

LIGHTNING ROUND

January 2022

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A Final Thanks

By Mark Chesney, KPP CEO/GM

By now it is known to most everyone in our KPP family that I am retiring at the end of this month. I wanted to use this newsletter space to express heartfelt, best wishes to all of you and to pass along my sincere thanks.

Many of you have heard me say more than once that I have enjoyed a career in Public Power that has encompassed more than 31 years having now worked for 4 utilities in 3 states. My 9+ years' experience in Kansas, with all our Members, with all our Staff and with all our Boards of Directors, Counsel(s), contract service providers and contract counterparties has been exceptionally memorable and delightful for me.

It is difficult to speak of all my associations with unequivocal statements, but it is a pleasure to work closely with highly intelligent people who show a genuine interest in advancing our very worthy cause. If I had the opportunity, I would make similar comments concerning my past co-workers in Utah and Oklahoma.

In months and years past, I have used this space to editorialize on important topics and issues facing our industry. I discontinued that practice in August 2018. I'll resume that practice today only to say that the work of communicating with retail customers is a vexing challenge that will only become more critically vital in the coming years.

In the late 1800s George Westinghouse did more than any other person – even Thomas Edison – to commercially advance the providing of electricity. A broad section of people thought electricity was uncomfortably close to magic because they simply did not know how it was produced. The effect of electricity just simply appeared – like magic. My belief is that not much has changed in more than 120 years. Many people today – most people – still have no idea how it works. However, the situation is actually worse in some ways.

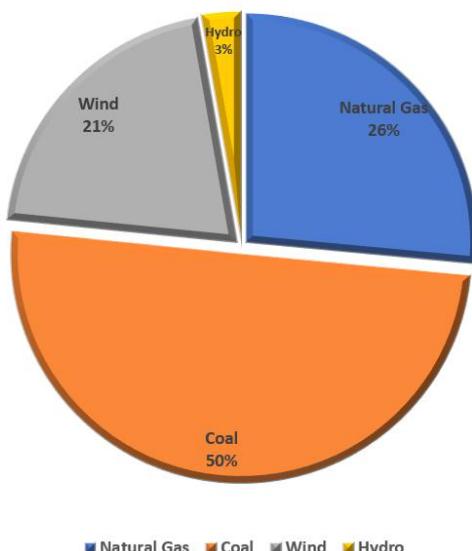
Although people today accept the existence of electricity, unlike the late 1800s, helping people to see the value of their locally owned utility will continue to be a worthy ambition. Heck, even getting people's attention to listen to our story – which is *their* story – will itself be a challenge commanding our relentless effort.

Although KPP has far less contact with retail customers, we have direct interaction with our Members. I assure you that my having done so for more than 9 years has been my pleasure.




December 2021 Distribution of Energy Resources

Fuel Source of KPP Resources in December, 2021



Chesney Congratulated in Retirement

Honorary Title Bestowed by the KPP Board



During his final KPP Board of Directors meeting, retiring CEO/ General Manager Mark Chesney, was recognized by the Board with a Resolution commending him for his service. In official action, Mark was bestowed with the honorary title of “General Manager Emeritus”.

Outgoing Board President, Gus Collins, presented Mark with a framed copy of the authorizing Resolution while commenting that, “today is bittersweet in that soon we say goodbye to our retiring General Manager, Mark Chesney. This Resolution recognizes him for his dedication and extraordinary service.” Gus added that it has been “a great run and is well-deserved.”

Mark thanked the Board and Staff for their support, encouragement and collaboration. He retires at the end of January.

KPP Board Officers Set for 2022

Elections Conclude Final Business of Annual Meeting

Scott Glaves, Superintendent of Utilities for the Clay Center Public Utility Commission, conducted the January meeting of the KPP Board of Directors earlier this month. His service as Board President commences with a year embarking upon new executive leadership and the continuation of the Pool mission for its 24 members.



Scott Glaves

As Superintendent, he brings a wealth of insight and experience into his new role with KPP. Scott has served in his current position in Clay Center since 2017 having started his employment as an apprentice lineman in 2005. He holds a Bachelor of Science in Criminology/Sociology from Kansas State University and an Associates degree in Electric Power and Distribution from Manhattan Area Technical College.

Board leadership for 2022 is also supported by the elections of Jason Newberry, Wellington, as 1st Vice President and Lou Thurston, Hillsboro, as 2nd Vice President. John Wheeler, Marion, was elected Secretary/Treasurer for 2022.



Jason Newberry



Lou Thurston



John Wheeler

Next Board of Directors Meeting

Thursday,
February 17, 2022, 11:30am

In Person and Virtually through
Microsoft Teams

Other Highlights from January Board Meeting

- Reporting on the December Energy Cost Adjustment (ECA), Assistant General Manager, Larry Holloway, explained that overall Demand was below budget by 7% and that overall energy sales were below budget by 5%. The ECA was \$0.00657 for the month as compared to the budget amount of \$0.00190 per kWh. Larry reminded that since in 2021, actual operating results have often been a little higher than budgeted forecasts. This has been essentially true since last February when energy costs went up due mostly from higher pressure on natural gas costs.



- KPP Controller, Vickie Matney, reported on financial summaries for the year. She commented on the winter storm surcharge indicating that since February, revenues have been collected in an amount at almost exactly \$8 million. Forecasts through December of 2022 predict revenues at more than \$8.5 million. KPP Members are reminded that those revenues retire a state loan that was used to replenish cash reserves that had been expended to cover extraordinary bills from last February. Vickie also explained to Board members that KPP recently received a true-up from the Southwest Power Pool for the 9-day period in February. The true-up amount was more than \$538,000. She indicated that this amount will be applied to the amount owed to the Grand River Dam Authority (GRDA) for their charges to KPP for the winter storm.



- An Operation and Maintenance Agreement with the City of Kingman was approved relevant to such future work to be performed by the City in behalf of KPP. Through this agreement, KPP will direct routine requirements and the City will be compensated for their work done on the substation and the new Kingman Direct Connection line project now in process.



- Gavin Rose, of Custom Internet, provided the 2021 4th quarter cyber security report. As the utility, financial and insurance industries, as well as government, have shown heightened interest in the integrity of cyber systems, this report gives to Board members a high level summary on such things as quarantined emails, detection of potential viral traffic and assessment of internal vulnerabilities and response readiness, etc.

- In the Operations report, Larry Holloway explained that reliability continues to be of urgent planning concern by the Southwest Power Pool (SPP). SPP appears poised to reach further into systems to impose more control over behind-the-meter generation resources. There is still ongoing discussion about the integrated market's ability to respond to behind-the-meter activity. Larry reported there will be more discussion with SPP in efforts to understand current limitations.



- In the Administrative and Member Services report, Brooke Carroll highlights work in areas of member projects and assistance. She noted work with Cities on financial scorecards, AMI, rate studies, electric vehicle charging stations, parallel generation interconnections and cyber security.
- Board members welcomed Colin Hansen's attendance and expressed anticipation for his joining KPP on February 1st.