

WORK SESSION MINUTES – WEDNESDAY, JUNE 22, 2022

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, June 22, 2022 at 5:00 P.M. The following Board Members were present: Mary Gonzales, President; Rose Mulvany Henry, Vice President; Thomas Groneman, Secretary; Jeff Bryant and David Haley. Robert L. Milan was absent.

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; Jeremy Ash, Executive Director Electric Operations; Dong Quach, Executive Director Electric Production; Maurice Moss, Executive Director Corporate Compliance; Jerry Sullivan, Chief Information Officer; Dennis Dumovich, Director of Human Resources; Andrew Ferris, Director Electric Supply Planning; Mark Masloski, Meter Data Management System Analyst; and Robert Kamp, IT Project Manager.

A tape of this meeting is on file at the Board of Public Utilities.

Ms. Gonzales called the meeting to order at 5:00 P.M.

Roll call was taken, all Board Members were present with the exception of Mr. Haley, who arrived at 5:02 P.M. and Mr. Milan who was absent.

Item #3 – Approval of Agenda

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

Item #4 – Board Update/GM Update

Mr. Groneman spoke on his attendance at the American Public Power Association (APPA) National Conference. He stated that overall the conference was very informative, even though a lot of information was presented about how unsettled the industry was at this time.

Ms. Gonzales spoke on her attendance at the American Water Works Association (AWWA) National Conference. She was able to see more into the inner working of how leak detectors worked which was very interesting and went to sessions which included topics on diversity and leadership.

WORK SESSION MINUTES – WEDNESDAY, JUNE 22, 2022

STATE OF KANSAS)
) SS
CITY OF KANSAS CITY)

Mr. Johnson also attended the APPA conference and spoke about FEMA and working with the dual state situation we could find ourselves in being so close to Kansas City, MO.

Item #5 – Cold Weather Rule

Ms. Johnetta Hinson, Executive Director Customer Service and Mr. Mark Masloski, Meter Data Management System Analyst gave a presentation to the Board to show the comparisons between the current policy, the proposed policy, and the KCC policy. They also looked at the revenue impact of each. (See attached).

Ms. Hinson and Mr. Masloski answered questions from the Board.

Item #6 – Yard II Economic Development Fund Request

Mr. Bryant reported that the Economic Development Committee had looked at the fund request made by a development company to build apartments on the Kansas side of the West Bottoms. The cost to ultimately get utilities in place for the project would be far above what their request for funds would be. The Committee did not feel that it fit BPU's policy criteria.

During discussion, it was clarified that the Committee would report to the full Board and make its recommendation, but whatever that recommendation was, the request would always go before the full Board for a vote.

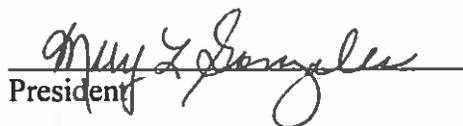
Item #7 – Adjourn

A motion was made to adjourn the Work Session at 5:57 P.M. by Mr. Groneman, seconded by Mr. Bryant, and unanimously carried.

ATTEST:


Secretary

APPROVED:


President

Cold Weather Policy Analysis

June 22, 2022

Current Policy Wording

Current

During the period of November 1st through March 31st, KCBPU will not disconnect Residential electric customers for non-payment of bills when the National Weather Service forecasts the temperature will remain at or below 32 degrees Fahrenheit for 24 hours. KCBPU will check the weather forecasts daily between 8:00 AM and 9:00 AM. Water service can be disconnected at any time.

Winter '18-'19 Disconnect Days

Month	# of Potential Disconnect Days	# of Days Disconnects Worked
November '18	15	11
December '18	14	12
January '19	17	11
February '19	16	9
March '19	16	14
Totals	78	57

- Potential Disconnect Days are BPU working days of Monday – Thursday; Holidays have been removed from counts.

Winter '19-'20 Disconnect Days

Month	# of Potential Disconnect Days	# of Days Disconnects Worked
November '19	14	13
December '19	14	12
January '20	16	15
February '20	16	13
March '20*	18	18
Totals	78	71

- Potential Disconnect Days are BPU working days of Monday – Thursday; Holidays have been removed from counts.
- COVID Moratorium impacted the days disconnects worked in the winter of '19-'20.
 - For yearly consistency, the count of days (both potential and worked) includes days that would have had disconnects worked had the moratorium not been in place.

* COVID Moratorium began March 16, 2020.

Winter '20-'21 Disconnect Days

Month	# of Potential Disconnect Days	# of Days Disconnects Worked
November '20	15	15
December '20**	15	13
January '21**	15	13
February '21**	16	8
March '21**	19	19
Totals	80	68

- Potential Disconnect Days are BPU working days of Monday – Thursday; Holidays have been removed from counts.
- COVID Moratorium impacted the days disconnects worked in the winter of '20-'21.
 - For yearly consistency, the count of days (both potential and worked) includes days that would have had disconnects worked had the moratorium not been in place.

** COVID Moratorium began December 15, 2020 and lasted the rest of the “winter” months.

Winter '21-'22 Disconnect Days

Month	# of Potential Disconnect Days	# of Days Disconnects Worked
November '21	16	16
December '21	14	14
January '22	16	12
February '22	16	12
March '22	19	17
Totals	81	71

- Potential Disconnect Days are BPU working days of Monday – Thursday; Holidays have been removed from counts.

Disconnect Days Worked Past Four Winters

Winter	# of Potential Disconnect Days	# of Days Disconnects Worked
'18 - '19	78	57
'19 - '20*	78	71
'20 - '21**	80	68
'21 - '22	81	71
Totals	317	267

- Potential Disconnect Days are BPU working days of Monday – Thursday; Holidays have been removed from counts.
- COVID Moratoriums impacted the days disconnects worked in the winters of '19-'20 and '20-'21.
 - For yearly consistency, the count of days (both potential and worked) includes days that would have had disconnects worked had the moratorium not been in place.
- Over the past four winters, BPU has disconnected on 84% of the potential disconnect days.

* COVID Moratorium began March 16, 2020.

** COVID Moratorium began December 15, 2020 and lasted the rest of the “winter” months.

Policy Wording

Current

During the period of November 1st through March 31st, KCBPU will not disconnect Residential electric customers for non-payment of bills when the National Weather Service forecasts the temperature will remain at or below 32 degrees Fahrenheit for 24 hours. KCBPU will check the weather forecasts daily between 8:00 AM and 9:00 AM. Water service can be disconnected at any time.

Reviewed Policy Wording

Current

During the period of November 1st through March 31st, KCBPU will not disconnect Residential electric customers for non-payment of bills when the National Weather Service forecasts the temperature will remain at or below 32 degrees Fahrenheit for 24 hours. KCBPU will check the weather forecasts daily between 8:00 AM and 9:00 AM. Water service can be disconnected at any time.

KCC

A utility can't disconnect you when the temperature is forecasted to drop below 35 degrees Fahrenheit within the following 48-hour period, except in certain circumstances.

Proposed

During the period of November 1st through March 31st, KCBPU will not disconnect Residential electric customers for non-payment of bills when the National Weather Service forecasts the temperature will be at or below 32 degrees Fahrenheit in the next 24 hours. KCBPU will check the weather forecasts daily between 8:00 AM and 9:00 AM. Water service can be disconnected at any time.

Reviewed Policy Wording

Current

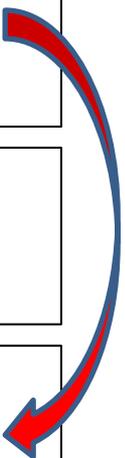
During the period of November 1st through March 31st, KCBPU will not disconnect Residential electric customers for non-payment of bills when the National Weather Service forecasts the temperature will **remain** at or below 32 degrees Fahrenheit ~~for~~ 24 hours. KCBPU will check the weather forecasts daily between 8:00 AM and 9:00 AM. Water service can be disconnected at any time.

KCC

A utility can't disconnect you when the temperature is forecasted to drop below 35 degrees Fahrenheit within the following 48-hour period, except in certain circumstances.

Proposed

During the period of November 1st through March 31st, KCBPU will not disconnect Residential electric customers for non-payment of bills when the National Weather Service forecasts the temperature will **be** at or below 32 degrees Fahrenheit **in the next** 24 hours. KCBPU will check the weather forecasts daily between 8:00 AM and 9:00 AM. Water service can be disconnected at any time.



Analysis Assumptions

- For the Proposed policy wording, looked at that day's High Temperature and the next day's Low Temperature.
- The low temperature occurred in the hours from midnight until 8:00am.
- The number of disconnects worked for the KCC and Proposed results are based upon the number of disconnects worked that day.
- Revenue Impact was determined from the average amount due of open Residential disconnect orders pulled every Monday.
 - For January 2021, Residential disconnect orders were canceled due to the moratorium, so used an average amount due of \$200. This amount is less than the averages of all other months reviewed.
- For days/months when we were in the moratorium, an average disconnect count of 200 accounts per day was used.

Winter 2018-2019

Month	# of Potential Disconnect Days	# of Days Disconnects Worked	KCC # of Days Disconnects Worked	Proposed # of Days Disconnects Worked
November '18	15	11	1	3
December '18	14	12	0	2
January '19	17	11	0	1
February '19	16	9	0	0
March '19	16	14	8	11
Number of Days Disconnects Worked		57	9	17
Number of Disconnects		10,329	1,424	2,741
Revenue Impact			(\$3,354,811.21)	(\$2,853,951.40)
Days of Cash Impact			-6	-5

- Following the **Proposed** policy, BPU would have worked disconnects on 17 out of 78 potential days. This would have been 40 fewer days than what was actually worked.
 - There would have been 7,588 fewer disconnects following the **Proposed** policy with a potential revenue impact of over \$2.8 Million for that time period, which is a potential -5 days of Days of Cash.
- Comparing the **Proposed** policy to the **KCC** policy, there would have been 8 more days where disconnects would have been worked with a revenue difference of a little over \$500,000.

Winter 2019-2020

Month	# of Potential Disconnect Days	# of Days Disconnects Worked	KCC # of Days Disconnects Worked	Proposed # of Days Disconnects Worked
November '19	14	13	5	6
December '19	14	12	0	3
January '20	16	15	0	5
February '20	16	13	0	1
March '20*	18	18	12	15
Number of Days Disconnects Worked		71	17	30
Number of Disconnects		11,341	3,143	4,974
Revenue Impact			(\$3,023,359.03)	(\$2,325,313.98)
Days of Cash Impact			-5	-4

- Following the **Proposed** policy, BPU would have worked disconnects on 30 out of 78 potential days. This would have been 41 fewer days than what was actually worked.
 - There would have been 6,367 fewer disconnects following the **Proposed** policy with a potential revenue impact of over \$2.3 Million for that time period, which is a potential -4 days of Days of Cash.
- Comparing the **Proposed** policy to the **KCC** policy, there would have been 13 more days where disconnects would have been worked with a revenue difference of just under \$700,000.

* COVID Moratorium began March 16, 2020.

For days when we were in the moratorium, an average disconnect count of 200 accounts per day was used.

Winter 2020-2021

Month	# of Potential Disconnect Days	# of Days Disconnects Worked	KCC # of Days Disconnects Worked	Proposed # of Days Disconnects Worked
November '20	15	15	8	10
December '20**	15	13	2	4
January '21**	15	13	0	2
February '21**	16	8	0	0
March '21**	19	19	12	15
Number of Days Disconnects Worked		68	22	31
Number of Disconnects		11,985	3,454	4,864
Revenue Impact			(\$2,120,953.72)	(\$1,722,569.64)
Days of Cash Impact			-4	-3

- Following the **Proposed** policy, BPU would have worked disconnects on 31 out of 80 potential days. This would have been 37 fewer days than what was actually worked.
 - There would have been 7,121 fewer disconnects following the **Proposed** policy with a potential revenue impact of over \$1.7 Million for that time period, which is a potential -3 days of Days of Cash.
- Comparing the **Proposed** policy to the **KCC** policy, there would have been 9 more days where disconnects would have been worked with a revenue difference of just under \$400,000.

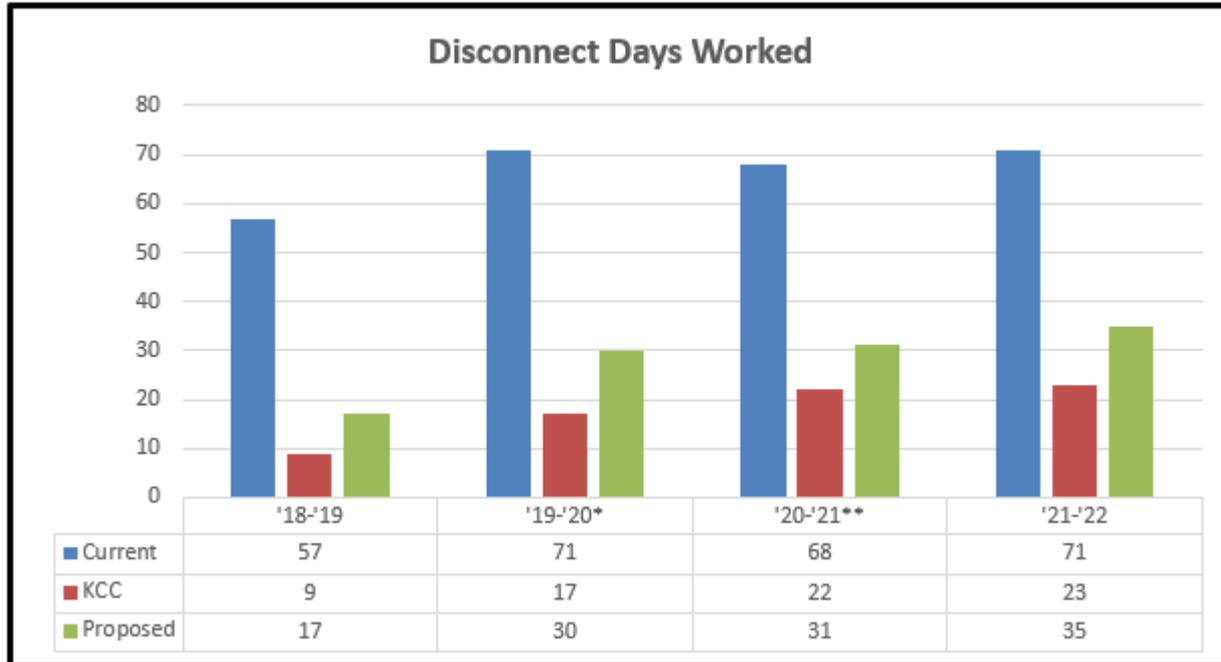
** COVID Moratorium began December 15, 2020 and lasted the rest of the “winter” months.
For days when we were in the moratorium, an average disconnect count of 200 accounts per day was used.

Winter 2021-2022

Month	# of Potential Disconnect Days	# of Days Disconnects Worked	KCC # of Days Disconnects Worked	Proposed # of Days Disconnects Worked
November '21	16	16	9	13
December '21	14	14	4	7
January '22	16	12	0	1
February '22	16	12	0	2
March '22	19	17	10	12
Number of Days Disconnects Worked		71	23	35
Number of Disconnects		11,549	3,720	5,761
Revenue Impact			(\$3,350,488.27)	(\$2,505,973.81)
Days of Cash Impact			-6	-4

- Following the **Proposed** policy, BPU would have worked disconnects on 35 out of 81 potential days. This would have been 36 fewer days than what was actually worked.
 - There would have been 5,788 fewer disconnects following the **Proposed** policy with a potential revenue impact of just over \$2.5 Million for that time period, which is a potential -4 days of Days of Cash.
- Comparing the **Proposed** policy to the **KCC** policy, there would have been 12 more days where disconnects would have been worked with a revenue difference of just over \$840,000.

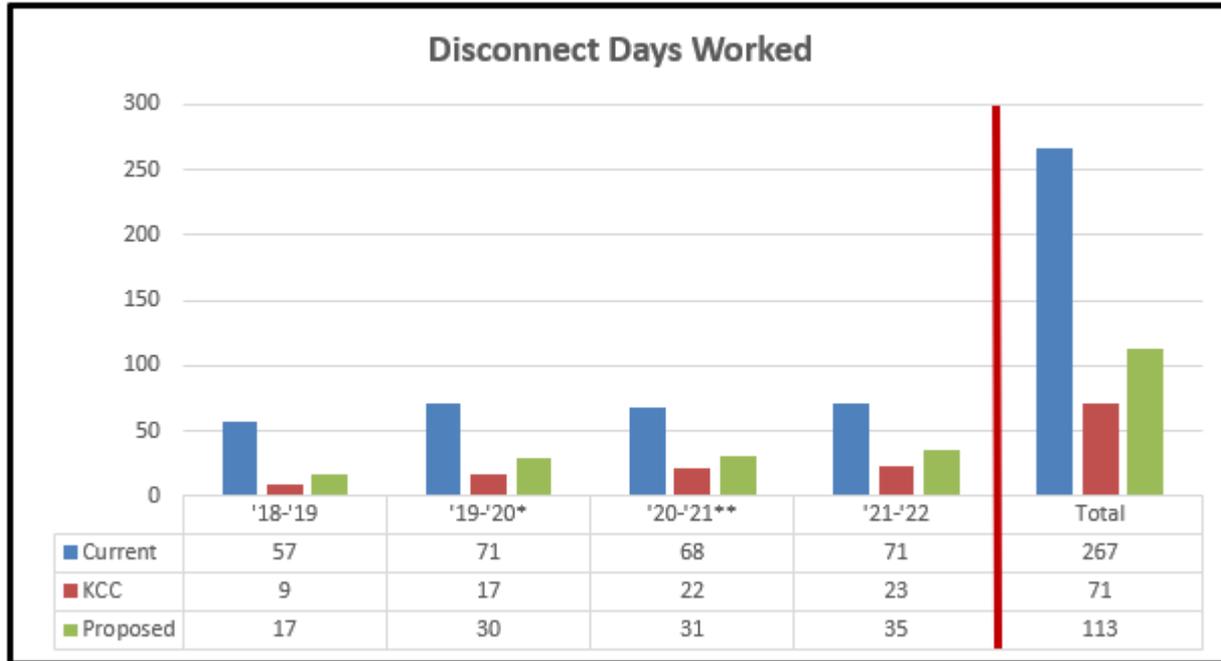
Disconnect Days Past Four Winters



* COVID Moratorium began March 16, 2020.

** COVID Moratorium began December 15, 2020 and lasted the rest of the “winter” months.

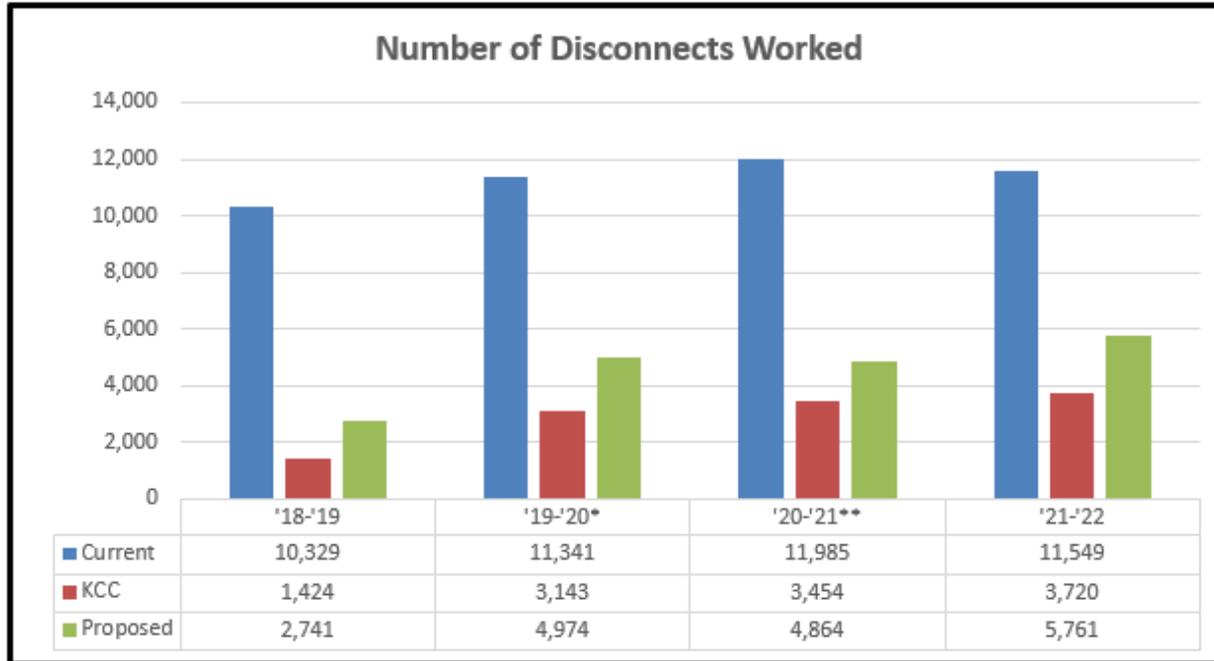
Disconnect Days Past Four Winters



* COVID Moratorium began March 16, 2020.

** COVID Moratorium began December 15, 2020 and lasted the rest of the “winter” months.

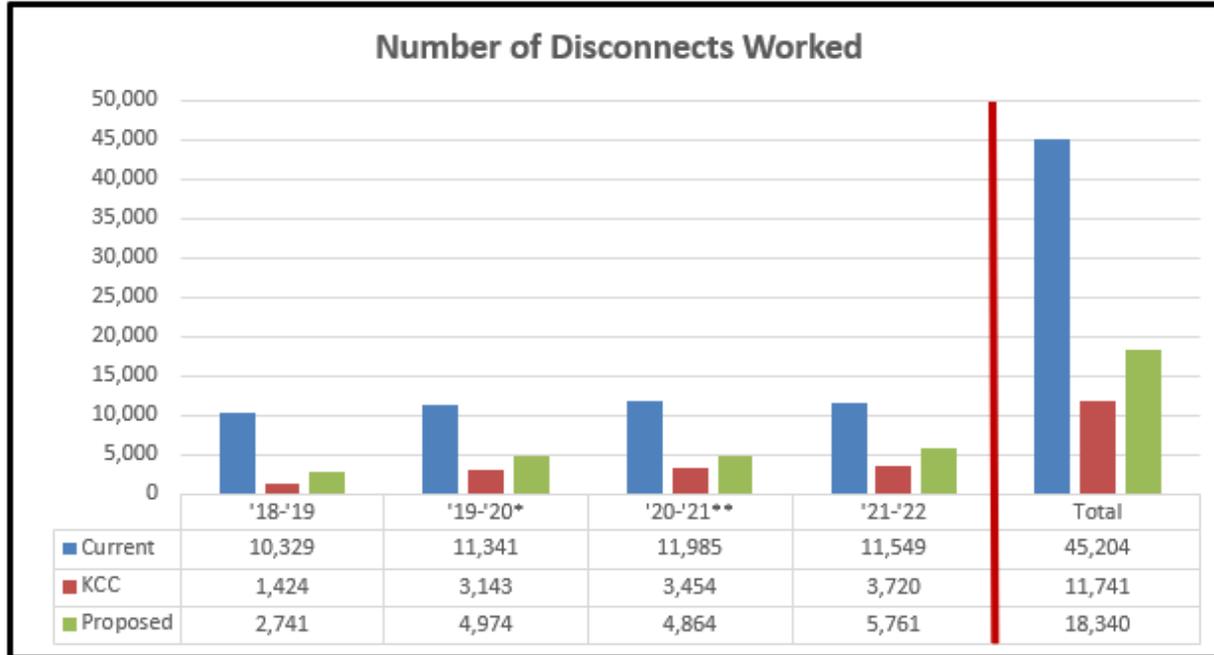
Number of Disconnects Past Four Winters



* COVID Moratorium began March 16, 2020.

** COVID Moratorium began December 15, 2020 and lasted the rest of the “winter” months.

Number of Disconnects Past Four Winters



* COVID Moratorium began March 16, 2020.

** COVID Moratorium began December 15, 2020 and lasted the rest of the “winter” months.

Review of Past Four Winters

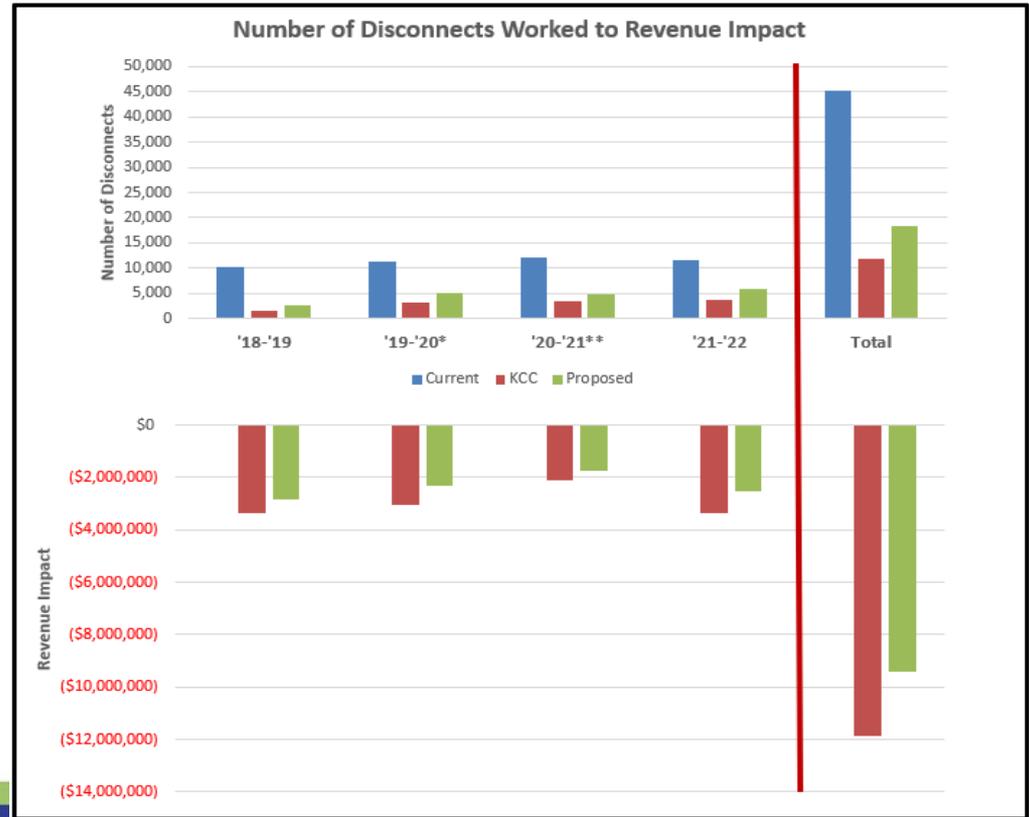
Winter	# of Potential Disconnect Days	# of Days Disconnects Worked	KCC # of Days Disconnects Worked	Proposed # of Days Disconnects Worked
'18-'19	78	57	9	17
'19-'20*	78	71	17	30
'20-'21**	80	68	22	31
'21-'22	81	71	23	35
Number of Days Disconnects Worked		267	71	113
Number of Disconnects		45,204	11,741	18,340
Revenue Impact			(\$11,849,612.23)	(\$9,407,808.83)
Days of Cash Impact			-20	-16

- Following the **Proposed** policy, BPU would have worked disconnects on 113 out of 317 potential days over the past four winters. This would have been 154 fewer days than what was actually worked.
 - There would have been 26,864 fewer disconnects following the **Proposed** policy with a potential revenue impact of almost \$9.5 Million for that time period, which is a potential -16 days of Days of Cash.
- Comparing the **Proposed** policy to the **KCC** policy, there would have been 42 more days where disconnects would have been worked over the past four years with a revenue difference of almost \$2.5 Million.

Review of Past Four Winters

- Following the **Proposed** policy, BPU would have worked disconnects on 113 out of 317 potential days over the past four winters. This would have been 154 fewer days than what was actually worked.
 - There would have been 26,864 fewer disconnects following the **Proposed** policy with a potential revenue impact of almost \$9.5 Million for that time period.

- Comparing the **Proposed** policy to the **KCC** policy, there would have been 42 more days where disconnects would have been worked over the past four years with a revenue difference of almost \$2.5 Million.



Reconnection Numbers

	November 2021		December 2021		January 2022	
Number of Disconnects	2206		2657		1957	
Reconnected Same Day	1292	59%	1796	68%	1375	70%
Reconnected Next Day (+1)	261	12%	389	15%	272	14%
Total Reconnected the Same/Next Day	1553	71%	2185	83%	1647	84%
Reconnected in 2 Days (+2)	78	4%	93	4%	38	2%
Reconnected in 3 Days (+3)	27	1%	31	1%	29	1%
Reconnected in 4 Days (+4)	33	1%	25	1%	25	1%
Reconnected in 5 Days (+5)	14	1%	19	1%	15	1%
Reconnected after 5 Days (> +5)	188	8%	125	5%	64	3%
Total Reconnected	1893	86%	2478	95%	1818	92%
Number Not Reconnected	313		179		139	
Made Final Same Day as Disconnect	252	81%	135	75%	107	77%

- Typically ~83% of people disconnected get reconnected that day or the next.
- Coming out of the moratorium, we saw higher numbers of customers getting reconnected more than 5 days after the disconnect or not getting reconnected and making their account Final.

Thank You

A decorative footer bar at the bottom of the slide, consisting of a thin green horizontal line above a thicker blue horizontal bar.