WORK SESSION MINUTES – WEDNESDAY, NOVEMBER 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 Work Session on Wednesday, November 1, 2023 at 5:00 PM. The following Board Members were present: Rose Mulvany Henry, President; Thomas Groneman, Vice President; Jeff Bryant, Mary Gonzales and David Haley. Robert L. Milan, Secretary was absent.

Also present: William Johnson, General Manager; Angela Lawson, Acting Chief Counsel; Lori Austin, Chief Financial Officer/Chief Administrative Officer; Jeremy Ash, Chief Operating Officer; Johnetta Hinson, Executive Director Customer Service; Jerry Sullivan, Chief Information Officer; Dennis Dumovich, Director of Human Resources; Randy Otting, Director Accounting; Chris Stewart, Director Civil Engineering; 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 meeting to order at 5:04 PM.

Roll call was taken. All Members were present, expect for Mr. Milan.

Item #3 -Approval of Agenda

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

Item #4 -Board Update/GM Update

Mr. Groneman attended the Public Works and Safety meeting, however, there were not any topics pertaining to BPU on the agenda.

Mr. Haley made a comment regarding a task force being formed concerning the continuation or dissolution of the Unified Government. There was discussion regarding the task force and how it could affect BPU.

Ms. Angela Lawson, Acting Chief Counsel, stated that no Unified Government (UG) employee or elected official could promote the change of the structure of government. She confirmed she would request guidance for the elected Board members from the Ethics Administrator.

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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

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

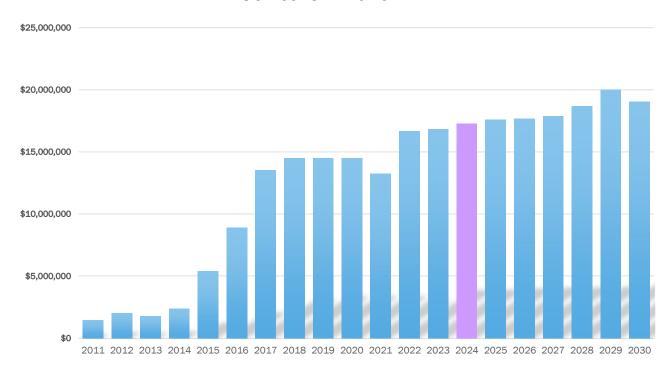
ENERGY RATE COMPONENT BASE				
Year	Period	Rate		
2018	JAN THRU MAR	\$0.032590		
2018	APR THRU JUN	\$0.032540		
2018	JUL THRU SEP	\$0.032480		
2018	OCT THRU DEC	\$0.035990		
2019	JAN THRU MAR	\$0.033040		
2019	APR THRU JUN	\$0.032980		
2019	JUL THRU SEP	\$0.032110		
2019	OCT THRU DEC	\$0.032650		
2020	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)

		ESC
Year	De	ebt 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

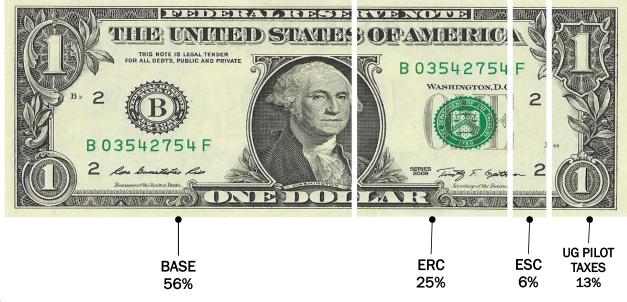
Annual Debt Service Related to the ESC

• ESC Peaks in 2029

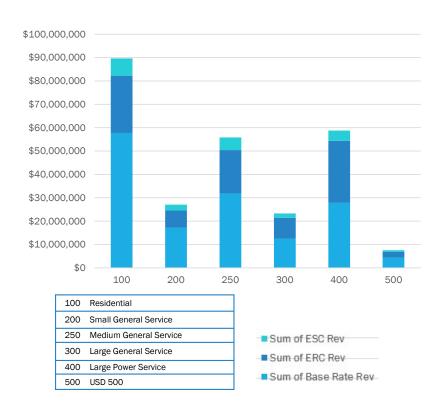


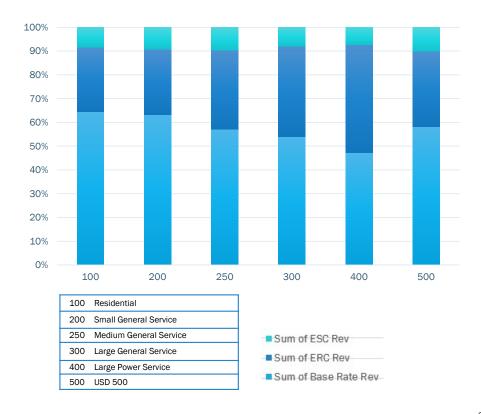
BREAKDOWN OF ELECTRIC BILL

BILLING COMPONENTS					
	Tax Exemptions		0.0	00%	
	DAYS OF BILL			30	
	PRORATED		100.0	00%	
	Actual KWH		811		
			TOTAL	% of Bill	
Base	Customer Charge	\$	24.00	17%	
Base	Energy Charge (1st 1,000 Kwh)	\$	56.05	39%	56%
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%	



2024 BILLING COMPONENTS BY RATE CODE





2024 REVENUE FORECAST - INPUTS



ELECTRIC RETAIL LOAD / KWH

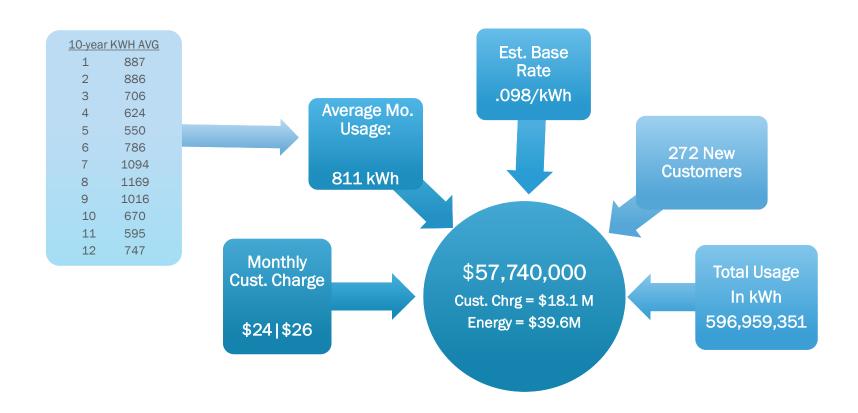


ELECTRIC ASSUMPTIONS

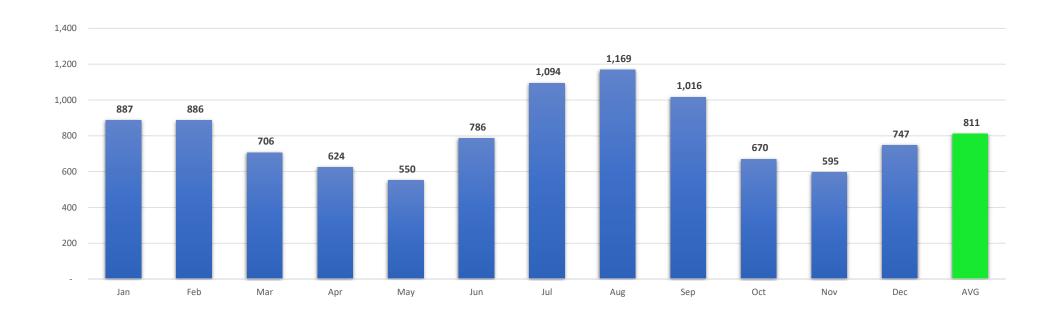
AVG NO. CUSTOMERS/BILLS

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	

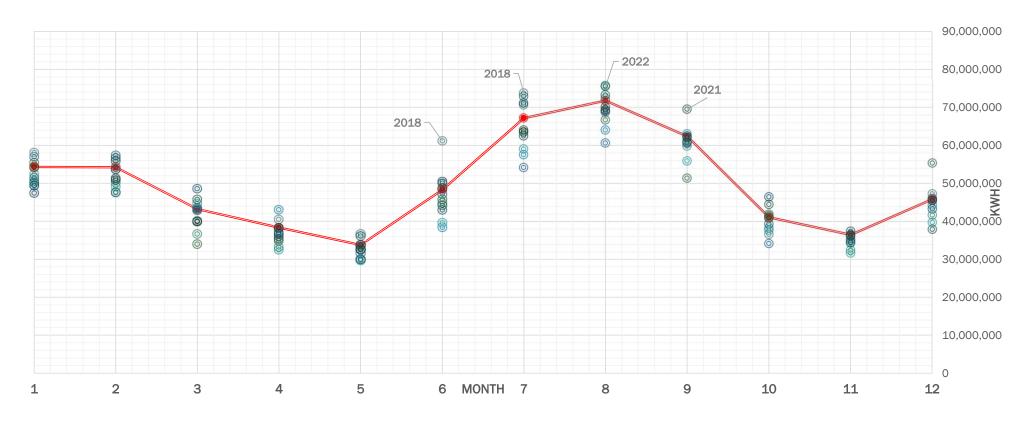
ELECTRIC RESIDENTIAL ASSUMPTIONS FOR 2024 – BASE RATES



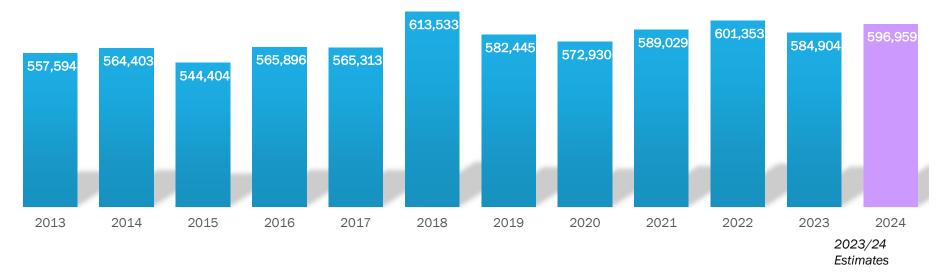
RESIDENTIAL MONTHLY AVERAGE ENERGY (KWH) BY MONTH



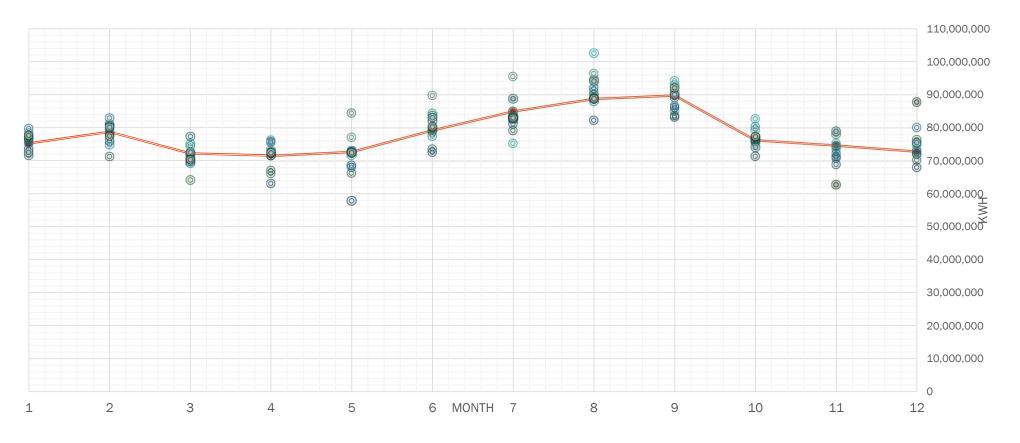
RESIDENTIAL KWH - 2013 THRU 2024



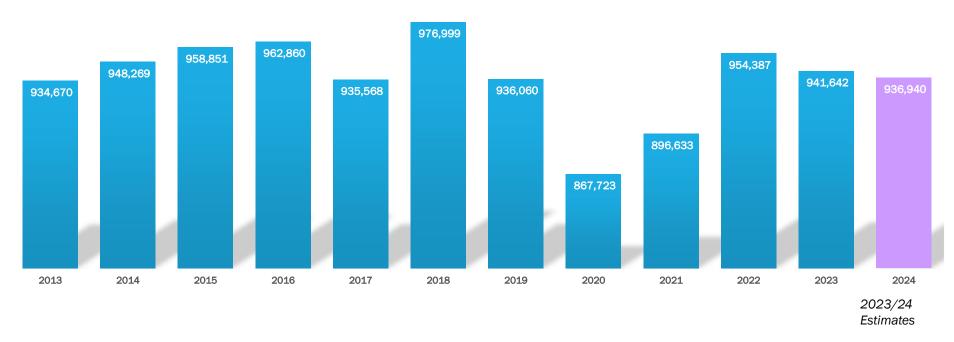
RESIDENTIAL LOAD FORECAST MEGAWATT HOUR (MWH)



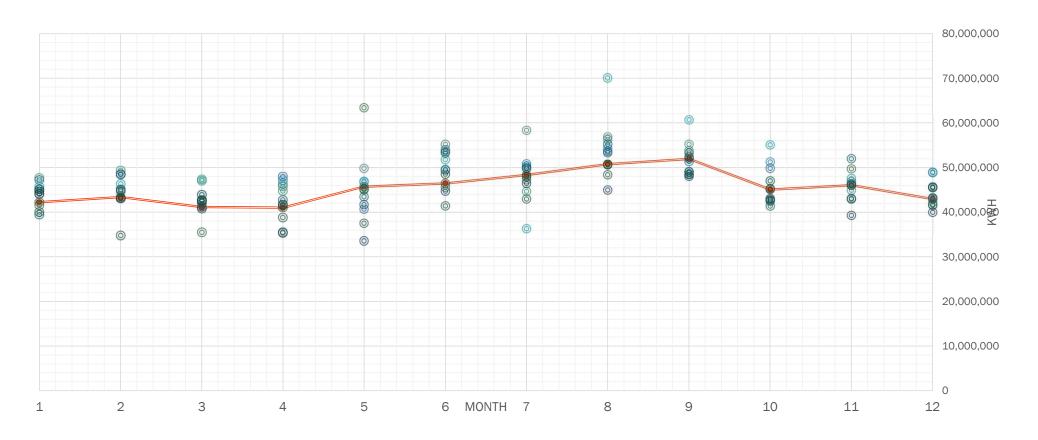
COMMERCIAL KWH - 2013 THRU 2024



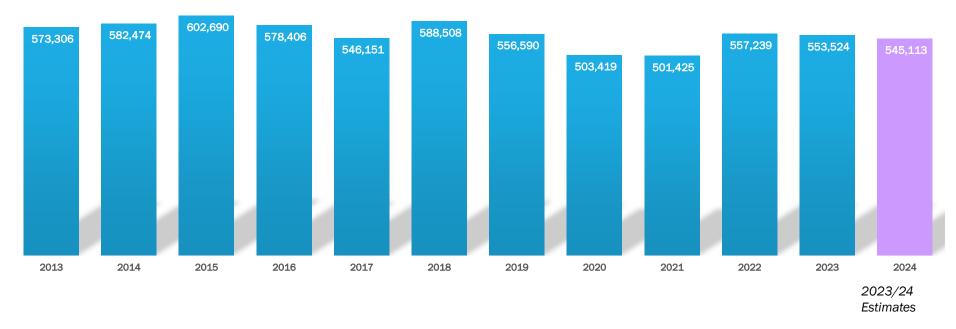
COMMERCIAL LOAD FORECAST MEGAWATT HOUR (MWH)



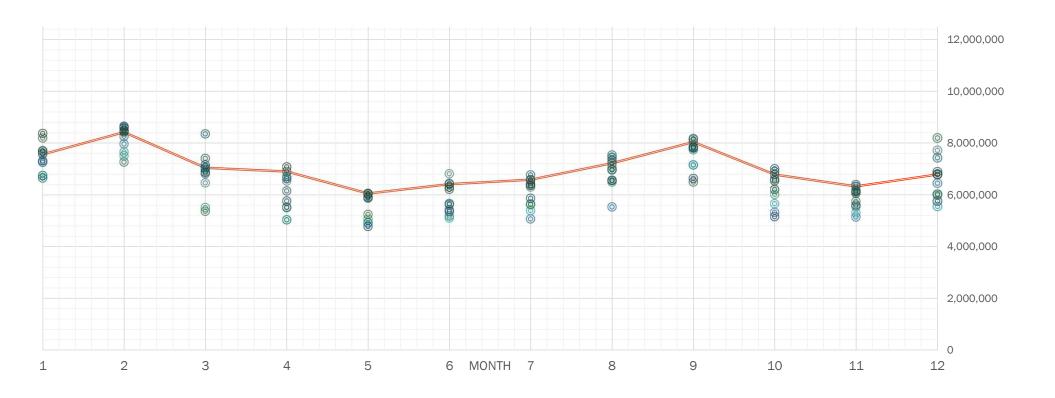
INDUSTRIAL KWH - 2013 THRU 2024



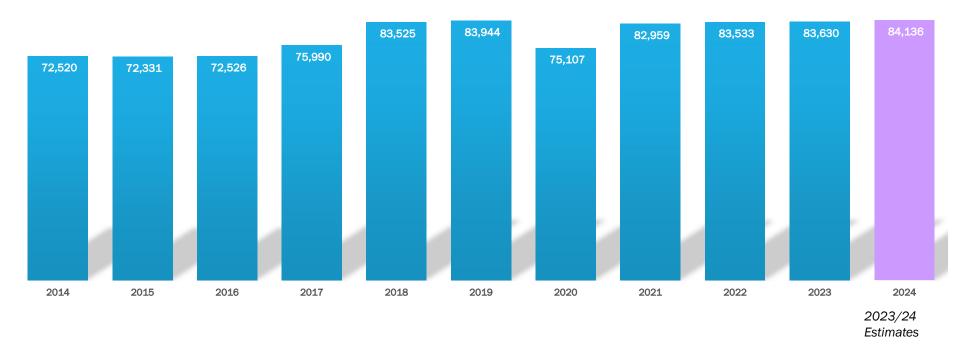
INDUSTRIAL LOAD FORECAST MEGAWATT HOUR (MWH)



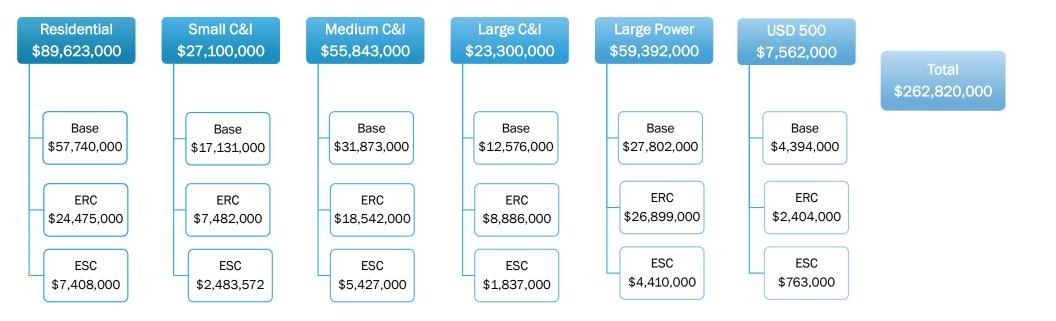
SCHOOLS KWH - 2014 THRU 2024



SCHOOLS LOAD FORECAST MEGAWATT HOUR (MWH)



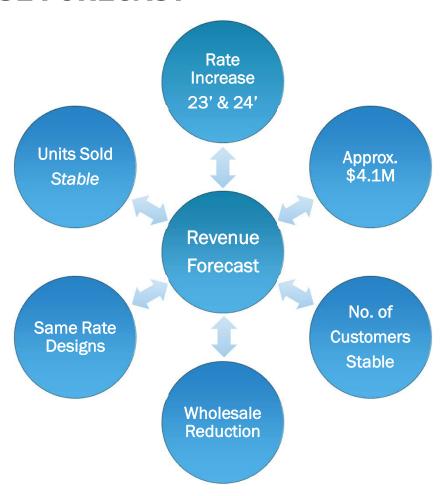
RETAIL RATES 2024



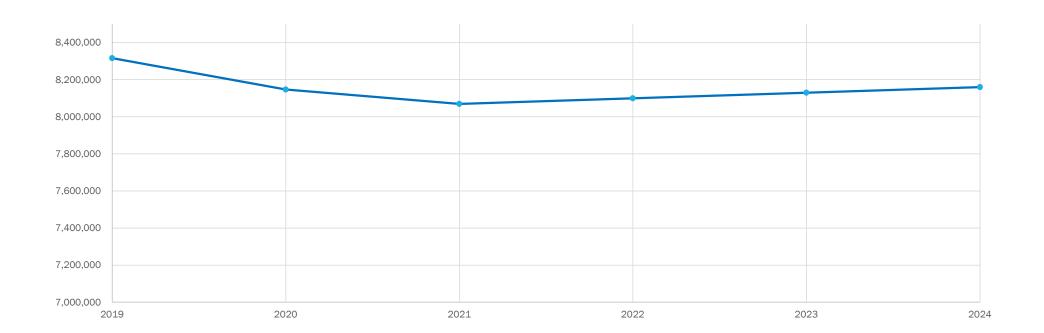
2024 ELECTRIC ESTIMATE

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

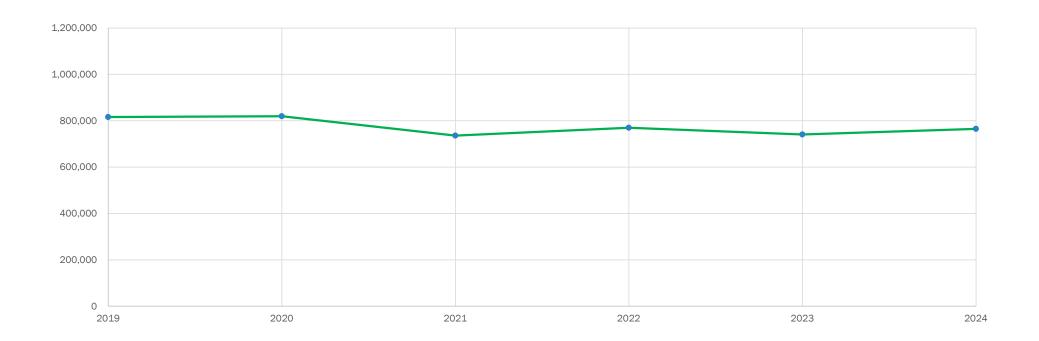
2024 WATER REVENUE FORECAST



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