

Operations/Engineering Report

October 15, 2020 KPP Board of Directors Meeting

Larry Holloway

(updates in bold italics)

KCC Activities

- **MKEC Losses** On December 31, 2019 we had a phone call with MKEC. They are preparing a loss study for their 34.5 kV for each member. This will eventually be a KCC filing for the 34.5 kV tariff charges. We have yet to see a filing on this docket.
- **20-EKME-514-GIE** On June 11, 2020 the KCC took the unusual step to investigate Evergy's actions to meet the demands of the Elliot investment group to either sell the company or aggressively expand capital investment. To date KPP, Kansas Industrial Consumers (KIC), KEPCO, and USD 259 have intervened. On July 6, 2020 Staff filed an objection to KIC and KPP having access to commercially sensitive information.
 - Westar filed its "go it alone plan on 8/13/2020
 - CURB, Staff, KIC and KEPCO filed comments on 9/28/2020
 - Evergy responded on 10/5/2020
- **18-KPPE-343-COC** As part of the agreement not to contest the alternative route, Southern Pioneer and Sunflower as well as Staff believed we should file some supporting testimony in our motion to reopen the docket (as discussed we make clear we have an approved route and this is an alternative). Southern Pioneer came up with a new request that Kingman "give them" the abandoned sections of Kingman line (2 ½ miles) that will no longer be needed. At the June 25, 2020 Kingman Commission meeting the City of Kingman agreed to a resolution that JT drafted to give Southern Pioneer the abandoned section of line providing the alternative route is approved. On Monday June 29, 2020 we provided all parties with a draft copy of testimony, motion to open and a motion to submit on the record without a hearing. We received concurrence from Staff and CURB almost immediately and finally, on July 10 received a few minor comments back from Southern Pioneer.
 - ***MOA with Southern Pioneer finalized and approved at the October 8 Kingman Commission Meeting. Filing made to the KCC.***
- **21-SEPE-047-TAR**
 - On July 28, 2020, Southern Pioneer filed to increase their local line losses on the 34.5 kV system from 1.86% to 2.7%. We have intervened in the case.
 - On September 9, 2020 Southern Pioneer made an errata filing to address an error in their calculations lowering the requested loss increase from 2.7% to 2.52%.
 - We are currently working on a procedural schedule in the docket.
- **21-SEPE-049-TAR**

- On July 29, 2020 Sunflower filed a docket to change the 34.5 kV loss factors and continue the formula-based rates for 34.5 kV service for their member cooperatives, Prairie Land, Victory and Western. Prairie Land has the 34.5 kV service for Glasco, and Western for Lucas, Luray, and Holyrood.
- On September 9, 2020 Sunflower made an errata filing to change the requested loss factors due to an error in the initial calculations. The current loss factors, the initial request and the errata request are as follows:

	Current	Proposed	Errata
Prairie Land	2.18%	2.33%	2.18%
Victory	2.02%	1.76%	1.66%
Western	1.71%	2.50%	2.35%

- **21-EKME-088-GIE**

- On August 27, 2020 the Commission opened a docket to investigate the Evergy Sustainable Transformation Plan (STP) approved by the Evergy board on July 23, 2020. The STP was developed as a go it alone plan in response to activist shareholder concerns. The activist shareholder group believed that Evergy could maximize value by extensive capital investments, including retiring conventional generation and additional renewable energy or by seeking a buyer. The board plan was an attempt to increase capital expenditures and investments without seeking to be acquired. KCC Staff became concerned that this approach could cause dramatic Evergy rate increases and requested the Commission open this generic investigation. Our intervention in 20-EKME-514-GIE makes KPP a party to this new docket.

FERC Activities

- **ER19-2273 Sunflower and MKEC tariff merger**

- Sunflower and MKEC have filed at the FERC to merge their tariffs as agreed to in the KCC merger case. While KEPCO, KMEA and KPP all agreed to support the merger as filed at the KCC, we noted that Sunflower and MKEC have asked for a large increase in the ROE of their formula-based transmission rate. Essentially all three entities, KEPCO, KMEA and KPP filed testimony at the KCC supporting the combinations of the zones but expressing the right to protest details of the rate.
- On July 7, 2020 a final settlement conference was held with KEPCO, KMEA, Sunflower and FERC Staff. Incredibly there is currently no settlement. For now, it appears that the FERC will appoint a hearing judge and schedule a prehearing.

- **ER20-54 Sunflower and MKEC losses docket**

- Sunflower and MKEC have reached out to us and obtained our NDC's to review data and to work with them for their loss's analysis. On October 8, 2019 SPP filed their losses and we have told our FERC attorney to intervene. We have also discussed the issues with KEPCO and KMEA. It appears that we will follow the docket but not actively protest

- **ER20-2334 SPP Local Planning Criteria**
 - At the April MOPC and SPP BOD meetings a tariff revision request was passed to establish that only one zonal planning criteria would be developed. The problem was that the only entity that can establish the criteria would be the “Facilitating Transmission Owner or FTO” that would be selected by the largest load in the zone. While this FTO would be required to hold a meeting with zonal customers it would not be obligated to implement any of their suggestions or to develop a consensus position. This in essence would mean that Westar (Evergy) could develop local planning criteria that discriminated heavily in favor of serving their retail load. While this did pass many entities such as Gridliance, KPP, OMPA, MPUA and others were in opposition. During the week of May 3rd Grid hosted a series of call with FERC staffers explaining our opposition. We expect to put together a unified protest at FERC when the filing is made likely later this month (June or early July).
 - SPP finally filed this docket on July 7, 2020. We are taking an active opposition position and are developing comments and suggestions.
 - On July 28, 2020 we filed our protest, along with Grid and several others. On August 12, 2020 SPP and the transmission owners filed a response to the protests. We plan on responding to that.
 - On September 3, 2020 FERC issued an order rejecting SPP’s proposal stating, as KPP did in its protest, that SPP had not shown that the tariff provisions were just and reasonable and not unduly discriminatory and preferential. The FERC order agreed with KPP’s position on its protest!

- **ER20-2239 Winfield ATRR**
 - SPP filed the Winfield ATRR on June 29, 2020. It is our understanding that it will be implemented subject to refund by August 31, 2020. At the same time Grid filed their ATRR for inclusion of the Winfield KS acquired facilities.
 - We have a call scheduled with FERC Staff on Monday August 17, 2020
 - On August 28, 2020 the FERC approved our request subject to refund. We are working with the City of Winfield to prepare to address issues we know the FERC Staff will want addressed. On September 15, 2020 we have our first FERC settlement conference.
 - ***We received our first discovery requests on 9 30 2020 from FERC Staff and Evergy. We hope to respond ahead of our informal deadline of 3 weeks. The Technical conference is scheduled for November 11, 2020 and the next settlement conference is December 7, 2020.***

SPP

- I continue to follow the SAWG and GTTF meetings
 - SAWG is working on capacity accreditation for battery storage and demand side management resources
 - GTTF continues to develop testing criteria for generation and addressing operability testing
 - The GTTF group has been directed to work on accreditation for conventional units. SPP is looking to incorporate some type of adjustment to account for

actual reliability performance for the units. We will be working through issues such as how to use typical North American Electric Reliability Company (NERC) Generating Availability Data System (GADS) data for units that typically do not do GADS reporting.

- All SPP meetings will be held by webex at least through September.
- SPP MOPC meetings were held October 13 and 14. I will provide a verbal update on any new developments

SPP IM

- We continue to participate in the monthly process with any available congestion rights.

KPP Generation Project

- We have submitted the Generation Interconnection. After some back and forth we believe that SPP has all the documents we need. Fortunately, the application is due by April 24, 2020, and we submitted our first GI application materials on April 1, 2020. At this point we believe SPP has received everything we need.

KPP Storage Project

- I discussed the storage project and the topic of an easement at the Minneapolis City Council meeting on June 2nd. They were receptive to the idea. We are working with Kelson for a legal description of the easement boundaries.
- We are currently working on site design and specifications for contracts with the battery vendors

Greensburg Wind Farm Eco Outage Scheduling

- We have begun economic outage scheduling for the Greensburg Wind Farm. This will be discussed in greater detail in a separate presentation.
 - In June we saved \$9,292.46
 - In July we saved \$13,300.69.
 - We did not avoid the August 28 HE 16 peak. We did attempt to put the unit in outage at that time as there was a Liberal forecast of 99 degrees on that Friday in Liberal. However, SPP rejected our economic outage request. Because SPP would not allow us to put the unit in economic outage that day, we were paid \$93/MWH for HE 16-18. Also, while we missed the MKEC peak, GBWF only generated at 834 kW during the hour.
 - In September we curtailed a total of 157.8 MWH for a missed IM revenue of \$998.27 at an average of \$6.33/MWH and we saved an estimated \$21,852.28 in LAC charges for a net savings of \$20,854.01

Dogwood Management Meeting

- On September 2, 2020 the Dogwood Management Committee met and decided to register Dogwood as a Combined Integrated Resource under the new SPP rules in the market for jointly owned units. This will allow us to use actual individual owner settlements rather than issuing Bilateral Settlement Schedules (BSS).

Kingman Direct Connection (Regulatory – James to provide project updates)

- We continue to work toward completing the MOA with Southern Pioneer to allow us to change the route with little opposition. The Kingman City Commission approved on October 8. We are working to provide notice of new route to area utilities and file for the amended route.

Greensburg Wind Farm (GBWF) conversion to a Dispatchable Variable Energy Resource (DVER)

- We have been in discussions with Exelon on implementing the SPP requirements to convert the GBWF to a DVER. We hope to have any necessary agreements to the board for approval in October.
- ***We continue to have discussions with Exelon but haven't resolved issues in redefining contract terms for the SPP Integrated Market.***

Waterville

- On Monday September 14, 2020 I will be presenting options for replacing the Waterville substation to their city council. They voted to proceed with KPP financing and to install the underground pad mount substation option.

Director of Engineering Services Board Report August 20th, 2020

Assist Members in areas of technology, safety and distribution system design and maintenance

- EV Chargers- 5 of the 6 chargers are installed, one left in Winfield. As you have probably seen in social media the chargers were promoted in the cities and highlighted in the public power festivities.
We plan to continue this initiative next year.
KMU EV task Force has met twice. Topics we are discussing are investment models, cost of owning EV chargers, and rates.
- Mount Hope- I have been asked to assist in wrapping up a few final projects to complete the converting the electric system to 12470. My task is to develop a scope of work and staking sheet. I then plan to help the city see the project through. This is the final circuit on their system to convert to 12470. They then can eliminate the existing sub and eliminate the need for dual voltage equipment. I have not spent a lot of time on this yet. My goal is to focus on this in the next few weeks and have a product for Mount hope to start moving forward with bidding.
- Haven – The distribution projects are on hold for the time being. Brooke and I have been working with Haven on rates. We have built a rate model and educated the commission on the customer base and load profile of those customers. Along with their staff we have prepared 4 options for

the council to consider. We continue to answer all their questions and help provide information for them to make a good educated decision.

- Winfield NTC Project and 2 river crossing projects- Construction has been delayed a few weeks due to Easement and material issues. Crews are to mobilize October 19th. I have allotted about 10 hours a week to help with construction management.
- AMI-We continue to research AMI questions that members have. The big issue now is water. We have our membership researching the Zenner meter to see if this is a meter they will use. We also want our members to research any existing ERTS in the field, so they know what they have. It is clear that we don't know what we have in the field. Before we can move forward, we have to have a solid plan for water meters. This is a big decision point for the Vision system.

We have several cities ready to move forward currently with AMI and specifically the Vision System. Those cities are Waterville, Mount Hope, Haven, Attica and Erie. Wellington continues to research the Neptune water meter question.

Working with EHV to begin a propagation study of Haven and Mount Hope. October 20th Billy Williams with EHV will be in those cities to discuss collector locations.

ERIE AMI and LED Lights

- The City of Erie has asked for financial assistance for the Electric system AMI along with \$24,265.00 to wrap up LED light fixtures throughout the town. The total financing for ERIE would be around \$110K.

Marion Distribution System and Solar project

- The City of Marion is moving forward with converting their Electric Distribution system to 12KV. ESC has prepared the engineering plan and estimates. The estimate is \$3.7M to complete the project. The City is asking for financial assistance from KPP. See the separate presentation on the project.
- Marion Solar array construction has halted.

Kingman Direct Connect-

Landman wrapping up last easement agreement for the North Route. Will be ready to execute those easements in the next few weeks.

Structural design is underway on the civil design. Valmont is about 2 weeks out from producing the bid package.

Dirt crew start hopefully this week.

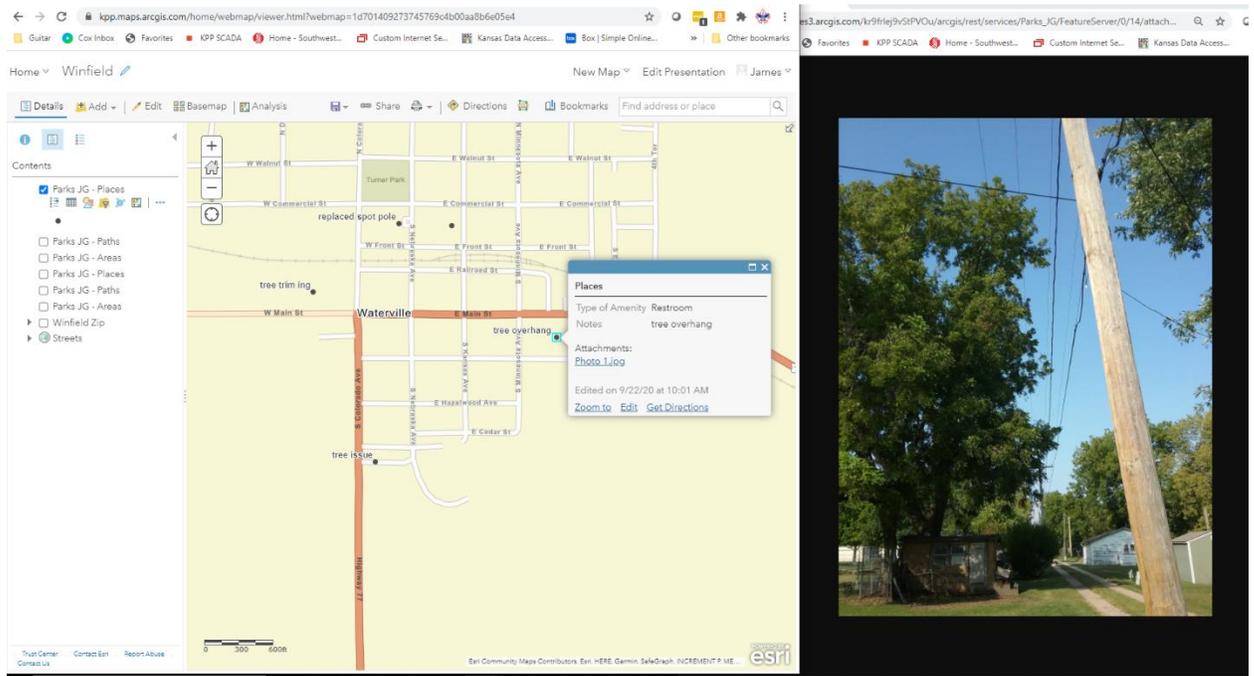
Then foundations will follow to be ready for transformer delivery mid-November.

Waterville

- We performed a distribution assessment for Waterville on September 22nd. Scott Glaves and George Rice from Clay Center assisted Brooke and Myself. Report has been prepared and delivered to the City of Waterville.
- Waterville has selected a new location for the solar installation. Zamac has reviewed the site for issues and is preparing a site plan for new location. Solar panels have improved slightly from the last units purchased which allow 3 less panels to meet the 25KW AC request.
- Finalizing contract with Electricomm.

Mapping

- I have purchased and installed the tools discussed in the September board report. We used the tools in Waterville for the Distribution assessment. It worked perfectly. I continue to learn the tools and will be using them to prepare maps for Mount Hope and Haven project soon. If you have a mapping need please let me know.



Pole Drill

- The pole drill is serviced and ready for the next project. Please let me know if you have a need for it and I will get it to you.