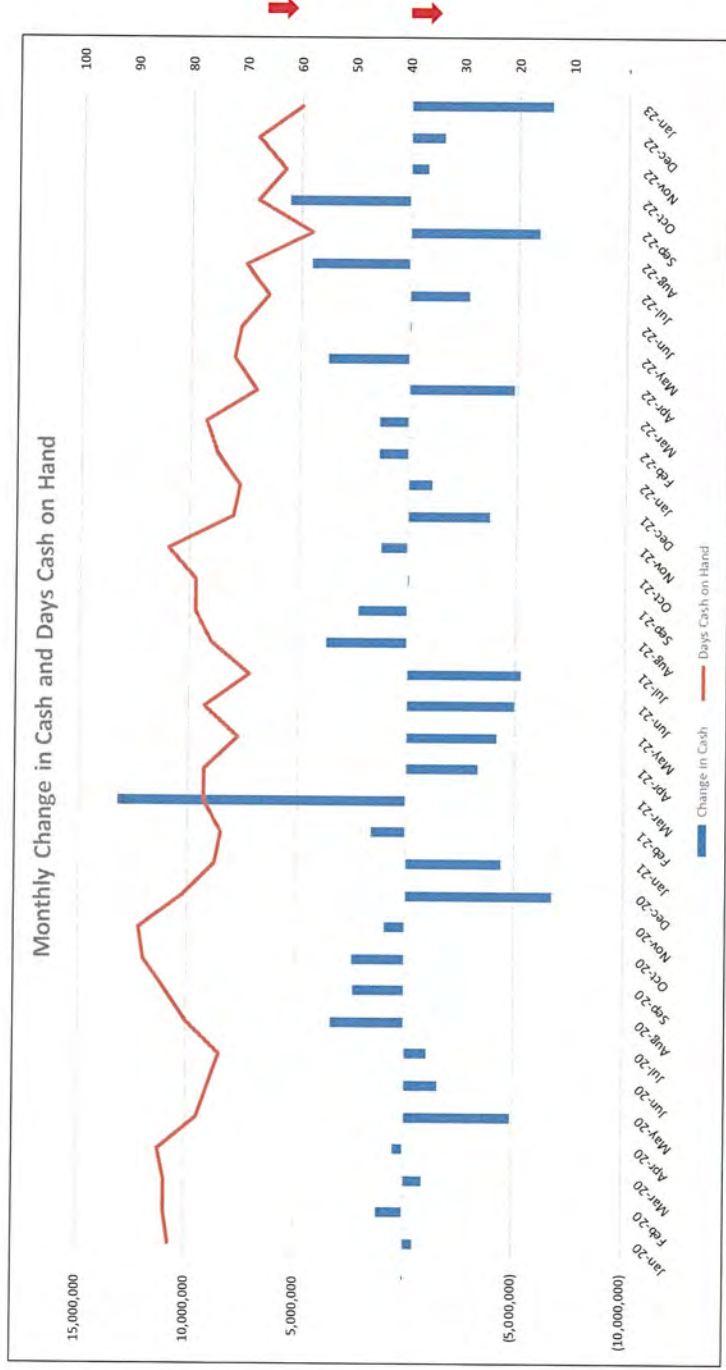
**Dollars in millions

1 Day = Approximately \$700K-\$750K
(Based on 12 month rolling average of expenses)

Financial Results



Financial Results



Balance Sheet: Notables

	(CY) 2023 January	(PY) 2022 January
Fuel Inventory	\$ 8.372	\$ 5.180
Bond Dollars 2016C (Elec T&D)	\$ 0.718	\$ 0.709
Bond Dollars 2020A (Elec)	\$ 0.808	\$ 6.205

Fuel Inventory
Bond Dollars 2016C (Elec T&D)
Bond Dollars 2020A (Elec)

**Dollars in millions



Financial Results

Capital Spending

	(CY) 2023 YTD	(PY) 2022 YTD	2023 Budget
Electric	\$ (0.05)	\$ 0.81	\$ 31.17
Water	0.42	0.26	24.71
Common	0.28	0.18	5.20
Total YTD Capital	\$ 0.65	\$ 1.24	\$ 61.08
			Remaining
			99%

Major projects in 2023:

- Fisher UG Feeders - \$310K
- Annual Underground - \$125K
- Annual Overhead - \$104K
- N1 SCR Catalyst Layer - \$80K
- Water Pump Station Controls - \$40K
- FEMIA Reimbursement-Electric - (\$632K)

**Dollars in millions



Financial Results

Debt Coverage

Debt Coverage with PILOT

	(CY) 2023 January	(PY) 2022 January
Electric	2.82	2.28
Water	2.19	1.95
Combined	2.91	2.41

Debt Coverage w/o PILOT

	(CY) 2023 January	(PY) 2022 January
Electric	2.11	1.69
Water	1.72	1.50
Combined	2.19	1.79

Financial Guideline Target 1.6 to 2.1 times with PILOT

N1 Market Operations

Josef Perez
Supervisor EMS Ops

- Why isn't Nearman Running???
- High Wind Generation
 - YTD has covered 44% of load on average
- Mild Temperatures
 - Reduces System Load
- Cheap Natural Gas
 - Gas units will get committed before coal





Henry Hub Natural Gas Spot Price

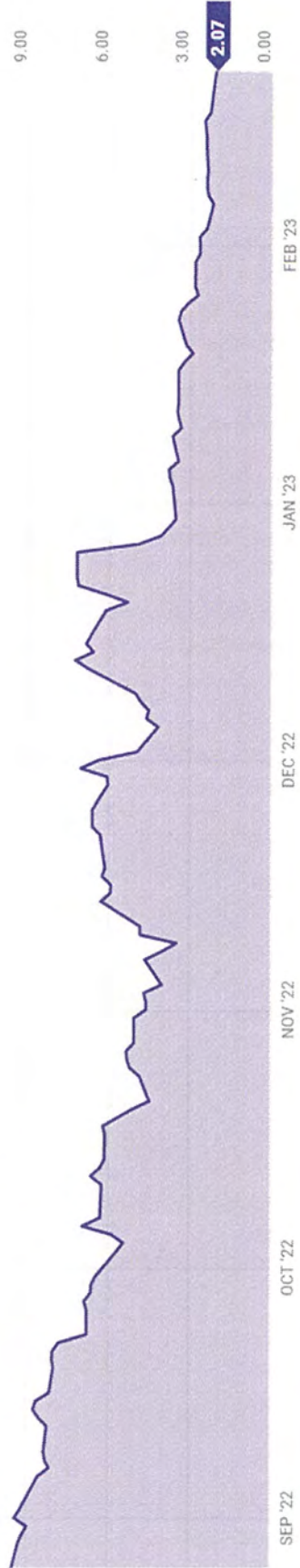
2.07 USD/MMBtu for Feb 22 2023

[Overview](#) [Interactive Chart](#)

Level Chart

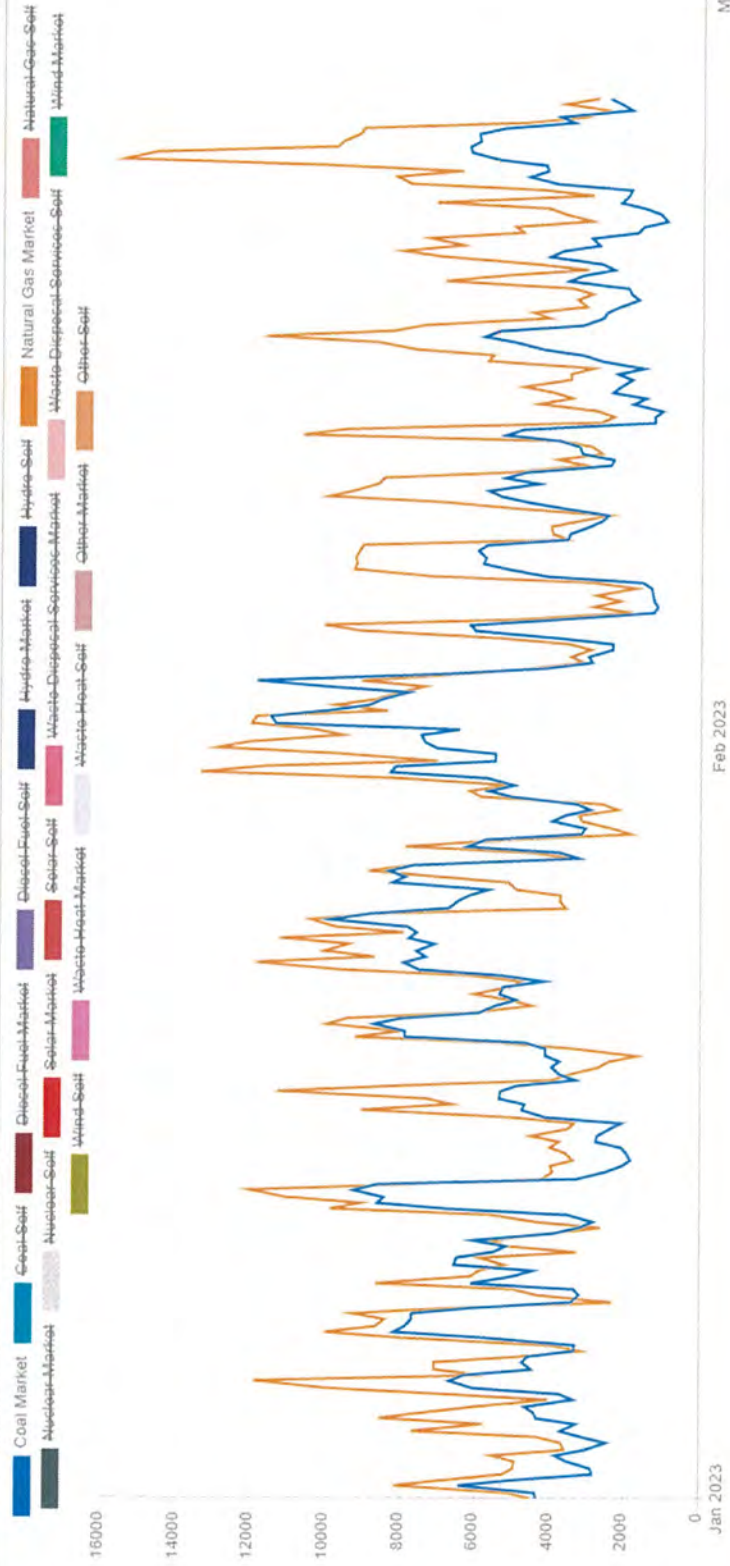
[VIEW FULL CHART](#)

1D 5D 1M 3M 6M YTD 1Y 3Y 5Y 10Y MAX





2023 YTD SPP Gas & Coal Market Commitments



- How do we offer N1 to SPP?
 - Market Commitment Status
 - Offer to sale Energy & Operating Reserve at our price
 - Make whole payment eligible
 - Units with cheaper commitment costs will be picked up first
 - Self Commitment Status
 - Take whatever price is given
 - No insurance costs will be covered

- Majority of time we're in Market Commitment Status



- Electric Supply will Self-Commit Unit at times
 - Support Transmission Outage
 - Voltage Support
 - Market Opportunities
- Electric Production will Self-Commit Unit as well
 - Required environmental and performance testing
 - Air slides (long idle time considerations)
 - Coal silo management
 - Extreme cold weather
 - Test run idle units, CT2, CT3





What are we doing

Flexible Market Operations:

- Evaluate and adjust SPP market offer parameters
- Actively manage fuel inventory, we have 4 options
- Find opportunities to turndown unit even further
- Focus on root causes fixes for de-rates
- Focus on start reliability
- Focus on cost management
- Focus on capital investment that has a positive value add
- Share market condition data to all employees

**NOTICE OF PUBLIC HEARING
ON
PROPOSED
ELECTRIC AND WATER REVENUE CHANGES
AND ELECTRIC RATE CHANGES**

**BOARD OF PUBLIC UTILITIES
OF THE UNIFIED GOVERNMENT OF
WYANDOTTE COUNTY/KANSAS CITY, KANSAS**

On June 14, 2023, at 7 p.m., a Public Hearing will commence at the Board of Public Utilities in the Board Room of its 540 Minnesota Avenue, Kansas City, Kansas location to present to the Board of Directors (the “Governing Body”) of the Board of Public Utilities and to Utility customers, the BPU staff's proposed changes and revisions to the BPU's Water and Electric Rates. Public comments concerning this proposal may be heard during the Public Hearing on June 14, 2023. The Public Hearing will continue commencing at 9:00 a.m. on June 15, 2023, at the same location, and public comments concerning this proposal may also be heard during the Public Hearing on June 15, 2023. Testimony on the technical aspects will follow the conclusion of the Public Hearing commenced at 9:00 a.m. on June 15, 2023, and will continue until concluded.

See the BPU website for virtual meeting access information.

The Governing Body will not make a decision on the proposed electric and water revenue changes until after the conclusion of the public hearing described in this Notice.

Financial data, supporting documents and analysis in possession of the BPU which substantiate the reasonableness of the proposed revenue revisions are available in the office of the Director of Accounting at the Board of Public Utilities, 540 Minnesota Avenue, Kansas City, Kansas 66101, (913) 573-9165.

BPU staff proposes the electric and water revenue revisions to (i) maintain financial integrity of water and electric operations in accordance with the BPU's policy and requirements of the Trust Indenture of the outstanding Bond issues and (ii) make certain other rate schedule adjustments indicated to be needed by the associated revenue and cost of service studies and other analyses which are underway in support of the proposed changes.

ELECTRIC

The BPU staff proposes modifications to the electric base rates which will increase electric operating revenues from base rates over two years from revenues received under current base rates. The BPU staff proposes to increase electric operating base rate revenues, on an annualized basis for each 12 month period beginning July 1 of each year commencing July 1, 2023, approximately 2.5% in 2023 and approximately 2.5% in 2024. The changes individual customers will experience may vary from the proposed annual increases, depending on the rates ultimately adopted to achieve the proposed total revenue increase.

The methods used in the electric analyses are in accordance with the industry accepted methods of allocating costs as kept in conformity with the Federal Energy Regulatory Commission's uniform system of accounts.

WATER

The BPU staff proposes modifications to the water rates which will increase water operating revenues over three years from revenues received under current rates. The BPU staff proposes to increase water operating revenues, on an annualized basis for each 12 month period beginning July 1 of each year commencing July 1, 2023, approximately 6.0% in 2023, approximately 6.0% in 2024 and approximately 6.0% in 2025. The changes individual customers will experience may vary from the proposed annual increases, depending on the rates ultimately adopted to achieve the proposed total revenue increase.

The methods used in the water analyses are in accordance with the industry accepted methods of allocating costs.

ELECTRIC RATE CHANGES

The BPU staff proposes additional changes to the Rate Application Manual relating to electric rates. The proposed changes include, but are not limited to, the following:

- Merging of the standard Residential and Residential Electric Heat classes into one residential class that reflects the rate design of the current residential electric heating rate.
- Continuing the trend of increasing the Customer Charge to reflect cost of service and recovery of more fixed costs through fixed charges.
- Modifying the Energy Rate Component (ERC) Rider to allow for additional recovery over costs to build and maintain an ERC Reserve Fund.
- Creating a new Green Rider for large Commercial and Industrial customers that want to procure energy with renewable attributes.
- Other language changes within the Rate Manual to align the language with current BPU practice.

INTERVENTION

Any affected Utility customer wishing to intervene, appear at the public hearing, present testimony of witnesses under oath, conduct cross examination of employees and representatives of the BPU, present oral arguments and file written briefs in support of said customer's position must file a petition for intervention pursuant to the Rules of Procedure for Rate Increase Hearing at least forty-five (45) days prior to the scheduled hearing date and file and serve exhibits, list of witnesses, and summaries of testimony and evidence at least thirty (30) days prior to the scheduled hearing date.

For information regarding this hearing, contact:

NAME: Randy Otting
TITLE: Director of Accounting
ADDRESS: 540 Minnesota Avenue, Kansas City, Kansas 66101
PHONE: (913) 573-9165
EMAIL: ratehearing@bpu.com

Please notify the Board of Public Utilities of any accommodation you may require, at (913) 573-9173.

MEMORANDUM

TO: BOARD OF PUBLIC UTILITIES
FROM: KATHY PETERS
DATE: FEBRUARY 23, 2023
RE: BPU RATE HEARING PROCEDURES

This Memorandum outlines the timing requirements needed for the BPU to approve changes to its rate structure under the Unified Government Charter Ordinance No. CO-5-01, as modified by Charter Ordinance No. CO-3-02, governing the BPU. The rate hearing provisions in the Charter Ordinance were copied from the Kansas statutes relating to BPU rates. The rate hearing provisions were added to the statutes governing BPU in 1982.

Section 21 of the Charter Ordinance provides as follows:

“Prior to the effective date of an increase in any rate fixed pursuant to the authority of Section 20, the Board shall hold a public hearing for the purpose of presenting to the public the findings of the Board supporting the reasonableness of the proposed rate increase. The findings shall include all pertinent financial data, supporting documents and analysis relating to the rate increase. Any affected utility customer may appear at the public hearing and present testimony of witnesses under oath, conduct cross-examination of employees and representatives of the Board, present oral argument and file written briefs in support of such customer’s position. Notice of the time and place of the public hearing and the amount of the proposed rate increase shall be given by publication in a newspaper of general circulation within the City at least 90 days prior to the public hearing. Not less than 90 days prior to the public hearing, the Board shall make available for review by any affected customer during regular business hours the financial data, supporting documents and analysis in possession of the Board which substantiates the findings supporting the proposed rate increase. The public hearing shall be conducted pursuant to procedures adopted by the Board not inconsistent with the provisions of this section. A transcript shall be made of the public hearing and copies of the transcript shall be made available to the public upon payment of the cost thereof. The public hearing may be continued by the Board from time to time and within five days after its completion, the Board shall fix such rates

as it deems justified pursuant to its findings and the evidence presented at the public hearing.”

Under the Charter Ordinance, BPU has to publish notice of a public hearing at least ninety (90) days before the hearing commences. At the time that the notice is published, the BPU staff and the BPU engineering consultants will have prepared the financial data, supporting documents and analysis which support the rate increase and rate design changes that the BPU staff will propose to the Board, and will have this information available for review by the public upon request as required by the Charter Ordinance.

There is a public portion and a technical portion of the rate hearing. A hearing officer will preside over the hearing and handle the functions of an administrative law judge. A court reporting service will record the proceedings.

At the public portion of the hearing, the staff and BPU consultants present staff's recommendation for adjustments to the rates and comments from the public are heard. There is generally an evening session and a morning session the following day for the public portion of the rate hearing.

In the technical portion of the hearing, technical testimony from the BPU staff and consultants, and from the intervenors if any party has filed a petition to intervene before the deadline for filing, is presented. The technical portion of the hearing generally begins at the conclusion of the morning public hearing. During the technical portion, parties will introduce pre-filed testimony, offer exhibits, and may cross-examine each other's witnesses and offer any other evidence felt necessary by each party.

Any affected Utility customer wishing to intervene, appear at the public hearing, present testimony of witnesses under oath, conduct cross examination of employees and representatives of the BPU, present oral arguments and file written briefs in support of said customer's position must file a petition for intervention.

The BPU Board approved revised Rules of Procedure for Public Hearing on Rate Increases in 2016. The Rules of Procedure require that a petition for intervention be filed at least seventy (70) days prior to the scheduled hearing date, unless the BPU agrees to a request by a Customer for an extension of time to file a petition to intervene. BPU staff is responsible to file the initial pre-filed written testimony of BPU staff and consultants when available, and is expected, but not required, to file such pre-filed written testimony not less than seventy (70) days prior to the scheduled date for commencement of the hearing. Intervenors are required to file data requests at least sixty (60) days prior to the scheduled hearing date; that time limit can be extended upon BPU's agreement. The Procedures require that intervenors file and serve pre-filed testimony, proposed exhibits, proposed witnesses, and summaries of testimony other than pre-filed testimony at least thirty (30) days prior to the scheduled hearing date; that time limit can be extended upon BPU's agreement. (Extension requests are approved or denied by the BPU staff, although a Customer can appeal to the hearing officer if the request was denied.) BPU staff can then file rebuttal testimony in response to the intervenors' testimony. The goal of these time requirements is to give more time for the BPU staff

and BPU consultants to have communications and exchanges of technical materials with intervenors and their attorneys and consultants about the specifics of the proposal in advance of the hearing, so that the positions of the parties are fully developed by the time of the hearing.

After completion of all public comment and technical evidence, the Hearing Officer will turn the proceedings over to the Board for decision. The Board will receive all the testimony and evidence presented in the hearing as well as final recommendations from the BPU staff and intervenors. The Board will not make a decision on the proposed electric and water revenue and rate design changes until after the conclusion of the public hearing.

Board members can, of course, attend all or any portion of the public hearing, and are encouraged to do so whenever possible. If a Board member cannot attend the entire hearing, it is not a problem, as the full transcripts of the proceedings prepared by the court reporter will also be provided to each Board member once the public comment and technical evidence is complete so that each Board member will have all of the evidence. Board members who attend the hearing will sit in the audience to listen to the evidence being presented, and will be introduced so that people will know that such Board members are there, but will not be called upon to participate in the hearing. The role of Board members comes at the end of the hearing, when the Board is called upon to make decisions. As decision makers, the Board members should refrain from expressing opinions about the proposed rates until all of the evidence has been presented during the public hearing and the proceedings have been turned over to the Board for decision.

The Charter Ordinance requires the Board to make a decision within five (5) days of the completion of the hearing. For that reason, the hearing is not concluded until the Board is ready to make a final decision. It is good practice to have the Board's final decision rendered in a written document that is presented to the Board for approval, such as an Order setting out the Board's findings and conclusions.

A party that has intervened and participated in the rate proceedings has the right to file suit in Wyandotte County District Court, no later than thirty (30) days after the final decision of the Board is rendered, seeking a review of the Board's decision. (Someone who simply presented a statement in the public hearing for or against the proposed rates but did not intervene in the proceedings is not a party and cannot file suit.) The court has the power to vacate or set aside the Board's decision if it determines the findings of the Board do not substantiate the reasonableness of the proposed rate increase or that the findings are contrary to law. There is also a provision allowing a rate increase to be stayed or suspended pending the outcome of the case, although the stay can be lifted if BPU objects and presents evidence as to the validity of its rate decision. In order for a stay to remain in place after the objection, the court must issue an order continuing the stay which contains "a specific finding based upon evidence submitted to the court and identified by reference thereto, that petitioner would probably prevail on the merits that the Board's rate decision was unlawful or unreasonable." There is also the possibility of an appeal to the court of appeals following the district court decision.

**KANSAS CITY, KANSAS
BOARD OF PUBLIC UTILITIES**

**RULES OF PROCEDURE
FOR
PUBLIC HEARING ON RATE INCREASES**

REVISED 2016

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KANSAS CITY, KANSAS
BOARD OF PUBLIC UTILITIES
RULES OF PROCEDURE
FOR
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ARTICLE I

PREFACE

The following rules of procedure (hereinafter referred to as “Rules”) before the Kansas City, Kansas Board of Public Utilities (hereinafter referred to as the “Board”) were promulgated and adopted by the Board on April 15, 1981, and revised from time to time, including as approved on August 17, 2016. These Rules are issued under the authority contained in Charter Ordinance No. CO-5-01, as may be amended and supplemented from time to time (the “Charter Ordinance”) of the Unified Government of Wyandotte County/Kansas City, Kansas (the “Unified Government”). These Rules apply to rate consideration proceedings conducted pursuant to the Charter Ordinance.

The purpose of these Rules is to govern the proceedings which are required for the consideration of utility rate increases for water and/or electricity.

Nothing in these Rules limits, modifies or changes the existing procedures of the Board at its regular sessions pursuant to the Charter Ordinance, the laws of the State of Kansas and the General Rules and Regulations of the Board of Public Utilities of Kansas City, Kansas.

It is the policy of the Board that records and prepared studies and analyses of its operations which are relevant to the rate considerations are open to public inspection upon reasonable request. However, accounts of individual customers are the private and confidential information of the customer which will not be released without the notarized written consent of the customer.

All communications should be addressed to the Office of the Secretary of the Board (or other BPU office as indicated by the BPU in connection with a rate hearing proceeding), Board of Public Utilities, 540 Minnesota Avenue, Kansas City, Kansas 66101.

ARTICLE II

CODE OF ETHICS

Any person who signs any filing, petition, motion or brief, appears at a proceeding, or transacts business with the Board or its designated Hearing Officer in the rate hearing proceeding agrees to comply with the laws of this state and these Rules; to maintain due respect to the Board or its Hearing Officer; and never to mislead the Board or its Hearing Officer or BPU staff by an artifice or false statement of fact or law. Any person who, on behalf of another interest or interests, signs any filing, petition, motion or brief, appears at a proceeding or transacts business with the Board, the Hearing Officer or BPU staff, by such act represents that he or she is authorized to do so. Any person violating these Rules may be excluded, at the discretion of the Hearing Officer, from the rate hearing, and any presentation, written or oral testimony made in violation of these Rules may be stricken from the record in the Proceeding.

ARTICLE III

DEFINITIONS

As used in these Rules:

A. “Board” means the Board Members of the Kansas City, Kansas Board of Public Utilities.

B. “BPU” means the Kansas City, Kansas Board of Public Utilities and its staff serving Kansas City, Kansas.

C. “Customer” means any person, entity, state or federal agency to which electric energy or water is sold by BPU.

D. “Hearing Officer” refers to the Board President or any person designated by the Board to preside at a Proceeding.

E. “Intervenor” means any affected utility customer who intervenes in the Proceeding and presents testimony of witnesses under oath, conducts cross-examination of employees and representatives of the BPU, presents oral argument and files written briefs in support of such utility customer’s position.

F. “Limited Appearance” means an appearance at which a person other than an Intervenor may present a written statement or make an oral statement of position.

G. “Party,” solely for purposes of these Rules, means BPU staff or any Intervenor who has been granted status as a Party, but excludes any person making a Limited Appearance. This definition is not intended to alter, and shall not be deemed to alter, the definition of “Party” contained in the Charter Ordinance and the rights and obligations of such a “Party” as set forth in the Charter Ordinance.

H. “Person” means an individual, corporation, governmental agency, association, partnership, or any other legal or commercial entity.

I. “Proceeding” means a public hearing on a utility rate increase under Kansas law of which notice to the public and to Customers is given, is open to the public and is conducted pursuant to these Rules.

J. “Writing” means electronic writing, handwriting, typewriting, printing, photostating, photographing, and every means of recording, including letters, words, pictures, sounds or symbols, or any combination thereof, and all papers, maps, magnetic or punch cards, discs, drums, or other forms of recorded communication.

ARTICLE IV

NOTICE REQUIREMENTS

Notices to Public: Notices of a Proceeding, when given for the purpose of informing the public of proposed rate increases, shall:

(1) Be given by publication in a newspaper(s) of general circulation in Kansas City, Kansas, not less than ninety (90) days prior to commencement of the Proceeding. Additional means may be adopted by the Board to notify the public of the Proceeding.

(2) Include the time and place of the public hearing and the amount of the proposed rate increase.

ARTICLE V

REQUIREMENTS FOR ALL FILINGS

Section A. Form and Size: All documents tendered for filing with the Board shall be in Writing. Written documents shall be on one side of the paper only and shall be double spaced, except that footnotes and quotations may be single spaced. Multipage documents shall be bound or stapled on the left side. Reproductions may be made by any process, provided all copies are clearly and permanently legible. All pleadings filed with the Board by or on behalf of an Intervenor shall be signed by the Intervenor or its legal counsel and include the Intervenor's name and address, and if applicable the legal counsel's name and address.

Section B. Title: All documents presented for filing with the Board shall show the caption for the Proceeding and title of the document.

Section C. Copies: There shall be filed with the Board an original and three conformed copies of petitions to intervene and motions for compliance with discovery if said motions are filed. Unless otherwise provided, there shall be an original and one copy of all other documents submitted for filing with the Board.

Section D. Filing Method: Unless otherwise provided, all documents submitted for filing with the Board shall be filed at the Office of the Secretary of the Board, Board of Public Utilities, 540 Minnesota Avenue, Kansas City, Kansas 66101. Filings may be made by mail by enclosing the document in a sealed envelope addressed as above and depositing it with the United States Postal Service with first class postage prepaid. Documents may be signed and filed electronically by electronically submitting the document to such email address as indicated by the BPU in connection with a Proceeding. All documents filed electronically shall include the words "Filed Electronically" on the first page of the document.

Section E. Time of Filings for Formal Docket: Filings will be accepted for docketing if such filings are received at the Office of the Secretary of the Board or other BPU office as indicated by the BPU in connection with a Proceeding on or before 5:00 P.M. on the date such filing is due.

Filings tendered by mail after said due date which are postmarked at least two days prior to the due date for filing will be accepted for docketing if received no later than one day following the due date. Filings tendered by express mail with guaranteed one day delivery will be accepted for docketing if they are tendered by express mail with guaranteed one day delivery and mailed at least one day prior to the due date. Filings tendered electronically are deemed filed at the time received by the BPU.

Section F. Service of Process – Method of Service: All filings, documents, communications, notices, or demands as between Intervenors, shall be served as follows: (a) Service may be provided by mail by enclosing the document(s) in a sealed envelope deposited with the United States Postal Service with first class postage prepaid on or before the time specified for service, provided that such document is received as provided in Section E above; (b) Service may be provided by mailing the document(s) by express mail with guaranteed one day delivery on or before the time specified for service, provided that such document is received as provided in Section E above; (c) Notwithstanding the provisions of (a) and (b) above, service may be provided by personal delivery of the document(s) to a Party or at such Party's mailing address on or before the time specified for service.

Section G. Computation of Time: Unless otherwise provided, when the period is stated in days, exclude the day of the event that triggers the period, count every day, including intermediate Saturdays, Sundays and legal holidays, and include the last day of the period. If the last day of the period is a Saturday, Sunday or legal holiday, the period continues to run until the end of the next day that is not a Saturday, Sunday or legal holiday.

ARTICLE VI

PARTIES TO THE PROCEEDING

Section A. Requirements for Intervention: All affected Customers may file a petition to intervene. Petitions to intervene should be filed with the Office of the Secretary of the Board or other BPU office as indicated by the BPU in connection with a Proceeding.

Section B. Petitions to Intervene; Form: The petition to intervene shall be in writing; shall set forth the name, address and telephone number of the person to whom communications regarding the petition are to be sent; shall identify the Parties to the petition and their interests in the Proceeding; shall state the position of the Parties with respect to the proposed rate increase; and shall set forth in summary form the representations the Parties expect to make at the Proceeding regarding the issues to be presented therein. Petitions to intervene shall comply with the requirements of filings set forth in Article V. (See, e.g., Appendix A, attached hereto.) The Hearing Officer in special cases and on a showing of good cause may waive any requirement of this rule; provided that consent by BPU to an extension of time to file a petition to intervene as described in the following paragraph is a requirement for such extension.

Petitions to intervene must be filed not less than seventy (70) days prior to the scheduled date for commencement of the Proceeding, unless the BPU agrees to a request by a Customer for an extension of time to file a petition to intervene.

Section C. Rulings on Petitions to Intervene: Leave to intervene will be granted to any affected Customer or such person's authorized representative that files a timely petition to intervene.

Section D. Intervenors: Formal participation in the Proceeding shall be limited to BPU staff and to Intervenors and others who have been granted status of being a Party and who shall have the full rights and duties of active participation. Intervenors and Parties shall have, but not necessarily be limited to, the following rights: to present testimony, to cross examine employees and representatives of the BPU, to present oral argument and file written briefs, and to ask, at the discretion of the Hearing Officer, clarifying questions of participants without intervention. The duties of Intervenors include, but are not necessarily limited to, the following: to file a timely petition to intervene, to provide other Intervenors and Parties with exhibits, names of witnesses, and summaries of proposed testimony prior to the Proceeding, to provide to other Intervenors and Parties, upon request, information relevant to the issue to which his or her intervention relates, to attend preliminary conferences which may be held by the Hearing Officer, and to be present for the entire Proceeding(s) on the matter(s) on which he or she is intervening.

Section E. Limited Appearances: In any Proceeding, written comments may be submitted, or an appearance may be made without filing a formal petition, if there is full disclosure of the identity of the presenter and of the persons or entities in whose behalf the appearance or comments are to be made, if the interests and positions of such persons or entities are stated fairly, and if the contentions are relevant to the issues presented in the Proceeding. Persons making Limited Appearances may be asked clarifying questions, as permitted by the Hearing Officer, by Parties only; and, persons making Limited Appearances do not have a right to advance distribution of testimony and exhibits, or a right to question or cross examine Parties or Intervenors.

All comments submitted by persons making Limited Appearances shall be included in the record of the Proceeding for consideration by the Board. For this purpose, they are encouraged, though not required, to submit written copies of their comments prior to or immediately following the verbal presentation.

A person or entity in whose behalf a Limited Appearance is made in this manner may participate in the Proceeding to the degree indicated by the Hearing Officer.

Section F. Hearing Officer - Duties, Responsibility and Authority: The Hearing Officer shall apply and enforce these Rules and shall make any determination of construction or interpretation thereof as may be necessary to assure that the substantive rights of the Parties are preserved and protected. He or she shall conduct the course of the Proceeding efficiently and expeditiously so that a clear and concise record of evidence in the Proceeding shall be developed. He or she shall, upon request of the Board, furnish it with a summary of the evidence of the record in any Proceeding; and, at the request of the Board or any Board Member, shall provide assistance as requested by the Board in the preparation of a written decision setting forth a determination by the Board.

The Hearing Officer may set dates of proceedings, and control the course thereof; administer oaths; receive evidence; examine and call witnesses; hold appropriate conferences

before or during proceedings; rule on all objections, motions and petitions; receive offers of proof; hear arguments and fix the time for proceedings and filings of briefs and written comments. He or she may take such other action as may be necessary and appropriate to the discharge of his or her duties consistent with the laws of the State of Kansas.

To avoid unnecessary cumulative or repetitive evidence, the Hearing Officer may limit the number of witnesses or the time for testimony upon a particular issue.

Section G. Rulings by the Hearing Officer: Rulings by the Hearing Officer on the admissibility of evidence, all objections and motions, including but not limited to motions for continuance, motions for compliance with discovery, postponement, or extension of time are subject to review, modification or reversal by the Board.

ARTICLE VII

ACCESS TO INFORMATION

Section A. Preliminary Conference: The Hearing Officer may hold a preliminary conference for the purposes of formulating or simplifying the issues, arranging for the delivery or exchange of proposed exhibits, witnesses, or summaries of testimony, limitation of number of witnesses, and such other matters as may expedite orderly conduct and disposition of the Proceeding.

Section B. Exchange of Evidence: Except as may be provided at a preliminary conference or by directive set forth by the Hearing Officer, pre-filed testimony, proposed exhibits, witnesses, and summaries of testimony shall be filed with the Office of the Secretary of the Board or other BPU office as indicated by the BPU in connection with a Proceeding and served upon all the Parties in the Proceeding as follows:

(1) The BPU shall make available all pertinent financial data, supporting documents, and analysis relating to the rate increase on the date the public notice of the Proceeding is issued.

(2) BPU staff shall file the initial pre-filed written testimony of BPU staff and consultants when available, and is expected, but not required, to file such pre-filed written testimony not less than seventy (70) days prior to the scheduled date for commencement of the Proceeding.

(3) Intervenors shall file and serve, in accordance with Section F of Article V, pre-filed testimony, proposed exhibits, proposed witnesses, and summaries of testimony other than pre-filed testimony not less than thirty (30) days prior to the date scheduled for the Proceeding; provided, however, that the time limit may be extended upon agreement of the BPU.

(4) BPU staff may file rebuttal testimony, which if filed is expected but not required to be filed not less than ten (10) days prior to the date scheduled for the Proceeding.

This Rule shall apply to Intervenors only and not to persons making Limited Appearances.

Section C. Discovery: All discovery shall be pursuant to the provisions of Article VII of these Rules. No subpoenas or orders for the taking of formal depositions shall be issued.

Section D. Informal Discovery: Any Intervenor in a Proceeding shall have access to information available to other Intervenors to the Proceeding if such information is relevant to the issues to which his or her intervention in such Proceeding relates. BPU staff shall have access to information available to an Intervenor in a Proceeding if such information is relevant to the issues to which such Intervenor's intervention in such Proceeding relates. No Intervenor shall deny any such information or data in his or her possession to another Intervenor or to BPU staff upon reasonable request or demand of the latter. Any artifice or design by an Intervenor intended to forestall a Party from being able to obtain or make use of such information or data at the Proceeding is inconsistent with the requirements of the Code of Ethics prescribed in Article II, and the Intervenor may be subject to the Sanctions prescribed therein. It is expected that Parties will make their requests informally upon another Party as early as possible, and in no event later than the time required for a formal discovery request, in order to permit the responding Party ample time to collect the information and data requested.

Section E. Formal Discovery: The remaining Sections in this Article provide a formal means for enforcing the right of an Intervenor to obtain information and data from BPU or from another Intervenor or for BPU staff to obtain information and data from an Intervenor upon reasonable demand. However, formal discovery rights will not be granted unless it is demonstrated that reasonable and timely efforts were made to secure discovery informally pursuant to Section D.

Section F. Formal Demand for Information: Formal demand for information or data, or for inspection of documents from a Party shall be in writing, showing good cause for the production of the matters described in such demand, specifying the exact matters desired to be produced or inspected, setting forth in full detail the relevance thereof to the issues involved in the Proceedings, and stating that the Party being served has the desired matters in his or her possession or under his or her control. Such demand shall be personally served upon the Party on whom demand is made or delivered to the designated mailing address or electronic delivery address, and a copy thereof shall be filed with the Office of the Secretary of the Board or other BPU office as indicated by the BPU in connection with a Proceeding.

Section G. Timeliness for Formal Demand: Timely demand upon BPU staff shall be made not less than sixty (60) days prior to the scheduled date of the Proceeding; provided, however, that the time limit may be extended upon agreement of the BPU.

Timely demand upon any Intervenor shall be made not less than thirty (30) days prior to the scheduled date of the Proceeding; provided that such demand shall be timely if made within ten (10) days after such Intervenor files its testimony pursuant to Section B (3) above even if less than thirty (30) days prior to the scheduled date of the Proceeding. However, upon good cause being shown the Hearing Officer may grant leave to file formal discovery requests described in this paragraph after the time provided herein.

Section H. Timeliness to Provide Information: A Party shall endeavor to provide a response to a reasonable and timely formal discovery demand within twenty (20) days of the demand. Data, information or inspection reasonably and timely demanded of BPU staff shall be provided to the Intervenor making such reasonable and timely demand during regular business hours not less than seven (7) days prior to the scheduled date of the Proceeding, subject to Section I below. Data, information or inspection reasonably and timely demanded of an Intervenor shall be provided to the Party making such demand during regular business hours not less than seven (7) days prior to the scheduled date of the Proceeding, subject to Section I below.

Section I. Inability to Comply with Discovery: If a Party has been served with a reasonable and timely demand with which he or she cannot comply within the time prescribed in Section H, he or she shall notify the requesting Party personally or by telephone as soon as possible and in any event no later than the applicable date set forth in Section H, and concurrently shall in Writing set forth the facts and circumstances which prevent such compliance in a communication delivered to the designated mailing address or electronic delivery address of the requesting Party, and shall file a copy with the Office of the Secretary of the Board or other BPU office as indicated by the BPU in connection with a Proceeding and with the Hearing Officer.

Section J. Hearing for Compliance with Discovery: A Party who has been denied information or data demanded under these Rules may request a hearing by the Hearing Officer, by stating that the information, data or inspection demanded will not be provided within the time prescribed in these Rules, and notifying the Party upon whom the demand was made and the Hearing Officer personally or by telephone of the request for a hearing.

Section K. Ruling on Motion for Compliance: The Hearing Officer shall have the authority to grant or deny any request for a hearing, subject to the provisions of these Rules. The Hearing Officer, after investigation, review of the pleadings, and the hearing of oral arguments, if any, shall rule on the motion for compliance with discovery and shall notify the Parties concerned by telephone or in Writing of such ruling. Any such ruling is subject to review, modification or reversal by the Board as provided in Article VI, Section G above. Failure by any Intervenor to comply with a ruling or order of the Hearing Officer, or of the Board, is inconsistent with the Code of Ethics prescribed in Article II, and the Intervenor may be subject to the sanctions prescribed therein.

ARTICLE VIII

PROCEEDINGS AND DOCKETS

Section A. Secretary's Formal File: The Board Secretary or his or her delegate shall maintain a file of documents filed pursuant to these Rules which shall be open for public inspection during normal business hours between 8:00 A.M. and 5:00 P.M. Monday through Friday, at 540 Minnesota Avenue, Kansas City, Kansas 66101.

Section B. Rejection of Documents: Documents which are not in substantial compliance with these Rules, Board directives or applicable laws and statutes may be rejected. If rejected, such documents will be returned with an indication of the deficiencies therein. Tendered documents which have been rejected shall not be entered upon the docket. Acceptance of a document for filing shall not be construed by any Party as a determination that the document complies with all requirements of the Board, and is not a waiver of such requirements. The Board, the Secretary of the Board or his or her designee or the Hearing Officer may require amendments of a document.

Section C. Opening: At the opening of the Proceeding, the Hearing Officer shall introduce or caused to be introduced for the record the public notice of the Proceeding and proof of its publication. The Hearing Officer shall also name for the record the Intervenors. The Hearing Officer shall name for the record the persons making Limited Appearances, as such persons speak.

Section D. Order of Presentation: Subject to the discretion of the Hearing Officer, the order of presentation shall be as follows:

PUBLIC PORTION OF PROCEEDING

- (1) Opening statements by Parties (as to any Party in attendance at the Public Portion of the Proceeding).
- (2) BPU staff presentation.
- (3) Limited Appearances.

TECHNICAL PORTION OF PROCEEDING

- (4) BPU staff presentation and presentation of reports by consultants.
- (5) Presentations by Intervenors.
- (6) BPU and/or Intervenors rebuttal.

The Hearing Officer may set reasonable time limits for oral statements and presentation of documents, and may exclude or limit cumulative, repetitious or immaterial evidence.

Section E. Record of Proceeding: A record of the Proceeding shall be kept by a court reporter or by a reliable recording device, and a written transcript of such Proceeding, in whole or in part, shall be made available at the cost of reproduction.

ARTICLE IX

EVIDENCE

Section A. Form and Admissibility: Although technical rules of evidence need not be applied, the substantive rights of the Parties shall be preserved.

Section B. Objections: When objections or motions to strike are made to the admission or exclusion of evidence, the grounds relied upon shall be stated briefly. Formal objections to rulings are unnecessary and need not be taken.

Section C. Offer of Proof: An offer of proof for the record shall consist of a statement of the substance of the evidence to which objection has been sustained. The Hearing Officer may ask an Intervenor to summarize such Intervenor's proposed testimony so that the Hearing Officer may determine whether the testimony is appropriate.

Section D. Witnesses: Witnesses shall testify under oath or affirmation. At the time of testifying the witness shall have in his possession and available for inspection any Writing upon which his testimony relies.

Section E. Documentary Evidence: If relevant and material matter in evidence is included in a document containing other matters, the Party offering it shall designate specifically the portion so offered. If other matter in the document would unnecessarily encumber the record, the document will not be received in evidence. However, the Hearing Officer may authorize a copy of the relevant and material portion of the matter to be received as an exhibit. Other Parties shall be afforded opportunity to examine the entire document and to offer in evidence copies of other portions thereof believed to be relevant and material.

ARTICLE X

RULES

These Rules shall be liberally construed to secure just, speedy and inexpensive determination of the issues presented. In special cases and for good cause shown, the Hearing Officer may permit deviations from the Rules. Rules may be amended, revoked or modified at any time by the Board without notice.

ARTICLE XI

BOARD DETERMINATION

A. Decision: Within five (5) days after the completion of the public hearing, the Board shall fix such rates as it deems justified pursuant to its findings and the evidence presented at the public hearing.

B. Service of Board Determinations: Board determinations shall be made available for public inspection in the Board Secretary's file of the proceedings (Section E of Article VIII). Board determinations shall be served on the Intervenors in the Proceeding by the Secretary of the Board or his or her designee by mail. Service pursuant to this Rule may also be accomplished by personal delivery of a copy.

ARTICLE XII

CONTINUANCES

The Proceeding may be continued from time to time by the Hearing Officer or the Board until all Parties and persons making Limited Appearances have had an opportunity to make their relevant presentations and until the Board has had an opportunity to make its determinations.

APPENDIX A

JOHN Q. ATTORNEY
SMITH, SMITH, AND SMITH, INC.
1234 5th Street
Kansas City, Kansas

(913) 123-4567

ATTORNEY FOR ABC COMPANY

KANSAS CITY, KANSAS BOARD OF PUBLIC UTILITIES

RATE HEARING

PETITION TO INTERVENE

The ABC Company hereby notices its intention to intervene in the Kansas City, Kansas Board of Public Utilities rate increase hearing.

The ABC Company is a utility customer of the Kansas City, Kansas Board of Public Utilities.

It is the position of the ABC Company that the Kansas City, Kansas Board of Public Utilities should/should not adopt the proposed rate increase. In its intervention the ABC Company will show that:

- 1.
- 2.
- 3.

These Rules of Procedure for Public Hearing on Rate Increases are hereby approved as of September 26, 2016.

BOARD OF PUBLIC UTILITIES OF THE
CITY OF KANSAS CITY, KANSAS

By: Don L. Gray
Don L. Gray, General Manager

Approved as to Form:

Kathryn P. Peters
Attorney for the Board of Public Utilities
Kathryn P. Peters, Kutak Rock LLP

TO: General Manager

FROM: Glen Brendel
(Division Manager)

DATE: March 15, 2023

SUBJECT: Budget Transfers

DESCRIPTION AND REASON FOR TRANSFER:

Transfer is to fund discovery work on CT 4. Need off site primary and secondary nozzle cleaning by vendor to remove debris found during an on site bore scope inspection. Off site cleaning will allow unit to operate without observed poor combustion that creates OTC spreads beyond the allowable limit.

FROM	1	2	3
Project Budget	104050	104051	104054
Project Description	AQC Air Slide Blowers	Automation of SH spray isol vlvs	Crusher/Dryer replacement
Task Number			
Task Project Description			
Operating Unit	Electric	Electric	Electric
Department	1410	1410	1410
Class (If operating expense)			
Amount	\$300,000	\$100,000	\$100,000

TO	1	2	3
Project Budget			
Project Description			
Task Number			
Task Project Description			
Operating Unit	Electric		
Department	1401-51500		
Class (If operating expense)	4310		
Amount	\$500,000		

IF THE TRANSFER INVOLVES A PROJECT, THE PROJECT NUMBER MUST BE SPECIFIED ABOVE.

GENERAL MANAGER APPROVAL

DATE

CC: Corporate Accounting

CT4 Fuel Nozzles



Key Topics

- NOx control
- Permit Limits for Similar Machines
- Historical view of NOx Performance
- Brief History of Combustion Problems
- Current Combustion Problems - Debris
- Options
- Potential Impact

What is DLN

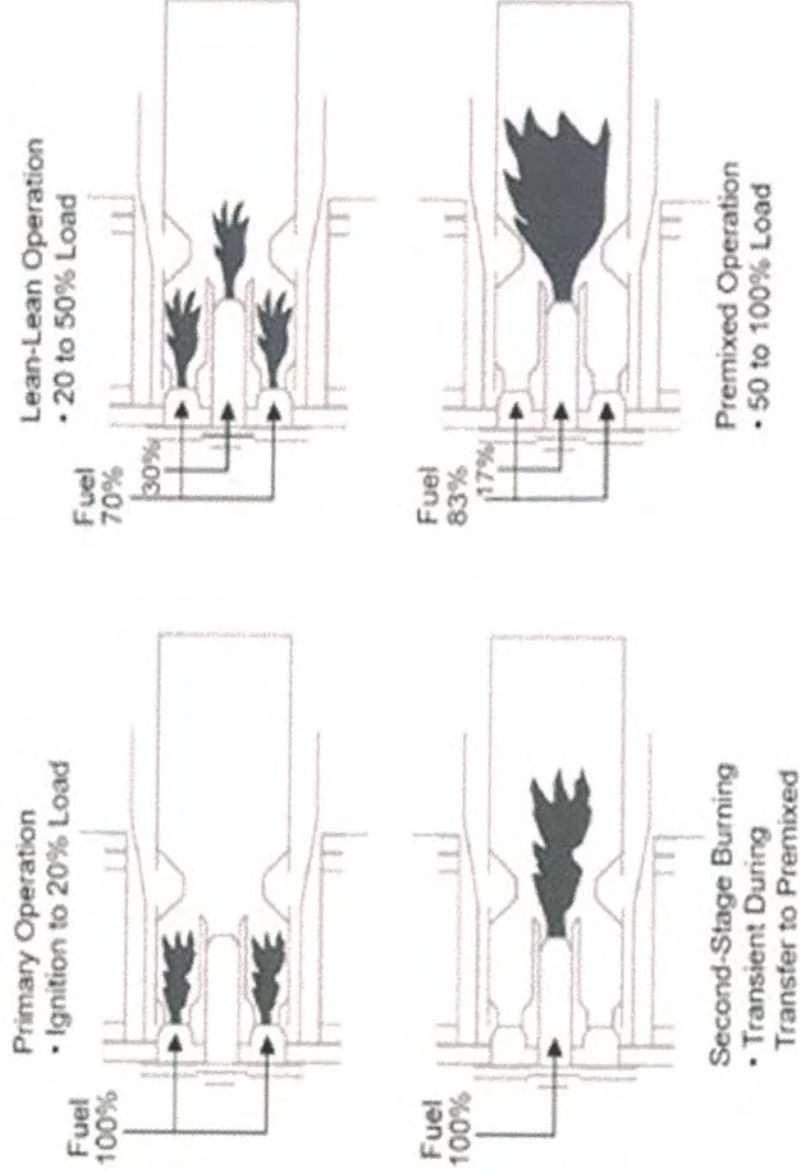


Fig. 2. Fuel-Staged Dry Low NO_x Operating Modes

Examples of other DLN permit limits

Table 2: NO_x emission limits.

Number of Permits	NO _x Emission Limit (ppm)
37	<9.0
51	9.0
106	<15.0
11	15.0
117	<25.0
10	25.0
5	>25.0

This table confirms the trend towards single digit NO_x emissions. For certain gas turbines, NO_x emission rates ≥ 9 ppm can be met using LPM combustors. Permit limits less than 9 ppm require the application of post combustion controls.

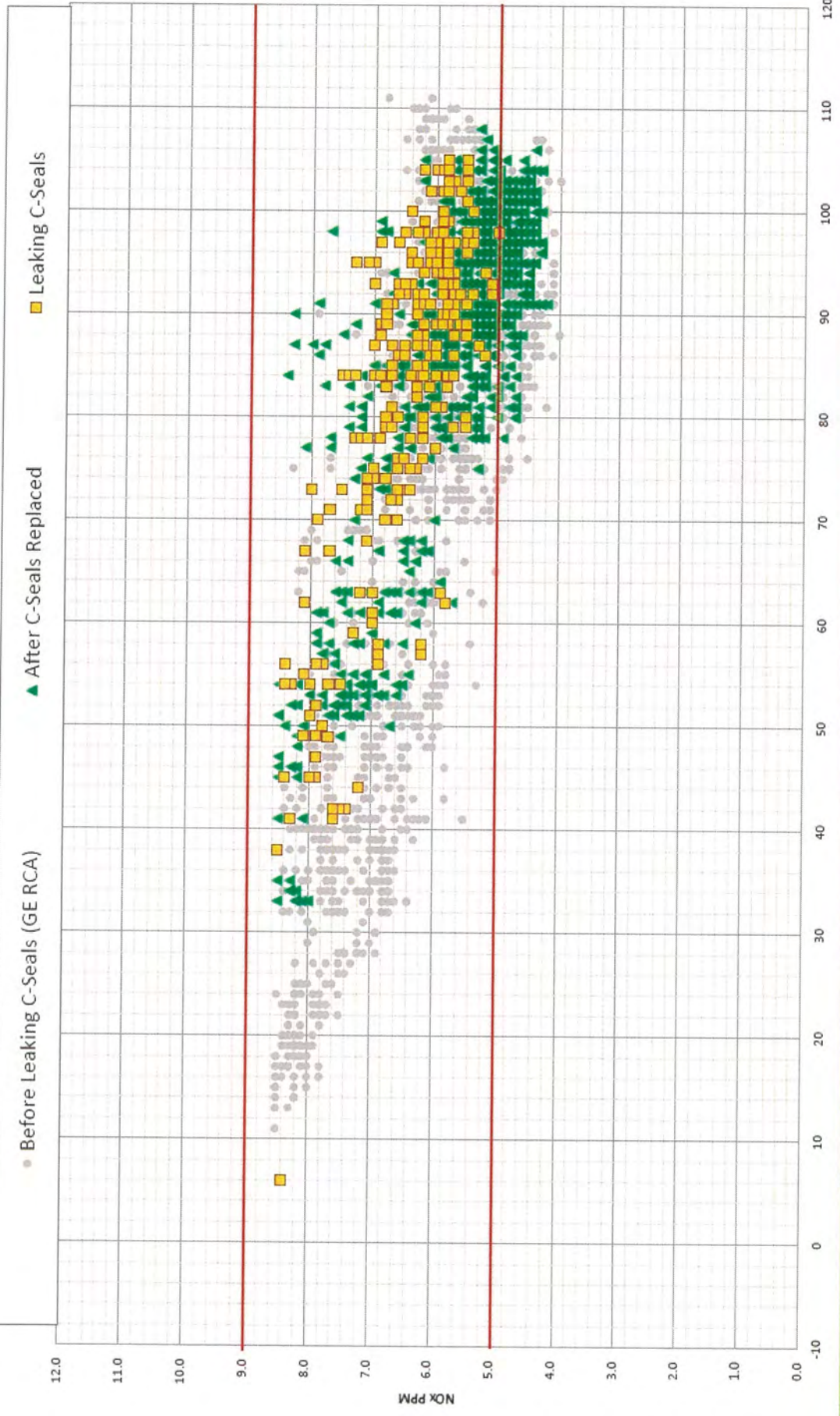
EPAs RACT/BACT/LAER Clearinghouse data from 2005





CT4 NOx vs Ambient Temp 2008-2023

Hourly data
Filtered for: Natural Gas Operation and MW > 50
Removed Bad (very low) NOx data in 2009, 2010 and 2011



CT4 Combustion Problems History

- Fall 2015 – CT4 Combustion Inspection
- Fall 2017 – Began to see CT4 Emissions problems
 - NOx ~ 1ppm higher than normal & Exhaust Temperature Spreads ~ 40°F higher than normal
- Fall 2018 – CT4 Fuel Nozzle Refurbishment
 - High NOx and Exhaust Temperature Spreads persisted
- Fall 2018 – Notified from GE that a fleet-wide RCA was underway.
- Fall 2019 to 2020 – CT4 Fuel Nozzle Refurbishment
 - GE Refurbished Nozzles according to new, corrected shop methods that resulted from the RCA.
 - Causes of problems above since 2017:
 - Primary Fuel Nozzle C-seals Over-crushed
 - Primary Fuel Nozzle Metering Orifices Chamfered

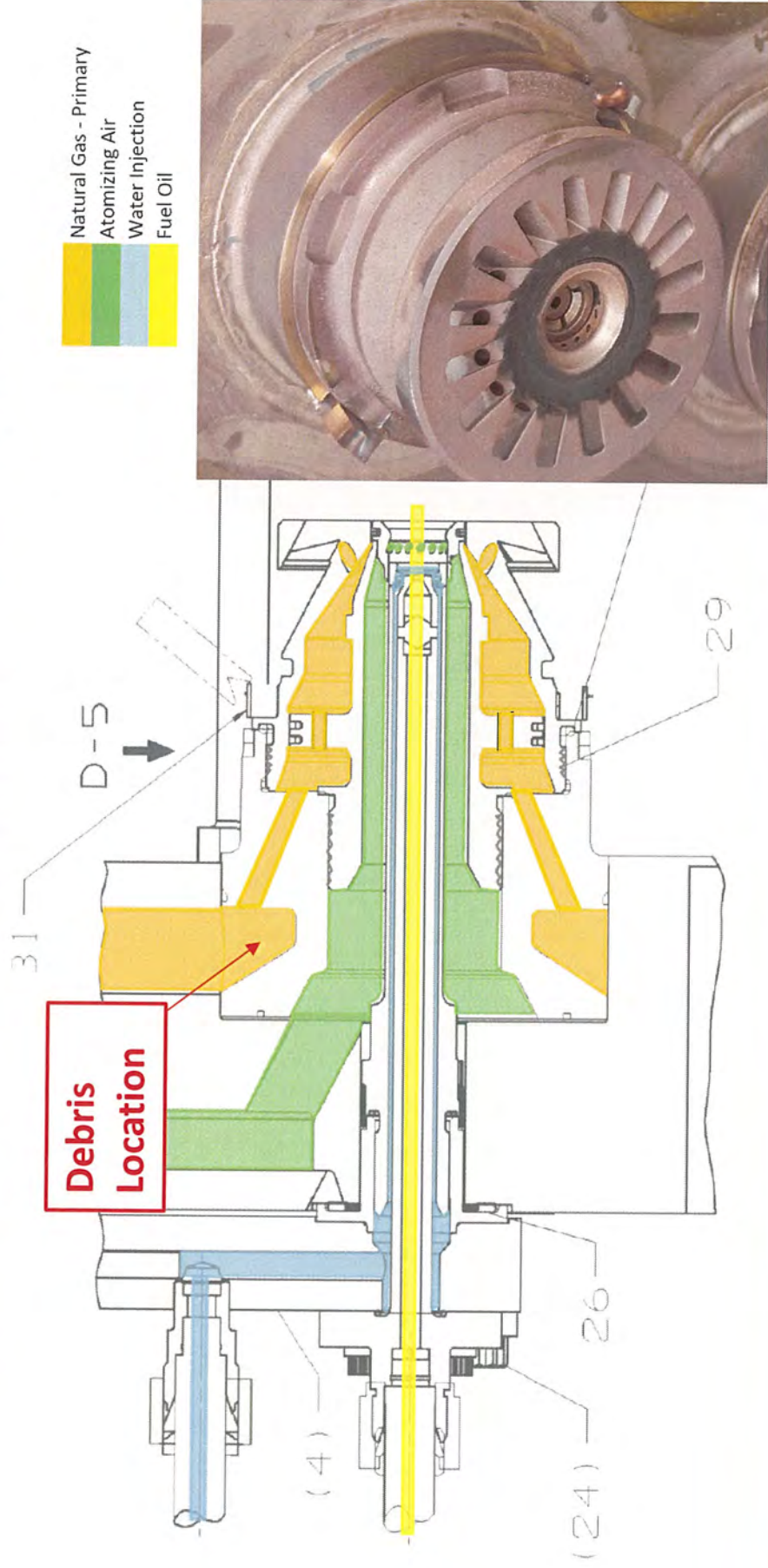
Present CT4 Combustion Problems

- Fall 2022 – High Exhaust Temperatures Spreads, Debris found in Primary Nozzles. Examples below:



CT4 Combustion Problems

Best-effort Fuel Nozzle Cleaning Onsite



CT4 Options for Debris Removal

- CT4 Shop Fuel Nozzle Cleaning
 - Estimates:
 - \$500,000
 - 11 week outage
- CT4 Purchase New Primary & Secondary Fuel Nozzles
 - Future capital request FY 2025/2024 for new Fuel Nozzles
 - Investigating option for combustion can modifications to support instrumentation upgrade to utilize Auto Tune. (investigating benefits with other Auto Tune type DLN users)
 - 52 week lead time

Questions?

