



# LIGHTNING ROUND

September 2017

## CALENDAR OF EVENTS

### OCTOBER 19

KPP Board Meeting  
Wichita, KS

### NOVEMBER 2

KPP Rate Forum  
Wichita, KS

### NOVEMBER 16

KPP Board Meeting  
Wichita, KS

### DECEMBER 15

KPP Board Meeting  
McPherson, KS

### DECEMBER 15

KPP Annual Meeting  
McPherson, KS



## ***Benefits of Membership a Dominant Theme at Fall Planning Retreat***

The many benefits of membership and participation in “joint action” was a recurring theme at the 2017 KPP Fall Planning Retreat held in Wichita on Sep 29 and 30<sup>th</sup>. At this year’s Retreat, attended by 19 of KPP’s 24 member Cities, participants were engaged on topics of power supply and advancing technologies. The Friday lineup of presenters, heavily dominated by industry speakers from afar, formed a proverbial chorus of unity on the merits of collaborative participation by City utilities.

See **MEMBER BENEFITS** on page 2

## ***TAPS’ Twitty and APPA’s Schryver Reinforce Familiar Theme***

“You could probably do these things on your own. But you wouldn’t have the economies of scale and you wouldn’t be able to do them as well,” noted John Twitty, Executive Director of the Transmission Access Policy Study group when speaking to KPP Retreat attendees last Friday. “TAPS”, which is organized in 35 states, is an industry advocate on regulatory and legislative matters for transmission-dependent utilities (TDU) like the Kansas

See **FAMILIAR THEME** on page 2

## ***Members Updated on Power Supply***

KPP members were updated on tentative plans for adding more power supply as part of the Fall Planning Retreat last week. The need for power supply is actually motivated by the ensuing loss of resources beginning in 2022, according to Mark Chesney, KPP CEO and General Manager. Referencing a similar presentation made to members nearly 2 months ago, Chesney explained that approximately 75 MWs of KPP’s contract resources begin to expire in 5 years.

See **POWER SUPPLY** on page 3

## MEMBER BENEFITS (continued from page 1)

Referencing KPP's 2017 effort to institute new power purchase agreements, KPP General Counsel J.T. Klaus related to Retreat attendees a frequent inquiry from City Attorneys. "Before we sign this contract, tell me where it says that KPP will not raise the rates the day after its execution". Pointing to that recurring question, Klaus noted that his reply was often, "Nowhere and everywhere." Klaus continued by drawing a clear distinction between full requirements customers of Westar, or a cooperative, and the member relationship Cities have through KPP. With an investor owned utility, there is the constant arms-length transaction mentality which may provoke suspicion, he reminded. At KPP, where members unitedly influence the setting of rates and policies, any arbitrary raise in the rate to one city would have the same effect on all Cities simultaneously.

With references also to the Public Utility Regulatory Policies Act (PURPA) and the Pool's recent completion of an advance refunding of debt, Klaus summarized the benefits of economies of scale and the securing of resources through unity. The success of these far outweigh the separate effort of any City acting individually, he concluded. ■

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## RETREAT PHOTOS



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## FAMILIAR THEME (continued from page 1)

Noting the need for long-term transmission rights to be held by KPP and others, he pointed to the need for sensibility in new construction, with just and reasonable rates, as areas where TDUs vitally benefit from joint action.

Familiar continuity of that theme sounded again when Ursula Schryver, a Vice President of the American Public Power Association (APPA), took over the microphone. Noting that all KPP Cities are members of APPA through the KPP structure, she presented APPA's strategic initiatives which include: awareness of Public Power, workforce planning, cyber and physical security, research and development as well as increased federal regulation.

Schryver noted that in 2016 APPA conducted research showing that only 1 in 5 retail customers of Public Power utilities are aware that their provider is a community owned utility. Not only is it unfortunate that customers are unaware of the benefits of Public Power, it is also a signal to the utility that there needs to be a stronger relationship between the customer and the provider, she concluded. ■

**POWER SUPPLY** (continued from page 1)

Members were overviewed on the supply screening process involving the requesting of proposals as well a thorough examination of where new assets could be located and with which technology. “It is very apparent that the geographical location of new installations is a critical consideration,” Chesney remarked. Promising future updates to members, KPP Staff will continue to evaluate the readiness of supporting infrastructure and the costs of installing capacity as a contrast to an alternative future power purchase agreement.

A frank discussion concerning parallel generation and its potential impact on a City budget was also part of the Saturday morning agenda. Members were reminded of the requirement that a retail customer’s production of excess renewable energy must be purchased at the City utility’s avoided cost for energy. However, “the payments to the customer at the avoided cost are not the big dollars”, Chesney explained, “it is the loss of kWh sales.” Sample alternatives to addressing the matter ensued with no definitive outcome.

“Technologies will continue to advance”, Chesney commented. “At this point, the rate of penetration in Kansas gives us some time to continue studying the technology before deciding on alternatives for addressing it.” ■

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***Fall Retreat Presenters***

Larry Holloway



Mark Chesney



Dave Osburn, OMPA



Ursula Schryver, APPA



Brad Mears, KMU



Dong Quach, KCBPU



JT Klaus, TWG



John Twitty, TAPS



Not shown:  
Kevin Hopper, Gridliance  
Steve Strom, Custom Internet



## General Manager Message

### Considering Solar Tecnology and Shakespeare

By Mark Chesney, KPP CEO/GM

*"The lady doth protest too much, methinks."*

Do not be misled to thinking I am a student of William Shakespeare. I am not. But this line from his play, *Hamlet*, has intrigued me for years. Nowadays, it is sometimes quoted when someone suspects a speaker to be insincere such that comments or promises are overblown dramatically.

On Saturday, at our Fall Planning Retreat, for the umpteenth time, I commented that I do not like the economics associated with the installation of a solar project – whether owned by KPP or not. I stepped our attendees through a high-level summary of the cost and the payback period. We also talked about possible alternatives by which retail customers could participate directly either in a project or simply the taking of energy at an agreed upon rate.

Also on Saturday, I acknowledged that solar developments and solar enthusiasm appear to be all around us. This is curious as the economics are surely the same for all parties like us – which can only mean that utility-developers are advancing the acceptance of the technology for reasons other than economics. Come to think of it, I am a little repetitive on that point as well.

I am not shy about offering the leadership that I believe my position makes incumbent upon me. With that in mind, it is my judgment that this topic should be altogether tabled for about a year or so. In that meantime, I intend to keep myself fully abreast of the options, the technological developments and the legislative winds of change. Also in that meantime, I am open to listen to anyone having strong feelings. I would emphasize the word *"strong"*. That person, or persons, need to bring a compelling argument – one that may have the effect of convincing others who have the same inclination as mine.

Two weeks ago, I was in Washington DC and participated in a governmental affairs conference sponsored by the Southwest Power Pool. In response to a presentation made by a senior lobbyist representing a segment of green energy interests, an attorney from a generation and transmission cooperative vigorously questioned her. *'Why should we proceed headlong with the expensive cost of constructing new projects and building also the necessary new transmission facilities to bring this energy to market? We know that doing so will only STRAND the expensive investments the industry has already made on existing resources that have decades of useful life left? After all, we will continue to pay those costs as well, now won't we?'*

It's a pretty good question, don't you think? Remarkably, the lobbyist didn't have an answer. However, yet another lobbyist answered that question this way: *'a more certain future is that the technology will continue to advance regardless and will do so either by social urging or broad-based installation by investors of a certain mind. These motions in the market will only cause an escalation of marketplace expectation.'* I sat thinking of the demise of IBM's *Selectric* typewriter during the growing acceptance of word processing. And I thought also of the horse and buggy lobby (if there was one) in the first decade of the 1900's – which, by the way, was also mentioned by one of our Retreat attendees.

Actually, I think my point of view is more justified than IBM or horse and buggy manufacturers. Perhaps it is debatable. What I mean to say here is that I fully understand both sides of the issue. I just don't think it is time to plow ahead... but I will listen. ■



## Members Quizzed About One Another

A winning team of contest participants, heavily influenced by folks from Ellinwood, recorded the best score concerning little known facts about all of KPP's member Cities. The activity took place Friday evening at the KPP Fall Planning Retreat. In only 10 minutes, they correctly answered 14 2/3rds of the following. Oh alright, they were permitted to use their smartphones to access the Web. But can you do better? Go ahead! Test yourself! Look for the answers in the October *Lightning Round*.

1. In 1973, the rock band Kansas rented a venue in what KPP city as a 'tryout show' for a New York record executive?
2. What city is the northern most among members in Sedgwick County?
3. Residents of which KPP city are most likely to answer the question: Where's Waldo?
4. Each year, what KPP city is host to the Piotique Festival?
5. What KPP city is home to the Kansas Museum of Military History?
6. A reverend pastor promised to build what KPP city a church in exchange for the right to name the town?
7. What KPP city is named for a city in Greece?
8. What KPP city was the home to Clyde Cessna of Cessna Aircraft Corporation?
9. George Washington Carver lived in the vicinity of what KPP city for a brief period?
10. Beginning in 1874, Russian Mennonites of German extraction settled in what KPP city?
11. The largest hand dug well is found in what KPP city?
12. What KPP city is located on the historic Smoky Hill Trail?
13. Which 3 KPP cities have survived near total destruction by a tornado?
14. Which KPP city's high school football team is listed in Ripley's Believe it or Not for defeating another team 250 – 0?
15. What KPP city is widely recognized as the Grassroots Art Capital of Kansas?
16. What KPP city was the home of former Kansas governor George Docking?
17. What KPP city is halfway between Paradise and the Garden of Eden?
18. What KPP city was 1939 State Champion in Class B Kansas High School Track & Field?
19. In 1884 the Atchison, Topeka and Santa Fe RR purchased land from the Osage Indian Tribe to make what KPP city the end of the line?
20. The California gold rush initiated a prosperous era for a part of Kansas leading to the founding of what KPP city in 1869?
21. Name 3 KPP cities located along the famous Santa Fe Trail?
22. What KPP city was originally called Dell Ray in 1870 before the Kansas legislature adopted the name from a city in Scotland?
23. After the Missouri Pacific RR extended track to this town west of Atchison, the RR superintendent named what KPP city after his hometown in New York?
24. What KPP city is named after the founder's hometown in Vermont?
25. What KPP city is named after the wife of its founder?
26. What KPP city was named by the town's first Postmaster who took the name from his hometown in Ontario, Canada?
27. What KPP city is still famous today for its "Old Mill"?
28. What KPP city takes its name from a famous European military general?

*See players scrambling for answers below*





## ***Spouse Events at the Retreat***

Seventeen spouses enjoyed a leisurely lunch at Larkspur on Friday of the Retreat courtesy of KPP. After lunch, one group tested their painting skills with an afternoon at Paint the Towne in Wichita's Clifton Square while the second group strolled through the serene gardens of Botanica.





## ***Pole Testing Drill Training***

On September 19, 15 electric utility representatives from 8 KPP member cities received training on a pole testing drill purchased by KPP for use by all KPP members. The drill is a safe, fast, and effective device to test utility poles for rot or other integrity problems below ground where rot is commonly found. The drill is equipped with computer software that displays and records a graph of a cross section of the pole below ground by drilling a  $\frac{1}{8}$ " hole in the pole and tracking the resistance of the wood inside the pole and provides a pass/fail message on the safety of the pole. This data may be uploaded to a computer for filing. The drill may also be used to test other wood materials, such as bridge timbers and trees.

The training was provided by the drill manufacturer, IML—North America, at the KMU Training Facility. KPP staff member James Ging is available to train others in the operation of the drill and its software. The drill may be scheduled by contacting James Ging or Carl Myers.

KPP does not plan to charge a fee for use of the drill, but may ask a utility to cover the cost of the drill bits it uses. Each drill bit will complete the testing of about 100 poles.



## You Can Wear My Hat, Krysta Cash



In the northwest territory of KPP membership lies the City of Luray, halfway between Paradise and the Garden of Eden. When you ask the rhetorical question, “Where’s Waldo?”, one correct answer would be six miles west of Luray. So, in a sense, Luray is in the midst of some iconic locations, including the geodetic center of North America and the beautiful Smoky Hills. This place is where Krysta Cash serves as City Clerk. Krysta has lived in Luray for five years and assumed her position as City Clerk in mid-October 2016.

Originally from Copeland, Krysta has also lived in Great Bend and Hays. She graduated from South Gray High School, which takes in Copeland, Montezuma, and Ensign. Krysta has two older brothers who taught her guy stuff. The three of them were born one year apart in successive years, so they were all in high school at the same time.

Krysta’s free time allows her to enjoy music and writing. She plays the piano, keeps a journal, and writes poetry, which she says is therapeutic for her. Another interest she picked up from her oldest brother is astronomy. She has a star-gazing telescope and has viewed the rings of Saturn. Nice!

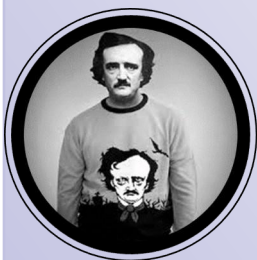
As for a word describing her that starts with the first letter of her first name, Krysta had help from friends who chose *kind-hearted*. She certainly seems that way to me. Her favorite cereal is Fruity Pebbles and her favorite food is Chinese, especially crab rangoons.



For entertainment, Krysta is a Star Wars fan and likes Episode 5: *The Empire Strikes Back* the best. Her favorite book is *Wuthering Heights* by Emily Brontë. Given my druthers, ‘wuthering’ would not be a word, nor would ‘druthers’.

Her favorite musical performer is a band called Brand New, who formed in 2000 and plays alternative rock. Krysta is excited about seeing the band in concert later this fall, which is the number one item on her bucket list. I’m just wondering -- when does the name Brand New wear off? I’ve bought four sets of tires since 2000.

Now on to other interesting tidbits about Krysta. If she could have a skill at a high level, it would be playing piano. Musical genre doesn’t matter. If she could ride in or on anything, Krysta would take a ride in a rocket ship. Where would she like to go? To the moon, of course. But wait. Krysta wants to see the dark side of the moon. She might want to take a flashlight and bundle up. By the way, the rocket ship I found for her has no windows.



Answering the question of what time period she would like to visit, she said she is content with the here and now. Krysta would most like to have a conversation with Edgar Allan Poe, photographed on the left in an 1840’s light-hearted moment. She likes his short story, *The Tell-Tale Heart*. Let’s see, Poe, dark side of the moon, gothic *Wuthering Heights* – this focus on the dark side could be a concern. Fruity Pebbles, kind-hearted? Not to worry.

For what is Krysta most famous? Well, she admits to baking some pretty popular cakes and cupcakes, which she decorates with her piping skills. Sounds good to me.

It was difficult for Krysta to think of a celebrity she resembles. Not uncommon for these profiles. It’s hard to find good dopplegängers these days. I found a couple of possibilities:



singer Adele or mystery author Susan Boyer





## Things You Might Like to Know:

- ⇒ Seven presentations given at KPP's Fall Retreat last week are posted on the KPP website ([www.kpp.agency](http://www.kpp.agency)). After logging in, click on the **Members Only** tab at the top of the home page, then click **Archives**, **Meeting Docs**, and **2017 Fall Retreat** to view the list.
- ⇒ The KPP website has a calendar of events for KPP meetings and activities, including start times. Click on the **About KPP** tab at the top of the home page and then click on **Calendar of Events** in the drop-down menu. Search the calendar by month for the event you wish to see.



### KANSAS POWER POOL STAFF

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#### VICKIE MATNEY

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