

AMENDED WORK SESSION MINUTES – WEDNESDAY, OCTOBER 17, 2022

STATE OF KANSAS)
) SS
CITY OF KANSAS CITY)

** Added at the request of Ms. Mulvany Henry.*

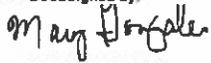
Item #7 – Adjourn

A motion was made to adjourn the Work Session at 5:51 P.M. by Mr. Bryant, seconded by Mr. Milan, and unanimously carried.

ATTEST:
DocuSigned by:

07550D17B37D403

Secretary

APPROVED:
DocuSigned by:

034219085FA7449

President

Kansas City Board of Public Utilities

October 17, 2022

REVENUE FORECAST 2023

FORECASTING CONSUMPTION

APPROACH:

- NEW CUSTOMER GROWTH
- MONTHLY CONSUMPTION BY CUSTOMER CLASS TRENDS
- TOP CUSTOMERS
- PURCHASE POWER COSTS FOR 2023
- ENVIRONMENTAL DEBT SERVICE

HIGH-LEVEL VIEW:

OVERALL LOADS ARE STABLE

- TOP 10 ~ 15% HIGHER COMPARED TO 2021
- TOP 10 ~ 5% LOWER COMPARED TO 2018 PEAK
- DECLINING TREND IN THE MID-LEVEL COMMERCIAL (RATE 250'S)
- RESIDENTIAL CONSUMPTION - HIGHER BY ~ 2% OVER LAST YEAR

OF RESIDENTIAL CUSTOMERS

60,673 - 2022	} 4-YEAR AVERAGE @ 0.55%
60,500 - 2021	
59,932 - 2020	
59,593 - 2019	

ELECTRIC ASSUMPTIONS

- **BASE RATES: BASED ON CURRENT RATE MANUAL (NO RATE CHANGES)**
- **ERC: EIA'S SHORT-TERM ENERGY OUTLOOK:**

“Higher retail electricity prices largely reflect an increase in wholesale power prices, which are driven by higher natural gas prices”

“On average, we expect wholesale commodity natural gas prices to be higher this winter compared with last winter, which leads to higher prices for both natural gas and electricity in the retail market”

2023'S ESTIMATE = 4.0 CENTS/KWH

2022'S ESTIMATE = 3.5 CENTS/KWH

- **ESC: FLAT ~ \$153K HIGHER (TIED TO 2023 DEBT SERVICE)**
- **OVERALL LOADS: SLIGHT REDUCTION OF 0.25% IN 4 MAJOR CLASSES (R,C,I,S)**

ELECTRIC BILL COMPONENTS

Breakdown Allocation of Electric Bill (before Taxes & PILOT):

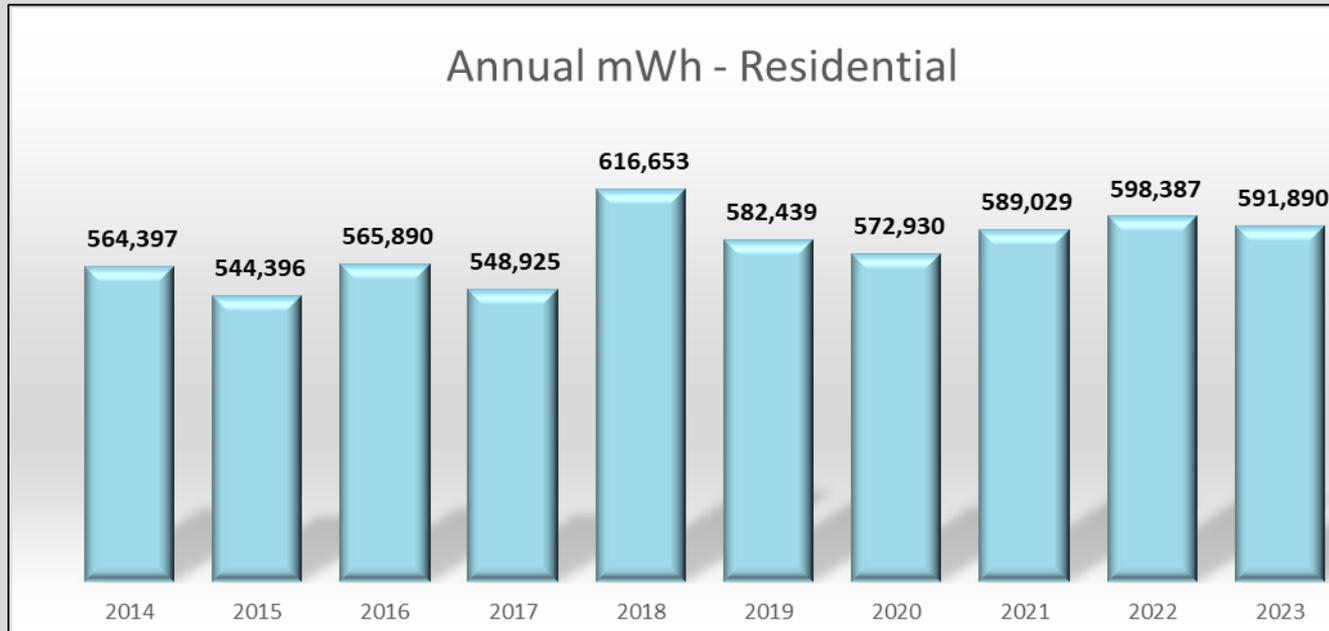
Class	Base Rate	ERC	ESC	Total
Residential	64%	29%	7%	100%
Commercial	58%	34%	8%	100%
Industrial	53%	38%	9%	100%
Schools	61%	31%	8%	100%

- **Averages**
- **Actual results may vary due to Customer Load Factors**

RESIDENTIAL ELECTRIC LOAD

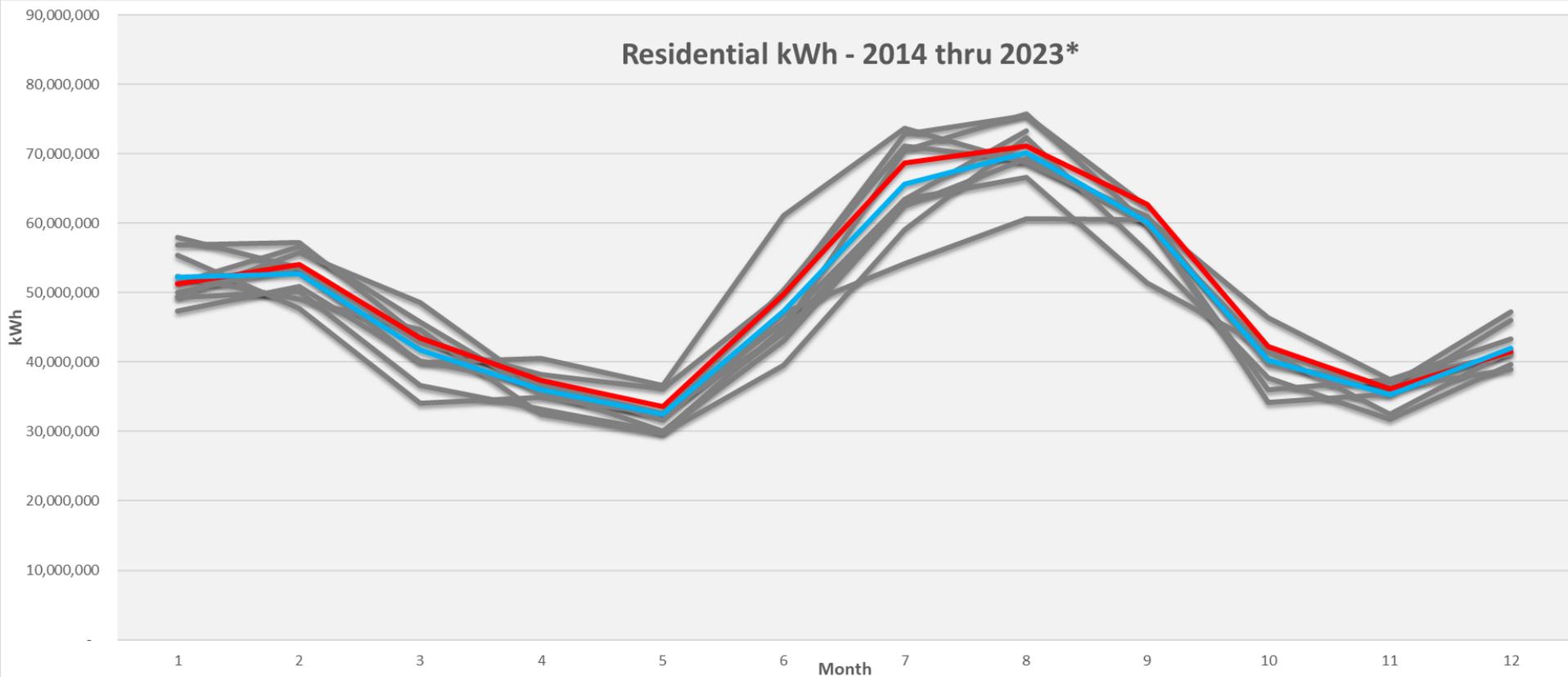
Observations:

- Solid Customer Growth (+325/yr. since 2018)
- Average monthly usage remains stable @ 811 kWh per month in 2021
- 2022 Consumption is ~ 1.7% higher compared to 2021 (9 months)



Estimate 2022 & 2023

RESIDENTIAL ELECTRIC LOAD BY MONTH

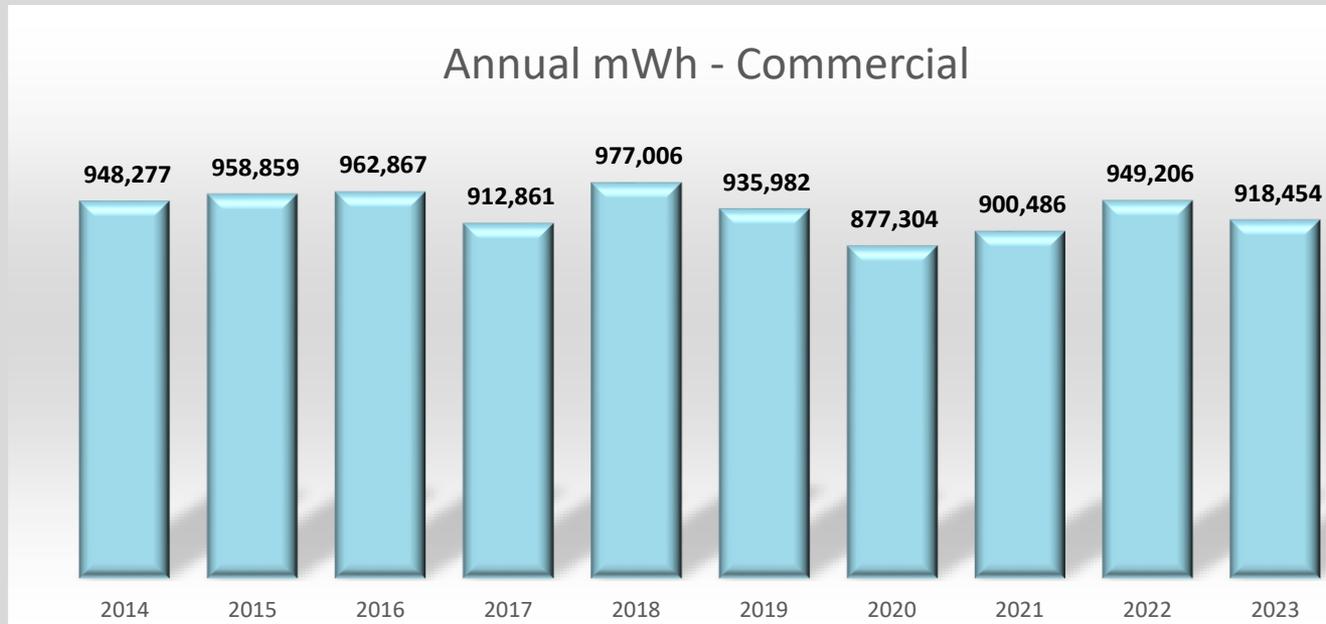


Red line = Forecast
Blue line = 9-year Average (2014-22)

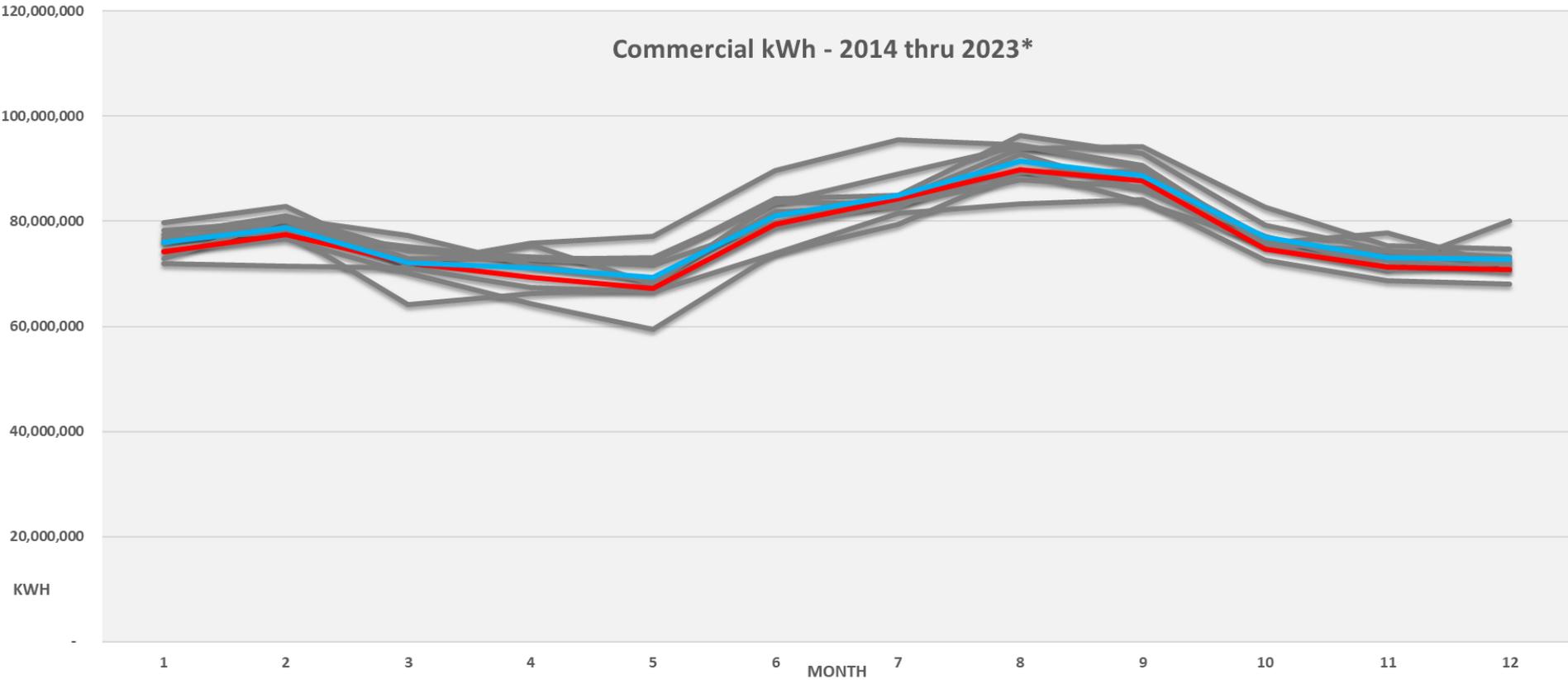
COMMERCIAL ELECTRIC LOAD

Observations:

- Small General Service – Stable
- Medium General Service class is showing a declining trend
Customers: 2022 AVERAGE = 488
5-YR. AVERAGE = 508
- Large & Small General Service Class
Stable customer count but declining consumption trend



COMMERCIAL ELECTRIC LOAD BY MONTH

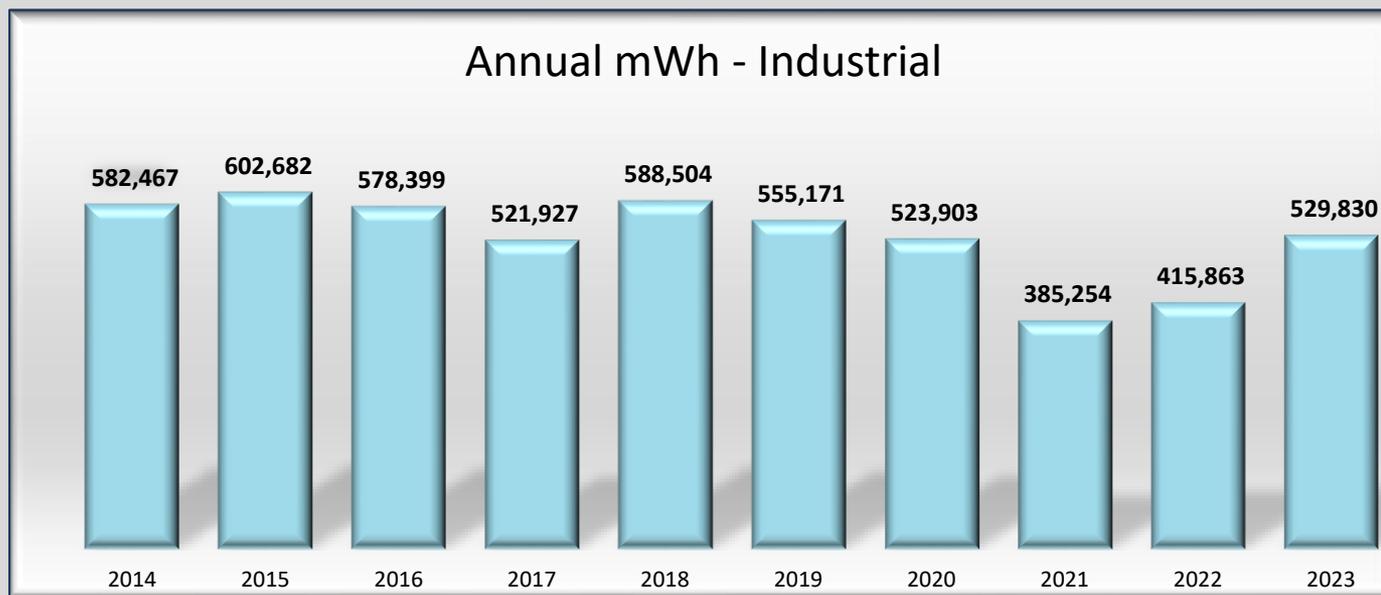


Red line = Forecast
Blue line = 9-year Average (2014-22)

INDUSTRIAL ELECTRIC LOAD

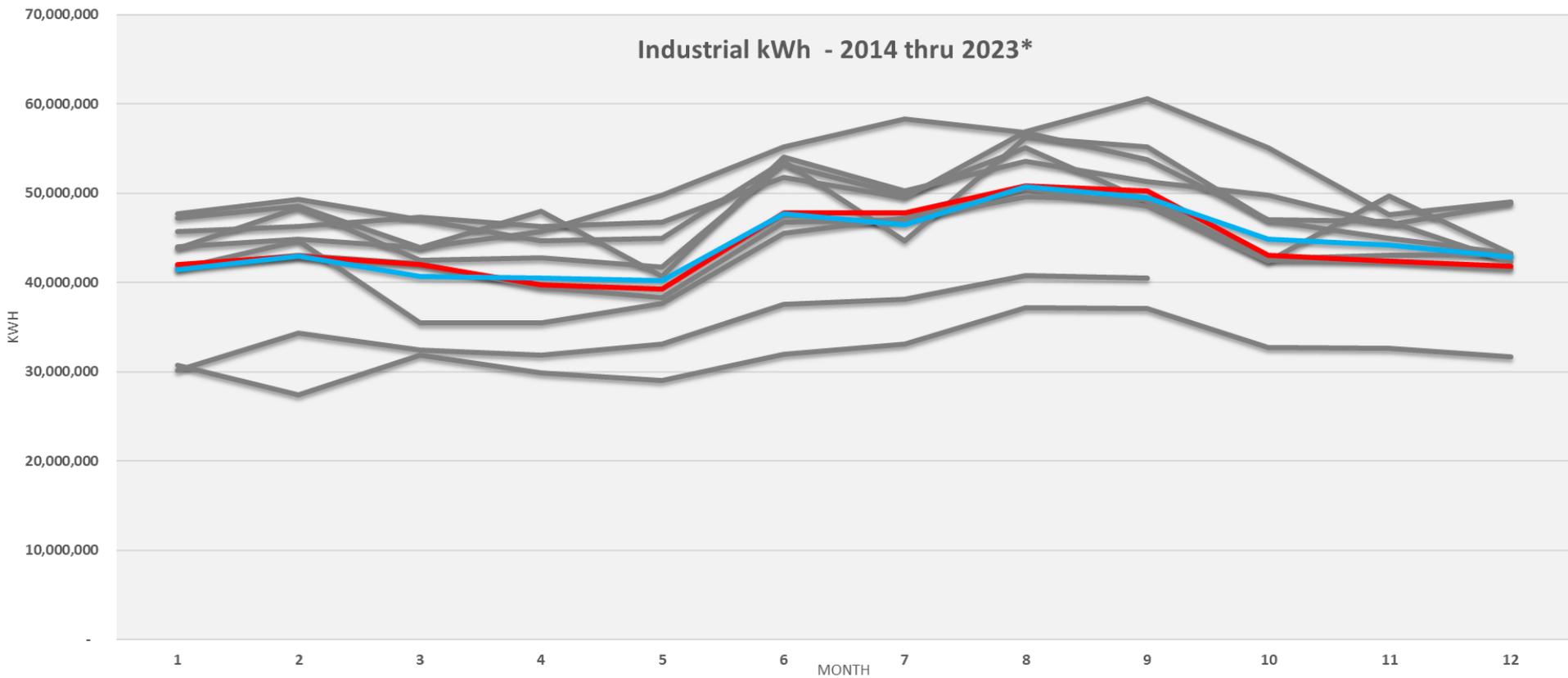
Observations:

- Number of Customers remains stable
- Load trending lower (2015 peaked) Pandemic impact 20', 21', 22'
- Some Recovery in 2022 - 11% higher compared to 2021 (9 months)
Still remain below 2014-19 levels.



Estimate 2022 & 2023

INDUSTRIAL ELECTRIC LOAD BY MONTH

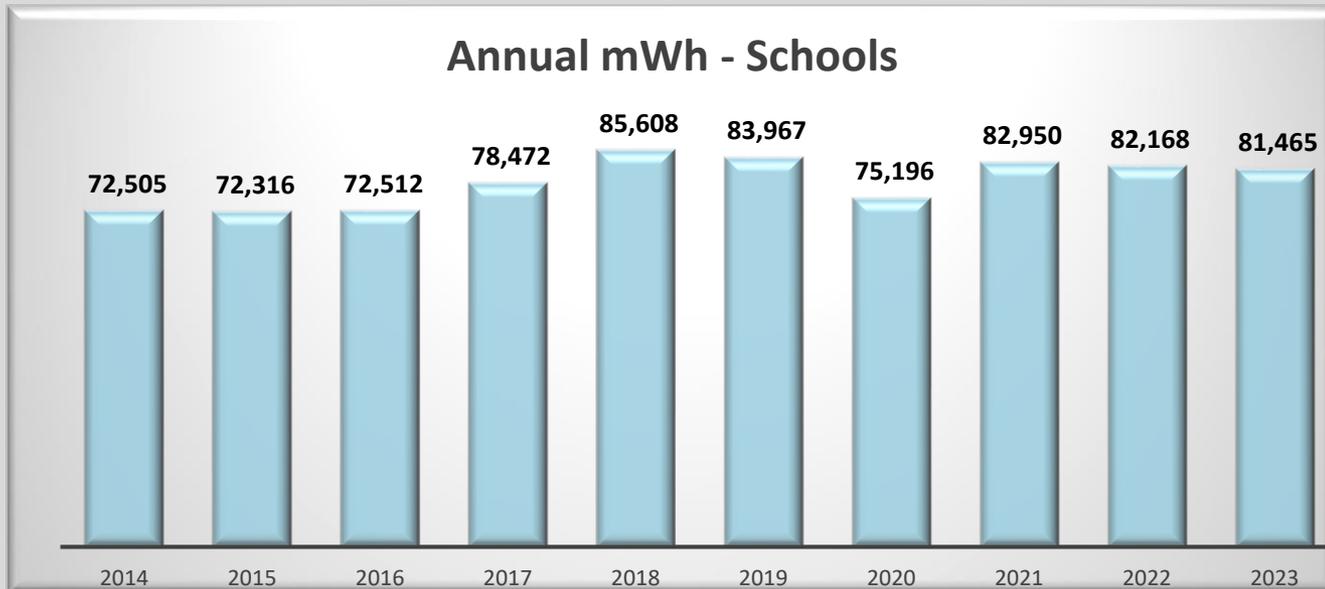


Red line = Forecast
Blue line = 9-year Average (2014-22)

SCHOOLS ELECTRIC LOAD

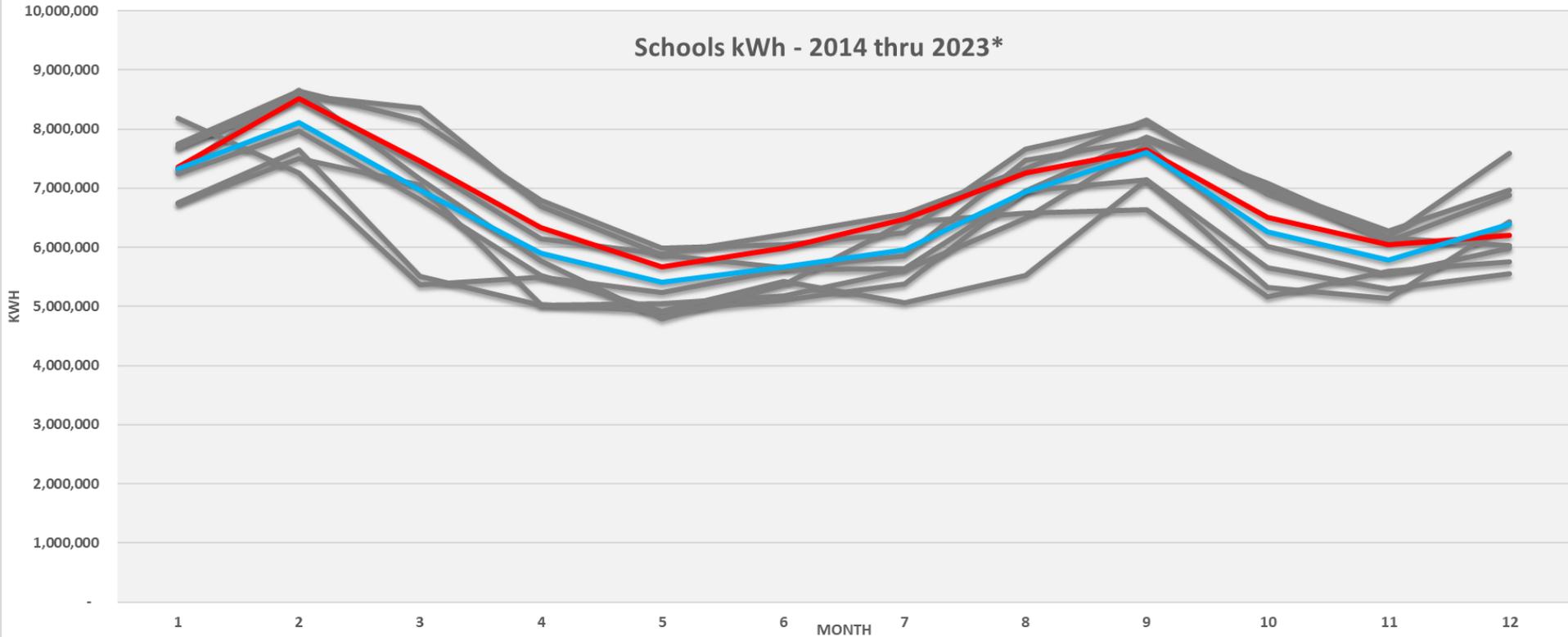
Observations:

- Number of Customers remain flat
- New facilities added & additional square feet
- Impacted by Winter temps



Estimate 2022 & 2023

SCHOOLS ELECTRIC LOAD



Red line = Forecast

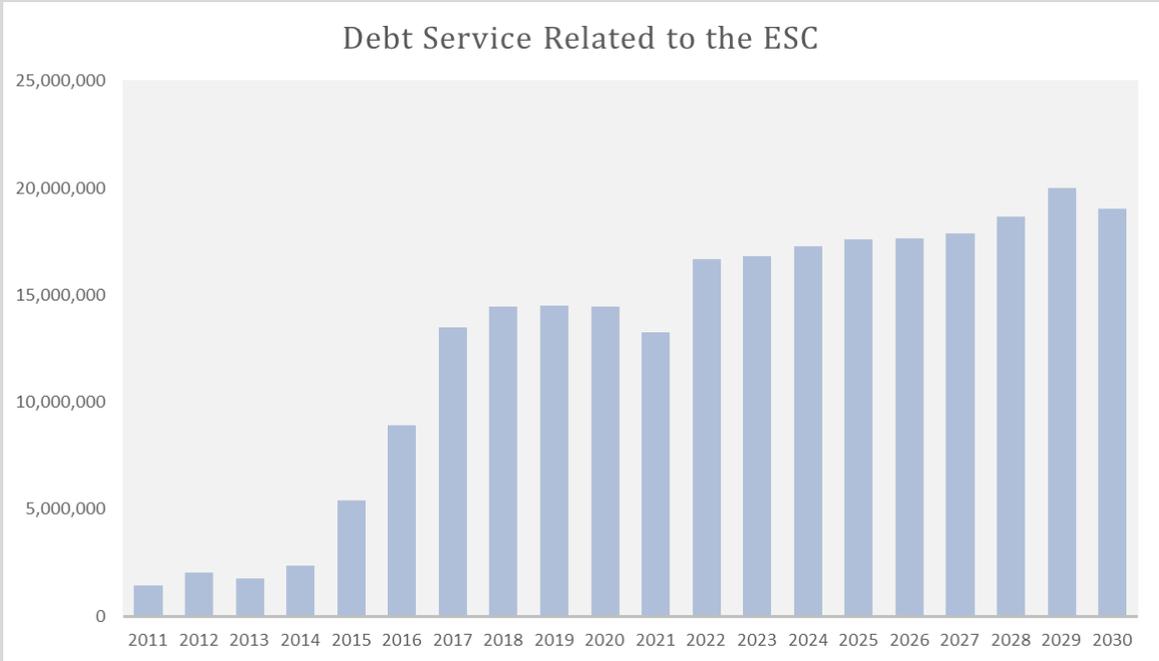
Blue line = 9-year Average (2014-22)

ENVIRONMENTAL SURCHARGE (ESC)

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

Annual Debt Service Payments

- Peak in 2029



REVENUE FORECAST - ELECTRIC

RESULTS

Class	2018 Actual	2019 Actual	2020 Actual	2021 Budget	2022 Budget	2023 Estimate
Residential	\$81,811,709	\$75,952,160	\$75,024,142	\$74,539,000	\$80,651,000	\$83,238,100
Commercial	106,882,111	101,781,643	96,258,037	92,238,000	98,700,000	104,789,000
Industrial	51,385,553	49,601,656	46,214,139	44,362,000	45,669,000	50,456,000
Schools	10,145,011	9,830,695	8,764,262	8,615,000	9,841,000	9,828,000
Highway Lighting	350,209	329,670	327,913	333,900	337,000	337,000
Total	\$250,574,593	\$239,179,500	\$240,953,900	\$220,087,900	\$235,198,000	\$ 248,648,100

- **0.25 percent decrease in load growth over 2022 estimate**
- **ERC = half cent/kWh higher in 2023**
- **ESC = Small increase**
- **2023 Forecast Reflects No Base Rate Adjustments**

REVENUES FORECAST - WATER

RESULTS

Class	2018 Actual	2019 Actual	2020 Actual	2021 Budget	2022 Budget	2023 Estimate
Residential	\$ 24,235,761	\$ 24,036,511	\$ 24,868,224	\$ 24,227,874	\$ 24,476,000	\$ 24,500,000
Commercial	11,553,570	11,184,854	11,076,961	11,243,080	11,191,000	11,250,000
Industrial	5,860,912	5,937,471	6,318,802	6,200,089	6,205,000	6,200,000
Schools	655,705	683,839	573,235	658,360	661,700	671,200
Fire Protection - Private	560,998	562,114	574,408	575,000	600,000	590,000
Public Authority	28,000	28,000	28,000	28,000	28,000	28,000
Wholesale Water Sales	1,487,644	1,425,619	1,541,232	1,421,462	1,321,700	1,350,000
Total	\$ 44,382,590	\$ 43,858,408	\$ 44,980,862	\$ 44,353,865	\$ 44,483,400	\$ 44,589,200

2023 Forecast Reflects No Rate Adjustments

COMMENTS / QUESTIONS