Kansas Legislative Coordinating Council
c/o Legislative Administrative Services
RFP Consulting Services Electric Rate Study—Phase 2

Consulting Services to Perform Study of Consequential Issues
Materially Affecting Kansas Electricity Rates

Technical Proposal

Exeter Associates, Inc.
10480 Little Patuxent Parkway, Suite 300
Columbia, MD 21044

Closing Date and Time: October 1, 2019, 5:00 PM (CDT)
September 30, 2019

Legislative Coordinating Council
c/o Legislative Administrative Services
RFP Consulting Services Electric Rate Study—Phase 2
Statehouse, Room 551-S
300 SW Tenth Avenue
Topeka, Kansas 66612

Re: Consulting Services to Perform Study of Consequential Issues Materially Affecting Kansas Electricity Rates (Phase 2): TECHNICAL PROPOSAL
Closing Date: October 1, 2019

To Whom It May Concern:

Exeter Associates, Inc. (Exeter), with its proposed subcontractors Horizons Energy, Metametrics, and Lafayette Morgan, is pleased to respond to the Request for Proposals issued by the Legislative Coordinating Council on behalf of the Kansas Legislature. Our proposal is tailored to the specific requirements of the Kansas Legislature, as identified in Senate Bill 69. We recognize and accept the deadline of July 1, 2020, to complete the report called for in Senate Bill 69.

Enclosed with this transmittal letter are one (1) original and four (4) copies of our Technical Proposal (Volume I), and one (1) original and four (4) copies of our Financial Proposal (Volume II), provided under separate seal), along with electronic versions on CD in Microsoft Word and searchable Adobe PDF format, as specified in the Request for Proposals. Exeter accepts all State RFP contract terms and conditions. Exeter accepts all the provisions in the RFP and does not take any exceptions.

For this work, Exeter will be the prime contractor. Exeter is a corporation that was founded in Maryland in 1981, and has operated continuously since that time. Exeter is a non-publicly traded corporation, with stock ownership restricted to current Principals and officers of the firm. Currently, Exeter has four Principals/Officers, all of whom are owners of Exeter Associates, Inc. stock and all of whom are current employees. Exeter is not owned by any parent company or affiliated with any other organizations.

Exeter does not have any direct or indirect interest which could conflict with working on this contract, and commits to not utilizing a person to work on this contract who might have a conflict of some type. Exeter also has not provided consulting services to investor-owned utilities, rural electric cooperatives, municipal electric utilities or regulatory agencies in Kansas. Exeter did assist the U.S. Department of Energy and the U.S. Department of Defense in two rate cases involving Westar Energy,
and two of the consultants to Exeter testified in at least one of the cases. Those cases have concluded and no conflict with this work is expected. Out of an abundance of caution, Exeter will not use either of these two consultants on this project.

Exeter did not attempt to influence any person or firm to submit or not to submit a proposal. In its hiring practices, Exeter does not discriminate with regards to race, color, religion, age, sex, marital status, political affiliation, national origin or disability. Exeter is also not engaged in a boycott of goods or services from Israel, as Exeter attests in a separate certification that is included with this proposal.

Exeter did not rely on any company or individual to solicit or secure a contract from the state of Kansas. I, as one of the four principals of Exeter, am fully empowered to make decisions with regards to the pricing quoted in our bid, and will honor the terms and conditions expressed in the RFP and in a contract with the State of Kansas. Exeter also agrees that any lost or reduced federal matching money resulting from unacceptable performance on our part will be reflected in decreased payments to Exeter.

Turning to other provisions in the RFP, Exeter does not plan to incorporate any contracts, agreements, licenses or warranties into a contract Exeter executes with the Kansas Legislative Coordinating Council. Exeter also warrants that those working on this project are either employees of Exeter or of Exeter’s subcontractors, with the exception of Lafayette Morgan, who is an independent, unaffiliated consultant. Exeter fully complies with the Immigration and Reform Control Act of 1986. A copy of Exeter’s financial statement was not provided with this proposal, but one can be made available to the Kansas Legislative Coordinating Council upon request. Exeter will maintain books, records, papers and other documents for five years and will comply with the requirements in the RFP on maintaining data provided on a private or confidential basis.

We welcome the opportunity to serve the State of Kansas to perform the important and challenging work represented in the RFP. Please contact me if you have any questions, either technical or contractual, concerning this proposal.

Sincerely,

Kevin Porter
Vice President

KLP/arr
Enclosures
SIGNATURE SHEET

Item: Consulting Services to Perform Study of Consequential Issues Materially Affecting Kansas Electricity Rates

Agency: Legislative Coordinating Council on Behalf of Kansas Legislature

Closing Date: October 1, 2019, 5:00pm (CDT)

By submission of a bid and the signatures affixed thereto, the bidder certifies all products and services proposed in the bid meet or exceed all requirements of this specification as set forth in the request and that all exceptions are clearly identified.

Legal Name of Person, Firm or Corporation — Exeter Associates, Inc.

10480 Little Patuxent Pkwy, Ste. 300 City & State Columbia, MD Zip 21044

Office Phone Number 410-992-7500 Local Number

Cell Phone Number 301-717-0653 Fax Number 410-992-3445

Tax Number 52-1220514

CAUTION: If your tax number is the same as your Social Security Number (SSN), you must leave this line blank. DO NOT enter your SSN on this signature sheet. If your SSN is required to process a contract award, including any tax clearance requirements, you will be contacted by the Office of Legislative Administrative Services.

E-Mail kporter@exeterassociates.com

Typed Name Kevin Porter Title Vice President

Date 9/30/19

In the event the contact for the bidding process is different from above, indicate contact information below.

Bidding Process Contact Name

Mailing Address City & State Zip

Office Phone Number Local Number

Cell Phone Number Fax Number

E-Mail
CERTIFICATE OF TAX CLEARANCE

EXETER ASSOCIATES INC

ISSUE DATE
09/16/2019

TRANSACTION ID
TMYP-88G4-EJCD

CONFIRMATION NUMBER
CXFF-47XC-NN6E

TAX CLEARANCE VALID THROUGH 12/15/2019

Verification of this certificate can be obtained on our website, www.ksrevenue.org, or by calling the Kansas Department of Revenue at 785-296-3199
CERTIFICATION OF COMPANY

NOT CURRENTLY ENGAGED IN A BOYCOTT OF GOODS or SERVICES FROM ISRAEL

In accordance with HB 2482, 2018 Legislative Session, the State of Kansas shall not enter into a contract with a Company to acquire or dispose of goods or services with an aggregate price of more than $100,000, unless such Company submits a written certification that such Company is not currently engaged in a boycott of goods or services from Israel that constitutes an integral part of business conducted or sought to be conducted with the State.

As a Contractor entering into a contract with the State of Kansas, it is hereby certified that the Company listed below is not currently engaged in a boycott of Israel as set forth in HB 2482, 2018 Legislature.

Signature, Title of Contractor  Date

Kevin Porter
Printed

Exeter Associates, Inc.
Name of Company
# TAB 1—CONTACT INFORMATION AND EXPERIENCE

This section provides the contact information and background for the personnel who will work on this project if Exeter is selected.

## EXETER ASSOCIATES, INC.

Exeter is located at 10480 Little Patuxent Parkway, Suite 300, Columbia, Maryland, 21044. The phone number for all Exeter staff is 410-992-7500. Ms. Jennifer Rogers is the exception—she works out of her home near Salt Lake City, Utah, and her contact information is below.

Kevin Porter ([kporter@exeterassociates.com](mailto:kporter@exeterassociates.com)), a Vice President and Principal with Exeter, will manage the project and is available to give an oral presentation if requested. He has 35 years of experience. He leads and performs research in the design, implementation and evaluation of renewable energy policies, and on the development and implementation of transmission policies. Mr. Porter’s past work includes studies of the Federal Energy Regulatory Commission’s generation interconnection policies; the performance of state renewable portfolio standards in the Northeastern United States; and state and regional initiatives to develop new transmission. He has also worked on creating Uniform Systems of Accounts in Ethiopia and Tanzania. He has managed several large projects, including two current multi-year contracts with the Power Plant Research Program (PPRP) of the Maryland Department of Natural Resources, as well as contracts with the California Energy Commission and the National Renewable Energy Laboratory.

Dwight Etheridge ([detheridge@exeterassociates.com](mailto:detheridge@exeterassociates.com)) is a Vice President and Principal at Exeter Associates, Inc. with thirty-three years of experience in the electric utility industry. His areas of expertise include business plan development, industry restructuring, rate design, class cost-of-service studies, load forecasting, resource planning, transmission system evaluations, power procurement, utility benchmarking studies, distributed generation, telecommunications, and contract negotiations. Mr. Etheridge has extensive experience developing analytical and strategic solutions on a variety of utility issues and communicating on those issues to regulatory commissions, legislatures, senior management, boards of directors, and the public. He has presented expert testimony on 39 occasions and has acted as a spokesperson numerous times on television, radio, and in print. Mr. Etheridge’s work at Exeter primarily involves technical and regulatory support to U.S. Department of Energy (DOE) facilities related to utility services procurement, contract negotiations, infrastructure studies, long-term commodity energy price forecasting, energy-related business cases, and regulatory intervention support.

Christina Mudd ([cmudd@exeterassociates.com](mailto:cmudd@exeterassociates.com)) is a Principal and Vice President at Exeter Associates, Inc. with 20 years of experience in the energy industry. Ms. Mudd’s work at Exeter includes the analysis of energy markets and prices, contracts for the supply of electricity and natural gas, utility rates, and federal and state energy regulations. Ms. Mudd manages Exeter’s contracts with the U.S. Department of Energy Bay Area Site Office, the Defense Logistics Agency-Energy Division, the U.S. Air Force Utility Rates Management Team, and the U.S.
Army Commercial Utilities Program. She evaluates energy supply options, conducting detailed assessments and reviews of energy supply contracts and procurement strategies for U.S. government facilities. Ms. Mudd has reviewed the utility service and contract agreements identifying tens of millions in savings attributed to utility billing errors and improved procurement and supply strategies. She has authored and overseen the production of more than 75 report detailing the utility costs and regulatory consideration of federal facilities and has experience in evaluating electricity and natural gas markets in nearly every state and regional transmission organization.

Jerry Mierzwa (jmierzwa@exeterassociates.com) is a Vice President and Principal with Exeter, with 30 years of public utility regulatory experience. At Exeter, Mr. Mierzwa has been involved in purchased gas cost allocation analysis and rate design analysis, conducting management audits and similar investigations of the natural gas supply and procurement policies and practices of local distribution companies (LDCs), and has provided assistance in proceedings before the Federal Energy Regulatory Commission (FERC). Mr. Mierzwa has participated in the planning of natural gas procurements for major federal installations located in various regions of the country. Mr. Mierzwa has been involved in evaluating performance-based incentive regulation for LDC purchased gas costs and the unbundling of LDC services. Mr. Mierzwa has participated in developing utility class cost-of-service studies, has presented testimony sponsoring gas, water and wastewater utility cost-of-service studies, least cost gas procurement and incentive regulation, in addition to presenting testimony addressing utility rate base and revenues. Mr. Mierzwa’s experience also includes the evaluation of NYMEX futures contracts, NYMEX call and put options, and Gas Daily call and put options as part of comprehensive gas cost and rate stabilization programs.

Serhan Ogur (sogur@exeterassociates.com) is a Senior Analyst with 18 years of experience in the energy industry specializing in organized wholesale (Regional Transmission Organization/Independent System Operator) and retail electricity markets. Dr. Ogur’s diverse background comprises energy management and consulting; analysis, design, and reporting of RTO electricity markets and products; and state and federal regulation of electric utilities. Dr. Ogur’s work at Exeter includes analysis of electricity supply contracts; utility rates and tariffs; energy markets and prices; power procurement; default electric service design; project evaluation; demand response opportunities; congestion hedging strategies; and price forecasting. Prior to joining Exeter, Dr. Ogur’s responsibilities at Fellon-McCord encompassed overseeing and performing the daily tasks of the “24/7” wholesale electricity desk, including all aspects of scheduling, managing, and monitoring direct market participant load and generation assets (mostly in ISO/RTO markets) as well as their settlements and custom reporting. Dr. Ogur also worked for PJM Interconnection’s Market Strategy and Market Analysis departments, where he was responsible for analyzing and reporting on all PJM-administered electricity market products, including day-ahead and real-time energy, operating reserve, regulation, synchronized reserve, virtual transactions, financial transmission rights, capacity, demand response, energy efficiency, and renewables. He was part of the team that developed the protocols and business rules for participation of energy efficiency in PJM markets as well as a lead reviewer for energy
efficiency plans and post-installation measurement and verification (M&V) reports for PJM’s capacity market auctions.

Felipe Salcedo (fsalcedo@exeterassociates.com) is a Senior Economist at Exeter Associates, Inc. with over 14 years of experience providing a full range of financial, rate management, and consulting services to publicly owned utilities and the federal as well as local governments. His experience includes the creation of historical billing analyses, customer forecasts and revenue projections, revenue efficiency analyses, rate structure and miscellaneous charges, cost of service studies, and system availability (i.e., impact) fees. Mr. Salcedo provides litigation support on behalf of the federal government in electric rate cases and other regulatory filings affecting the U.S. Department of Defense (DoD) and U.S. Department of Energy (DOE). He has reviewed, analyzed, and actively participated in dozens of utility rate filings affecting the federal government in electric litigated proceedings related to both revenue requirements and rate design. Mr. Salcedo also provides technical advisory services for the negotiation of utility contracts, including an evaluation of fair and reasonable rates across all utility industry sectors with both regulated and unregulated utilities.

Rebecca Widiss (rwidiss@exeterassociates.com) is a Senior Analyst with seven years of experience. Ms. Widiss is a core member of the team that provides economics-based support to PPRP. In this capacity, Ms. Widiss has served as the lead author for a report on energy storage commissioned by the Maryland General Assembly; led the development of a geographic information system (GIS) based screening tool for distributed generation projects in Maryland; conducted input-output modeling to gauge the economic impacts of Maryland’s Renewable Portfolio Standard; and authored socioeconomic testimony on behalf of PPRP in CPCN cases for both transmission and solar PV projects.

Shawn Kelly (skelly@exeterassociates.com) is a Senior Analyst with 17 years of experience. He acts as an advisor to the Arkansas Attorney General’s Consumer Utility Rate Advocacy Division (CURAD) on matters related to energy efficiency, distributed energy resources, and net metering. Mr. Kelly is the lead expert for CURAD in both the distributed energy resources (DERs) and net metering proceedings. Prior to joining Exeter, Mr. Kelly represented a consumer advocacy organization in Indiana as an expert witness in two energy efficiency proceedings before the Indiana Utility Regulatory Commission (IURC), where he emphasized the importance of energy efficiency programs dedicated to low-income households. Prior to that, Mr. Kelly was the Director of Energy Efficiency at Vectren, where he oversaw energy efficiency programs for the utility in Indiana and Ohio. He has also testified in numerous proceedings involving rate matters, including on behalf of the Louisiana Public Service Commission (LPSC) Staff in an automated metering infrastructure (AMI) proceeding.

Stacy Sherwood (sherwood@exeterassociates.com) is a Senior Analyst with 10 years of experience. Ms. Sherwood’s work at Exeter is primarily related to energy efficiency, renewable energy, automated metering infrastructure, cost recovery, and revenue requirements. Ms.
Sherwood has successfully worked with utilities, state energy offices, attorney general’s offices, consumer advocates, and commission stiffs. Ms. Sherwood provides ongoing support to the Arkansas Office of the Attorney General and the Pennsylvania Office of Consumer Advocates regarding their respective states’ utility energy efficiency programs, including analysis of utility energy efficiency plans and proposed plan amendments; analysis of issues raised during stakeholder meetings; review of riders and surcharges related to cost-recovery; and provide recommendations on technical and policy-related matters. She has contributed to several publications issued by the Maryland PPRP regarding electricity in Maryland, including load forecasting, analysis of policy impacts, and inclusion of renewable resources. Additionally, Ms. Sherwood has worked with the Department of Defense to study the demand response potential at various Army Garrisons throughout the United States by conducting on-site visits and performing analysis of electric bills.

Jennifer Rogers (jrogers@exeterassociates.com) is an Economist with 10 years of experience. She works out of her home near Salt Lake City, Utah. Her address is 2905 Karin Court, Apartment 305, Cottonwood Heights, Utah, 84121. Her phone number is (410) 916-0493.

At Exeter, Ms. Rogers evaluates and forecasts power supply requirements and costs, develops utility service assessments, provides bill and rate analysis, and assists in the development of electric and natural gas sales forecasts. Ms. Rogers provides support to the U.S. Department of Energy’s Northern California national laboratories, generating cost simulations and power procurement models to forecast future power supply requirements and costs. In addition, Ms. Rogers reviews and tracks the Laboratories’ billing and energy use. Ms. Rogers works with the U.S. Air Force Civil Engineer Center to complete utility service assessments in an effort to identify areas for potential utility cost savings, providing detailed analysis of energy usage, supply contracts, and a review of billing practices. Ms. Rogers’ work at Exeter also includes studies of variable generation forecasting, feed-in tariffs for renewable energy generation, and transmission cost allocation methodologies.

Matthew Hoyt (mhoyt@exeterassociates.com) is an Economist with 8 years of experience. Mr. Hoyt assists senior staff in assessing utility data, conducting econometric analysis, and evaluating utility sector policy and regulation. Additionally, Mr. Hoyt assists in the development of natural gas and electricity price forecasts, the analysis of alternative power supply options, as well as economic and feasibility assessments of renewable energy, energy efficiency, and demand response opportunities. Specifically, Mr. Hoyt works with the U.S. Army Corps of Engineers Commercial Utilities Program to complete utility service assessments at U.S. Army sites that identify areas of potential utility cost savings, providing detailed analysis of energy usage, supply contracts, and a review of billing practices. Mr. Hoyt’s graduate coursework focused on electricity policy, applied economics, and utility regulation. He wrote two capstone papers; a quantitative assessment of community aggregation policy in Ohio’s retail electric market, and a qualitative assessment of the economic theory of regulatory capture.

Exeter also will rely on its stable of research assistants that is comprised of Nicholas DiSanti (ndisanti@exeterassociates.com), Katherine Fisher (kfisher@exeterassociates.com), and William
Cotton (wcotton@exeterassociates.com). Mr. DiSanti has five years of experience. At Exeter, he assists senior staff in researching regulatory policies and addressing energy market issues. Mr. DiSanti has contributed to analyzing issues related to utility billing assessments, alternative energy technologies, and energy price volatility. Ms. Fisher is the primary staff person for PPRP’s Smart DG project, a web site that screens sites for potential utility-scale solar projects in Maryland. Mr. Cotton has primarily worked on U.S. Air Force and Army utility site assessments, Department of Energy utility monitoring and utility rate cases, and renewable energy database work for Lawrence Berkley National Laboratory.

METAMETRICS
455 Old Hollow Rd
Sperryville VA 22740
434-260-0518

Dr. Peter Hall (perrie@metamet.com), Founder and President of Metametrics, a subcontractor to Exeter, has performed numerous socioeconomic impact analyses for PPRP over the past 35 years in connection with CPCN proceedings, and is thoroughly familiar with issues such as transportation impacts, state and local tax impacts, public services and safety impacts, employment impacts, visual impacts, noise impacts, and impacts on historic and culturally important sites. Exeter and Metametrics are currently conducting input-output (I-O) modeling to estimate the impact of solar PV and OSW development on in-state spending and job creation. The I-O model divides the economy into 536 sectors, comprising industry, government, and households, and then tracks dollar flows between them. Exeter and Metametrics have developed numerous model inputs including projected capacity additions by year, projected overnight capital costs (OCC) and O&M costs by year, spending by industry sector, and percentages of local spending.

HORIZONS ENERGY

Greg Turks
6216 Memorial Dr., Dublin, OH 43017
(614) 553-7816
greg.turk@horizons-energy.com; and

Kathy Jones
773 Shade Tree Road, Benson NC 27504
(919) 894-2831
kathy.jones@horizons-energy.com

Mr. Turks and Ms. Jones are the two staff from Horizons Energy that will work on this project.

Greg Turk founded Horizons Energy in 2016 and has performed modeling for clients in the Southwest Power Pool (SPP) and for the Tennessee Valley Authority. He previously worked for
ABB/Ventyx, where he developed and integrated multiple market models, including energy, capacity, coal, natural gas, and market-based resource expansion for North American electricity organizations. He has over 10 years of experience with production cost and resource expansion modeling and over 20 years of experience in the electric power industry.

Kathy Jones has done modeling of the electric power industry for over 30 years. Ms. Jones was the primary modeler of the previous versions of the LTER when she was with ABB/Ventyx and has nearly 20 years of modeling experience, and nearly 40 years of experience in the electric power industry. While at ABB/Ventyx, she was responsible for the development and analysis of U.S. Environmental Protection Agency (EPA) Clean Power Plan scenarios for North America; the projected build-out of renewable energy capacity for the next 25 years; development of renewable energy credit (REC) price forecasts; cost-benefit analyses of generating, transmission and distribution asset sales and purchases; and zonal market price forecast for numerous regions in North America.

LAFAYETTE MORGAN
c/o Weeks
202 Pebblebrook Drive
Knightdale, NC 27545-9614
lmorgan@exeterassociates.com
(703) 346-3499

Working as a consultant to Exeter, Mr. Morgan has been involved in the analysis of the operations of public utilities with particular emphasis on rate regulation. He has reviewed and analyzed utility rate filings, focusing primarily on revenue requirements determination, accounting and regulatory policy and cost recovery mechanisms. This work included natural gas, water, electric, and telephone utilities. As a Senior Financial Analyst with Potomac Electric Power Company, Mr. Morgan was a lead analyst and was involved in the preparation of the cost of service, rate base, and ratemaking adjustments supporting the Company’s request for revenue increases in its retail jurisdictions. As a Staff Accountant with the North Carolina Utilities Commission – Public Staff, Mr. Morgan was responsible for analyzing testimony, exhibits, and other data presented by parties before the Commission. In addition, he performed examinations of the books and records of utilities involved in rate proceedings and summarized the results into testimony and exhibits for presentation before the Commission. Mr. Morgan also participated in several policy proceedings and audits involving regulated utilities.
TAB 2 REFERENCES

This section provides the contact information for references for Exeter’s work.

Ryan Wiser  
Lawrence Berkeley National Laboratory  
One Cyclotron Road  
MS 90-4000  
Berkeley, CA 94720-0001  
rhwiser@lbl.gov  
510-486-5474

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Regulatory Assistance Project  
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Helen Stewart  
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Nancy Coleal  
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1000 Independence Ave. SW  
Washington, DC 20005  
Tracy.Niro@ee.doe.gov  
202-431-7601
TAB 3: PROVIDING CONTINUING, UNINTERRUPTED SERVICE

This section addresses Exeter’s procedures for providing continuing, uninterrupted services if staffing changes occur or if the requested scope of services is significantly increased. We also describe our procedure for replacing personnel assigned to the project.

Because of the scope and size of the project, and the July 2020 deadline, Exeter proposes to make its entire professional staff of 14 available for this project. This includes four Vice Presidents, five Senior Analysts or Economists, two Economists, and three Research Assistants. Exeter has built significant redundancy among its staff and proposed subcontractors to ensure the needs of the Kansas Legislative Coordinating Council (Council) is met. Therefore, if someone working on the project is no longer available, Exeter will either distribute the work to other staff already working on the project, or will substitute for that person from Exeter’s own staff or from its proposed subcontractors. In either case, Exeter will consult with the Council and get the Council’s approval for the change in personnel. An organization chart is provided below.

Exeter proposes that Kevin Porter lead the project. As a Principal, Mr. Porter has the authority to commit resources and personnel and to make certain administrative decisions on the spot without seeking approval from other Principals. This provides a high degree of managerial flexibility and will facilitate Exeter’s communications with the Council and our subcontractors. This will help ensure that program objectives are met and are not hindered by bureaucratic or managerial inefficiencies.

Mr. Porter will supervise much of the technical work on a day-to-day basis. If Exeter is awarded the contract, this would be Mr. Porter’s primary project, and he expects to devote at least half of his time, if not more, to this project. Mr. Porter will report directly to the Contract Monitor from the Legislative Coordinating Council that is assigned for this project. Mr. Porter will be in frequent contact and communication with the Contract Monitor. This contact is
essential to provide the Council and with the information it needs, permit the Council and the Office to monitor progress effectively, and to enable Exeter to obtain feedback on work products. This will also enable Exeter to be more informed on the Council’s objectives so that Exeter is better able to identify the problems that need to be addressed.

Mr. Porter will also consult with all of the subcontractor managers and consultants on the Exeter Team on an as-needed basis. Additionally, he will hold weekly meetings with Exeter staff and conference calls with subcontractors to review progress and to make additional assignments, as warranted. These consultations are required to monitor task progress and to determine future project needs. Exeter’s management control system emphasizes clear lines of authority, and open and frequent communication between Exeter and its clients.

For each task, any assignment on which Exeter takes the lead, Mr. Porter will assign staff to the project and delegate work responsibilities to obtain the highest quality product at reasonable cost. Mr. Porter has consulted with the other three Principals at Exeter, and staff resources will indeed be available to work on this project. Mr. Porter expects that 1-2 senior-level staff, at least one of the Economists, and two of the three research assistants will devote at least half their time to this project. Mr. Porter also confirmed the availability of Metametrics, Mr. Morgan and Horizons Energy.

To provide these services in the most economic manner, while at the same time maintaining work products of the highest quality, Exeter will rely on junior staff as appropriate and under the supervision of senior staff. Exeter has available staff at different levels of experience, capabilities, and hourly rates to facilitate the economic completion of projects. While the availability of junior staff can facilitate project completion at a lower cost than if only senior staff were relied upon, utilization of junior staff can also lead to additional costs if the staffing plan is imprudently developed and/or junior staff are relied upon to conduct analyses that are more complex, or require more experience, than the level available. Exeter’s experience in managing staff resources for numerous clients, including the Maryland Power Plant Research Program (PPRP), allows Exeter to use such staff effectively, efficiently, and, through working together with senior staff, ensuring a high-quality work product.

The four principals of Exeter regular communicate on staffing availability and needs and coordinate to ensure the work Exeter has committed to for all its clients is successfully completed. All four principals would work on this project in some capacity, and all four have successfully managed large contracts and are capable of overseeing this project if necessary. Mr. Porter intends to work from beginning to end on this project should Exeter be awarded a contract, but if something unexpected occurs, the other three principals can step in and seamlessly take over managing the project and ensuring completion of the work.

Should the work scope be expanded to encompass areas beyond Exeter’s expertise, such as load flow modeling of transmission and distribution systems, Exeter can bring in another company to address the Council’s needs and requirements, with the approval of the Council, of course. As an example, Exeter has engineering subcontractors on several contracts, and should
load flow modeling of transmission and distribution be required, Exeter can quickly and easily add a subcontractor to do the work.

Exeter’s long-standing contracts with PPRP (since the early 1980s); the U.S. Department of Energy (since the mid-1980s) and the U.S. Department of Defense (since the mid-1980s) demonstrate client satisfaction with Exeter’s work and with Exeter’s project management. For all of its contracts, Exeter has successfully navigated the retirement and/or departure of key personnel, yet has ensured that Exeter’s work is high quality and Exeter’s clients are satisfied.
TAB 4: EXETER’S PAST EXPERIENCE

This section describes Exeter’s past experience and familiarity with the stated scope of work of each Phase 2 topic included in the RFP.

1) Whether any costs incurred by Kansas electric public utilities to build and operate electric vehicle charging stations, including any necessary upgrades to distribution infrastructure, are recovered from ratepayers not using electric vehicle charging services.

Electric vehicles (EVs) are expected to eclipse the internal combustion market over the coming decades. This transition raises important questions about who should own EV charging stations and how they should be paid for. In many states, including Kansas, electric utilities have proposed ambitious plans to construct EV charging stations and recover their costs through customer bill charges. Kansas City Power and Light (KCP&L), for example, already supports over 1,000 EV charging stations in its service territory as part of the Clean Charge Network.1

In addition, EV stations—especially fast-charging ones—can create spikes in demand, which then require utilities to increase the capacity of distribution lines serving these stations. This adds an extra layer of complexity to discussions of how the costs of EV-related infrastructure should be recovered. In some cases, such as the establishment of new distribution infrastructure to serve a dedicated EV charging station, it is easy to distinguish EV-related charges from other utility services. In other cases, such as EV charging at residential homes, the costs to support EVs are potentially nested within broader cost categories related to supporting residential distribution.

Exeter has recent experience with similar issues. Earlier this year, the Maryland Public Service Commission (PSC) modified a joint petition filed by Maryland’s investor-owned utilities (IOUs) and a multi-stakeholder EV working group, approving plans to install a network of 5,000 EV charging stations, far less than what was originally requested. The Maryland PSC’s order was an attempt at balancing the interests of utilities, EV owners, and environmental organizations, which sought to accelerate the roll-out of EV charging stations, with groups like the consumer advocate, which expressed concerns about costs to ratepayers, possible stranded technology investments, and potential harm to an emerging competitive market for EV chargers. Through its contract with the Maryland Department of Natural Resources’ Power Plant Research Program (PPRP), Exeter collaborated with the Maryland Energy Administration (MEA) and conducted extensive research on EV charging initiatives in other states, and on cross-subsidy concerns between customers with EVs and those without EVs. Exeter also conducted research on the rapidly evolving technologies utilized for charging EVs and the potential for ratepayer exposure to stranded technology investment costs. This experience lends itself well to the task of evaluating EV charging infrastructure in Kansas.

2) How rates for electric vehicle charging services should be designed to ensure such rates are just and reasonable and not subsidized by other utility customers.

There is general consensus that EV customers, like all customers, should pay for power in proportion to how much they use and when they use it, as is consistent with the principle of cost causation. EV customers, however, potentially utilize the electric power grid in ways that differ from other customers. For example, EVs may increase demand for power in the early evening insofar as EV owners start charging their cars at home after the end of the typical workday.

The potential costs incurred by non-optimal EV charging, however, can be transformed into a grid benefit through rates and tariffs that incentivize more efficient charging patterns. Most EV tariffs include time-of-use (TOU) charges that reflect, in general terms, the way power prices rise and fall on a daily, weekly, and seasonal basis. This provides a simple incentive to shift charging away from more expensive peak periods and towards less expensive off-peak periods. Looking ahead, many utilities anticipate introducing demand charges to signal to EV customers (or charging station owners) the costs associated with maintaining sufficient capacity to deliver power to their vehicles (or charging station). More advanced EV tariff designs may also provide steep discounts to EV customers who charge their vehicles during specific periods of surplus grid supply or cede control of vehicle charging to the utility or a centralized manager (i.e., virtual power plants). If well-designed, TOU rates, demand charges, and related rate designs (such as dynamic pricing) can incentivize EV customers to charge their vehicles during times when system costs are minimized, thereby providing mutual benefit to both EV and non-EV customers alike.

Another way to look at this issue is the allocation of EV benefits and costs within certain customer classes. For example, ownership of EVs is positively correlated with income. Utility initiatives to install charging stations and to give incentives for EVs, therefore can potentially benefit upper-income customers exclusively while the costs are borne by all utility ratepayers. Furthermore, there is not only the potential of cross-subsidy by income, but also by geographic location, as EV ownership tends to be concentrated in urban areas as opposed to rural areas. Finally, since most charging by EV owners takes place at home, these EV owners ironically may be subsidizing EV charging stations used by other EV owners.

Through its work for PPRP and MEA as described in the previous topic, Exeter became highly familiar with these and other issues with EVs and is well suited to assess their importance in Kansas. We expect these issues to only become more prominent in the future.

3) The potential effects of deregulating electric vehicle charging services in Kansas, including whether deregulation would ensure that electric vehicle charging services are not subsidized by public utility ratepayers not using electric vehicle charging services.

In a deregulated market for charging stations, market forces determine whether, where, and when EV charging stations are built by private actors, subject to interconnection processes or related proceedings. In some cases, utilities are also free to build charging stations in a deregulated charging market, although their costs would not be eligible for recovery through regulated electricity rates. One argument for removing or reducing the role of regulated utilities in establishing an EV charging network is that it reduces the risk of the utility passing through the costs of EV-related investment to customers who do not stand to benefit from the service. This
form of separation is also consistent with the view that EV charging is a for-profit service that does not have the same characteristics as traditional, regulated utility power provision. There may also, however, be trade-offs from removing utilities from the process, including whether charging stations are equitably distributed, the speed of station adoption, compatibility of non-utility charging equipment with utility infrastructure, and more. On the other hand, deregulated EV charging service providers who compete in an open market have an incentive to reduce costs. This complex array of factors can influence the potential effects of policy changes regarding EV services.

A more general concern is that electric utilities could crowd out investment in EV charging stations by competitive market entities in areas with the potential for high utilization of such charging stations. However, competitive market entities are not likely to have as much interest in areas that are low- to moderate income (LMI). Here, participation by electric utilities in LMI areas may be worthwhile until utilization is at a level sufficient enough to attract interest from competitive market entities.

Through its work for PPRP and MEA as described in the previous topic, Exeter became highly familiar with these and other issues with EVs and is well suited to assess their importance in Kansas. We expect these issues to only become more prominent in the future.

4) Whether Kansas consumers could benefit from improved access to advanced energy solutions, including micro grids, electric vehicles, charging stations, customer generation, battery storage and transactive energy.

The consumer benefits of advanced energy solutions depend on a host of factors, including: timing; prior infrastructure investments; market prices for energy, capacity, and ancillary services; overall resiliency of the grid; and consumer ability to participate in new programs. Due to this complexity, studies that quantify the benefits of advanced energy solutions often focus exclusively on one technology, such as EVs or battery storage. In addition to potential cost savings, these studies may quantify public health benefits stemming from the reduction of air pollution, water pollution and greenhouse gases.

Exeter has extensive experience with evaluating and assessing alternative energy technologies. In December 2018, PPRP published Energy Storage in Maryland, a report Exeter prepared for PPRP in response to legislation enacted by the Maryland General Assembly. Exeter and PPRP consulted with numerous stakeholder groups, including the U.S. Department of Defense (DoD), environmental organizations, electric companies, third-party providers of storage devices, the University of Maryland Energy Innovation Institute, developers and owners of electricity generation, and other interested parties. During these meetings, Exeter encountered a healthy diversity of opinions on the strengths and weaknesses of various policy options to promote the use of energy storage. Exeter also gave presentations on the Energy Storage in Maryland report to the Power Plant Research Advisory Committee at multiple meetings, and to the House Economic Matters Committee of the Maryland General Assembly. The report was cited in the trade press and by individual members of the General Assembly when legislation was passed in 2019 directing distribution utilities in Maryland to launch energy storage pilot programs.
Exeter has also advised its clients on how to procure distributed energy resources, including designing requests for information (RFIs) and RFPs. For example, Exeter is currently assisting Lawrence Livermore National Laboratory (LLNL) and the U.S. Department of Energy’s (DOE’s) Berkeley Site Office in procuring a solar system that will be sited on LLNL’s campus in California. Exeter’s work has included drafting the RFI, assessing the responses, and collaborating with DOE and LLNL on drafting the contract and working through any necessary transmission and distribution (T&D) arrangements.

Exeter has many other comparable examples of past work assessing whether particular customers stand to benefit from distributed energy resources. For DOE, Exeter developed a business case for wind and solar projects being considered for the National Nuclear Security Administration’s (NNSA’s) Kansas City National Security Campus. The business case involved all capital and O&M costs, financial inputs, and production profiles for two different-sized turbines and both a fixed-axis and single-axis tilting solar PV array. For the U.S. Air Force, Exeter conducted an economic evaluation of power supply cost savings associated with a 3-MW solar photovoltaic (PV) project installed at Edwards Air Force Base in California. This analysis entailed estimating the power supply output of the installation over a 15-year contract term, life-cycle analysis of power supply cost savings to Edwards AFB, and regulatory considerations affecting stranded costs payments to the distribution utility. Exeter later conducted after-the-fact billing analysis to determine the real-world impacts of the project to date.

5) The extent to which transmission investments by Kansas electric public utilities have impacted retail rates, including any incremental regional transmission costs incurred by Kansas ratepayers for transmission investments in other states, and whether such costs have been fully offset by financial benefits such as improved access to low-cost renewable energy and wholesale energy markets.

In 2018, more U.S. electric utilities filed rate cases than at any other year in the past 35 years, according to the U.S. Energy Information Administration (EIA). All but ten of the 83 utilities that filed rate cases sought rate increases, the dominant factor being increased T&D spending. Naturally, consumers want to understand the impact of these investments on their own bottom line. Additionally, Kansas has exceptional wind resources with generation capabilities far greater than electric demand in the state, but there is demand for wind power outside the state. To fully access these wind resources requires transmission to wheel the power out of Kansas. This opportunity raises questions about whether ratepayers in Kansas receive any benefit from transmission built to wheel wind power, or any source of power, out of Kansas to serve customers in another state.

Exeter is quite familiar with the importance of ensuring that customers do not face the burden of excess transmission costs. A recent example is the Transource Energy, LLC (Transource) transmission case in Maryland that was the subject of nearly two weeks of hearings before the Maryland PSC. Exeter conducted a detailed “alternatives” analysis. Transource sought to construct the Maryland portions of two new, double-circuit, 230-kV transmission lines—one

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from York County, Pennsylvania to Harford County, Maryland, and the other from Franklin County, Pennsylvania to Washington County, Maryland. After careful analysis, Exeter concluded that neither Transource nor PJM Interconnection, LLC (PJM) (the regional transmission organization [RTO] to which both states belong), had adequately considered increasing the transmission capacity of two existing transmission corridors that are underutilized. Exeter developed four conceptual alternatives to Transource’s proposed projects, and PPRP relied upon Exeter’s analysis in testifying in opposition to the project. To conduct this analysis, Exeter made several visits to the proposed sites and carefully reviewed topographical and transmission system maps, as well as relied upon the discovery process to have PJM test whether the conceptual alternatives would alleviate identified reliability issues.

Exeter’s testimony before the Maryland PSC has also identified certain characteristics of PJM’s transmission planning process that may not result in optimal outcomes. In the Transource case, Exeter pointed out that while PJM selected the Transource project via a competitive solicitation for “market efficiency” projects that are not needed for reliability but have market or economic benefits, the Transource project transformed into a reliability project because PJM incorporated Transource into its transmission modeling. Removing Transource from PJM’s modeling uncovered reliability violations that could have been addressed through other solutions that could be more economically and environmentally advantageous had they been evaluated by PJM.

In a case involving Delmarva Power & Light’s (Delmarva’s) application to construct a 138-kV transmission line in Wicomico County, Maryland (Maryland PSC Case No. 9393), Exeter closely reviewed PJM’s generation interconnection queue and found that the need for a transmission line was to serve generation developers, not ratepayers, yet ratepayers would be forced to pay for the line. As these examples illustrate, Exeter has extensive experience with complex transmission proceedings, including assessing incremental costs and financial benefits.

6) The costs and benefits incurred by Kansas ratepayers for transmission investments in Kansas used to export energy out of Kansas.

As part of the Midwestern corridor with the strongest land-based wind speeds in the United States, Kansas has attracted attention from numerous companies interested in constructing high-voltage transmission lines to facilitate the export of wind generation. The Grain Belt Express line, which would run from western Kansas to southeastern Missouri, has received Kansas Corporation Commission (KCC) approval and is nearing completion of the approval process in other states. Transmission projects designed to increase export capabilities and completed in recent years include the Kansas V Plan and the KETA project. As with proposed projects throughout the country, primary concerns about such projects voiced by ratepayers in affected communities include: visual impacts and their effects on land use, cultural resources, aesthetics, and property values; the potential use of eminent domain; and damage to local roadways during construction.

Exeter has participated in several transmission siting cases before the Maryland PSC and regularly monitors transmission planning and cost allocation issues at PJM. Exeter identified problems with PJM’s proposed cost allocation for the Artificial Island transmission project,
which assigned the majority of costs to customers in Delaware and Maryland even though most of the benefits would not accrue to those customers. Exeter’s findings, in turn, prompted the Federal Energy Regulatory Commission (FERC) to modify the cost allocation, resulting in a substantial cost reductions for Delaware and Maryland ratepayers.

Exeter also estimates the potential economic impacts of proposed transmission cases in Maryland, using an input-output model such as the National Renewable Energy Laboratory’s Jobs and Economic Development Impact model to estimate full-time equivalent jobs and direct, indirect, and induced earnings from a proposed generating project that is the subject of the Certificate of Public Convenience and Necessity application. Tax revenues by county and state are estimated using the state’s corporate and personal income tax rate rates, and county tax income and property tax rates, adjusted by any tax reductions or exemptions that may apply. This assessment experience lends itself to cost-benefit analysis of transmission investments in Kansas.

7) How rate increases, or the associated rising costs of Kansas investor-owned electric public utilities, impact the retail electric rates of Kansas electric cooperatives and municipal utilities.

Kansas is home to 28 electric distribution cooperatives (rural electric cooperatives),\(^3\) three electric generation and transmission cooperatives,\(^4\) and 118 municipal electric utilities.\(^5\) The KCC does not regulate rural electric cooperatives (co-ops) or municipal electric utilities (munis).\(^6\) Rather, co-ops or munis are not-for-profit entities that are managed by their members, including cities and rural communities. Retail electric rates for co-ops or munis are generally set at levels sufficient to cover the costs of service, but not higher. One major cost of service is wholesale power; co-ops or munis either own and operate their own generation capacity, or purchase wholesale electricity from surrounding utilities. For smaller co-ops and munis, wholesale power acquisition takes the form of “full requirements” contracts, meaning the larger utility—often an IOU—obtains enough capacity to meet the entirety of the co-ops’ or munis’ electric demand requirement. Other co-ops and munis procure a portion of their power through “partial requirements” contracts, again often through IOUs. For example, Sunflower Electric Power Company, a co-op, and Kansas Municipal Energy Agency, a muni, held capacity contracts for 156 MW and 130 MW, respectively, in 2017.\(^7\) Because full and partial requirements contracts often procure power from IOUs, co-ops and munis are exposed to rate increases that impact the cost of wholesale power from IOUs. Similarly, co-ops and munis are also impacted by rate increases that influence the costs to transmit power between systems, or influence the costs of other goods and services provided by IOUs to the benefit of co-ops or munis.

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\(^3\) “Member Co-Ops,” Kansas Electric Cooperatives, Inc. https://www.kec.org/

\(^4\) Ibid.


Exeter has substantial experience in wholesale power markets, especially for its DoD and DOE clients that are large buyers of wholesale power, much like co-ops and munis. For example, under its contract with DOE’s Berkeley Site Office, Exeter oversees the purchase of approximately 100 MW to support DOE’s Northern California laboratories, and has worked closely with the Western Area Power Administration (WAPA) to develop an alternative procurement methodology that entails a combination of WAPA preference hydropower and staggered market purchases. Exeter evaluates market prices and block power requirements for the laboratories, directs WAPA regarding purchases, and also directs WAPA regarding sales of excess power when the sum of the WAPA allocations and block purchases exceeds aggregate requirements.

As another example, Exeter conducted an evaluation of three power supply options for Edwards AFB, which entailed examination of costs under a Power Displacement Agreement (PDA) that facilitates the delivery of: WAPA preference power to the Base as well as additional market power procured by WAPA on behalf of the Base; full bundled service provided by Southern California Edison Company; or direct retail access with power supply provided by WAPA through a combination of preference power, block purchases, and spot market purchases.

8) Whether retail electric rates in Kansas are a material barrier to economic development in Kansas.

The notion that the energy sector could act as a driver of economic development has existed for decades. Many economists go so far as to include energy alongside more traditional inputs, like capital and labor, in the production function for many businesses. Because of energy’s importance as a potential substitute for other production function factors, it is no surprise that energy prices can have a substantial impact on business decisions like how many employees to hire, whether to invest in new equipment, and where to locate the business. To date, Kansas’s retail electricity rates are comparable to, but slightly higher than, rates in surrounding states. For the 12 months ended June 30, 2018, the average commercial and industrial rates for IOUs in Kansas were 9.98 cents/kWh and 7.29 cents/kWh, respectively, according to the Edison Electric Institute (EEI). This compares to the average rates of 9.61 cents/kWh and 6.99 cents/kWh, respectively, for commercial and industrial customers located in EEI’s West North Central region as a whole. The West North Central region includes Kansas, Iowa, Minnesota, Missouri, North Dakota, and South Dakota. By comparison, economic growth in Kansas, as measured using the percent change in real gross domestic product (GDP), was 1.9 percent from 2017 to 2018, as compared to an average change of 1.8 percent in the six West North Central states.

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9 A production function characterizes the productive factors used by a business to produce a good or service.
11 Ibid.
Exeter has extensive experience in rate cases and wholesale power markets. Exeter staff and its subcontractors have testified on well over 1,000 occasions—more than 100 of these in the past five years—before public utility commissions in more than 20 state jurisdictions, before the FERC, before municipal boards of review, and before state and federal courts. As one example, Exeter provided support to the State of Maryland during the Exelon/Constellation and Exelon/Potomac Electric Power Company (Pepco) mergers, and assessed various conditions related to the mergers to help ensure maximum benefit to Maryland residents, continued electric system reliability, and no adverse impacts to employment levels resulting from the merger. These benefits included rate refunds, agreements to maintain employment levels, funding of conservation programs, and commitments to invest in renewable energy projects.

Exeter’s expertise in electric power is not limited to Maryland. Exeter has been involved with electric power issues in Delaware, Louisiana, Maine, Montana, Ohio, and Pennsylvania on issues ranging from implementation of state renewable portfolio standards (RPS) and energy efficiency policies to general rate cases. As economic development is often a material interest to these cases, Exeter is very familiar with the relationship of retail electric rates and economic interests.

9) The impact of contract rates with commercial and industrial customers and economic development rates on other customer classes, including whether expanded utilization of such approaches can benefit all customers over time.

Economic development rates and other special contract rates are intended to incentivize businesses to either locate their operations in a specific utility service territory or expand existing operations within the same territory. These rates benefit utilities insofar as they help develop new sources of load which, in turn, contribute to utility earnings. Commercial and industrial customers, meanwhile, benefit from reduced rates as compared to the standard tariff offering. Other customers in the service territory may also benefit insofar as the incentive rate attracts customers that help increase grid utilization. For example, having a higher number of customers can increase the overall contribution from customers towards paying utility fixed costs, and therefore decrease the average utility rate for each customer. One of the two largest IOUs in Kansas, KCP&L, offers an economic development rate. Following the impending merger of KCP&L and Westar, Westar may too begin offering economic development rates or other special contract incentives. Despite the above benefits, special rates raise concerns about cost allocation: who pays for the discount, and whether the benefits to all customers outweigh the costs.

Exeter has experience in conducting cost and benefit studies on a variety of issues. Exeter is in the midst of determining the costs and benefits of the Maryland RPS. Exeter also prepared a study on determining the avoided costs of energy efficiency that is being used in implementing energy efficiency programs in Maryland. Exeter also has considerable experience with negotiating utility rates for different DOE and DoD facilities around the country. These efforts provide useful background for work assessing the role of special contracts or economic development rates in Kansas.

10) Whether Kansas electric public utilities recover their costs of serving customers from each customer class on the basis of cost causation.
The principle of cost causation is that rates should reflect the costs actually incurred to serve customers. In other words, customers who “cause” costs should pay for those costs, and the share of costs allocated to each customer class should be proportional to the share of benefits received by each customer class. In the case of joint benefits, costs should be allocated on the basis of relative use. Despite providing a foundation for assessing class cost of service, cost causation, in practice, is not the sole basis on which utilities determine how to allocate costs between customer classes. For example, electric rates are often used to support rural customers, small businesses, and low-income customers, provide economic incentives to attract new industry, prop up local fuel sources, and promulgate environmental policy, among other political, social, and economic interventions. The appropriate cross-subsidy level, therefore, may be non-zero.

Exeter currently advises several state utility commissions, state utility commission staffs, and state offices of consumer advocate on electricity and natural gas matters that include gas procurement planning, revenue requirements, cost allocation, and rate design issues. Exeter also provides assistance to DOE and DoD that encompasses matters relevant to rate cases in the jurisdictions containing their respective facilities. More generally, Exeter is fully involved in all regulatory aspects of electric, natural gas, and water/wastewater utilities. Exeter’s work encompasses full revenue requirements analyses, average and marginal cost-of-service studies, fuel cost recovery, restructuring utility markets, energy procurement audits, alternative ratemaking programs, and price mitigation strategies.

11) How cyber and physical security and grid stabilization efforts have affected, or are projected to affect, electric public utility rates.

Maintaining reliability, resiliency, and security has long been considered one of the foundational responsibilities of electric utilities and RTOs. Reliability is usually understood as the degree to which the grid consistently provides service in the face of uncontrolled events or system fluctuation. Resilience is the ability of the grid to adapt or recover in the face of systemic change or disruption. Security is the capability to withstand threats to system operations. Utilities and operators traditionally attempt to achieve these aims through physical investments, often at a premium due to regulated return on investment. For example, utilities invest in redundancy, system hardening, and barriers that prevent improper access to facilities.

It is becoming more challenging to maintain reliability, resiliency, and security, as the risks to all three are different for the modern grid. Grid management is gradually being moved to the cloud, and hundreds of internet-connected consumer technologies now interconnect behind-the-meter (e.g., smart thermostats). This transformation increases the grid’s exposure to new vectors for digital attacks. For example, an attack on the City of Topeka’s utility website in December 2018 impacted over 10,000 customers.

Besides new forms of risk, some known risk factors are also changing in significant ways. Grid planning must increasingly account for rising levels of severe weather, which can exhaust

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traditional resiliency plans and hinder interrelated supply chains, most notably for fuel. For example, the polar vortex in 2014 disabled huge swaths of the Southwest Power Pool’s electric capacity, in part due to the inaccessibility of frozen coal piles and the preferential use of natural gas for heating instead of electric power. Most Kansas utilities participate in the SPP RTO.

Exeter can utilize its extensive experience with assessing how policy priorities influence public utility rates. Several past studies are specifically relevant to this question. For example, Exeter benchmarked cybersecurity efforts in different states at the request of PPRP. This study assessed recommendations put forth by the National Association of Regulatory Utility Commissioners (NARUC) and evaluated risks related to distribution-level cybersecurity assets. The study also addressed best practices for state cybersecurity activities. Exeter has also evaluated reliability, resiliency, and security issues for several federal clients, most notably the U.S. Army, in order to better understand how utility investments by individual Army installations might meet federal priorities.

12) The value of a utility integrated resource planning process that requires state regulatory approval.

Integrated resource plans (IRPs) present a utility’s long-term plan for meeting projected electricity demand through a mix of generation, demand-side resources (e.g., demand response, energy efficiency), and transmission. Thirty-three states, including each of Kansas’s neighbors, require utilities to file IRPs with their utility regulatory commission. While the KCC does not require IRPs of the IOUs under its purview, WAPA requires its federal preference customers, including Kansas-based co-ops or munis, to submit IRPs to WAPA every five years. When conducted effectively, IRPs can identify the lowest-cost methods to reliably meet consumer energy needs. However, the creation and vetting of long-term plans requires substantial time and effort on the part of utilities, stakeholders, and regulators.

In recent years, regulators have grown increasingly interested in distribution system plans (DSPs) as a corollary to IRPs, since distribution-level investments impact how much distributed generation can be added to the grid. Like IRPs, DSPs are scenario-based studies of distribution grid impacts to identify any necessary grid updates or alternative solutions such as potential operational changes or non-wires alternatives. Ten states require utilities to file DSPs with their utility regulatory commission.

Along with overseeing long-term planning by utilities, many public utility commissions are considering performance-based regulation (PBR) as a way to align utility incentives with public policy goals. Under PBR, some or all of a utility’s earnings are tied to achieving measurable objectives selected by state regulators. As of May 2018, 14 states have proceedings to consider or implement PBR, with the nearest two states to Kansas being Illinois and Minnesota.

Exeter has been tracking trends in IRP, DSP, and PBR utilization throughout the country and has firsthand experience developing and evaluating key elements of IRPs. For example, Exeter has conducted numerous long-term forecasts of electricity consumption and peak demand for individual Maryland utilities (Pepco, Baltimore Gas & Electric, Delmarva Power & Light,
Allegheny Power, and Southern Maryland Electric Cooperative). For an upcoming report on the Maryland RPS, Exeter evaluated several policy options that could be used in lieu of an RPS, including IRP, DSP, and PBR.

13) *Economic analysis of the price fluctuations of generation fuels on the cost of electricity.*

Fuel costs comprise a large percentage of the total operating costs of fossil-fueled power plants. Therefore, changes in fuel prices, either up or down, will affect operating costs for fossil-fueled power plants, which therefore affects the prices that electricity customers will pay. This also manifests in price competition between coal and natural gas, whereas changes in the price of one fuel will affect the relative competitiveness of the other fuel. The most prominent example of this is the sharp decline in natural gas costs, which has led to natural gas generation displacing coal generation in many parts of the country.

On several occasions during the past three years, Exeter has been requested by government clients to project the cost of electric power service over a long-term period (e.g., 20 years) to a specific installation or to a region. To prepare these projections, Exeter has relied on different methodologies, depending on the precise type of projections needed and the scope of issues being addressed. Methods employed, either in combination or on a standalone basis, have included:

- Obtaining short-term energy price growth rates from market settlements for (approximately) a 2- to 3-year forward period. (Forward market data for longer periods are unreliable due to a lack of liquidity in forward markets for more than a few years in the future.)

- Obtaining price information on capacity prices. (Capacity prices may or may not be available on a future basis. For example, PJM establishes annual capacity prices forward for three years; the New York Independent System Operator [NYISO] has a monthly capacity market, and those prices are not available on a meaningful forward basis; and the Electric Reliability Council of Texas [ERCOT] has no capacity market.)

- Obtaining other relevant information affecting future prices; e.g., forecasted rate of inflation and known changes in the tariff, such as the expiration of certain transition charges or charges associated with the utility distribution company’s out-of-market contracts that may expire during the term of the analysis period.

- For energy and T&D charges beyond the two to three years of forward settlement prices, the annual rate of growth in these elements from either state or federal publications is relied on; for example, the *Annual Energy Outlook* (AEO) report prepared by EIA.

- Conducting extensive production cost modeling for transmission zone areas based on forecasting assumptions including fuel prices, environmental restrictions, RPS policies, power plant non-fuel operating costs, load growth, power plant construction costs, and
other factors. Exeter performed this type of analysis for PPRP in preparing the *Long-term Electricity Report for Maryland*. 
TAB 5: EXETER’S WORK PLAN

This section describes how Exeter will complete the identified Phase 2 tasks, taken in order by how they are presented in the RFP.

1) **Whether any costs incurred by Kansas electric public utilities to build and operate electric vehicle charging stations, including any necessary upgrades to distribution infrastructure, are recovered from ratepayers not using electric vehicle charging services.**

To assess whether any EV infrastructure costs are being recovered from ratepayers who do not own or service EVs, Exeter will review all Kansas Corporation Commission (KCC) dockets directly related to EV charging networks and, as applicable, analogous records associated with the state’s largest municipal electric utilities (munis) and rural electric cooperatives (co-ops). For example, the KCC addressed EV charging in Docket No. 16-KCPE-160-MIS, in which Kansas City Power and Light Company (KCP&L) proposed the Clean Charge Network. In addition, Exeter will seek information in KCC dockets, integrated resource plans (IRPs), and/or directly from utilities regarding existing and anticipated growth of EV charging stations and EV ownership.

When reviewing the above materials, Exeter will identify what costs are associated with EV charging, and how these costs are currently allocated among customer classes. Exeter will also perform due diligence to ensure upstream costs related to EV charging, such as distribution system upgrades, are appropriately separated from non-EV related upgrades. This step will require a review of current class cost of service allocations for major Kansas utilities, inclusive of all line items related to or potentially related to EVs. Ultimately, Exeter will document how existing growth and upgrades have been addressed per current laws and regulations.

Furthermore, as applicable, Exeter will quantify any EV related costs that are subsidized by non-EV-owning customers and determine whether this cost allocation is in line with accepted best practices.

2) **How rates for electric vehicle charging services should be designed to ensure such rates are just and reasonable and not subsidized by other utility customers.**

To address how EV rates should be structured in Kansas, Exeter will review current EV charging tariffs in the state and also benchmark tariff designs across the country, paying special attention to how market conditions and EV penetration levels influence these designs. Exeter will also collect information from Kansas utilities or related KCC dockets regarding the current usage patterns of EV stations or EV owners. These data will be used to demonstrate how grid utilization differs between EV and non-EV utility customers. Finally, Exeter will, to the extent possible, conduct selected interviews with relevant commission or utility staff regarding the status of current EV-related proceedings and rate design efforts.

Exeter’s findings will support recommendations on how rate design may differ between the two customer groups, including appropriate incentives to reduce overall grid costs. When developing recommendations, Exeter will take care to differentiate EV owners from EV charging services.
infrastructure owners. The appropriate tariff design for a charging station is likely different than that for an EV owner. Exeter will also identify appropriate uses of pilot rates, as well as the critical threshold in EV adoption at which point new rates are necessary. The justness and reasonableness of the proposed rate structures will be gauged based on rate design best practice, such as the principle of cost causation.

3) The potential effects of deregulating electric vehicle charging services in Kansas, including whether deregulation would ensure that electric vehicle charging services are not subsidized by public utility ratepayers not using electric vehicle charging services.

The first step to address this task involves assessing the relative strengths and weakness of deregulated EV charging services along dimensions such as deployment speed, customer costs, utility costs, and so forth. The findings from this analysis will be contextualized both in relation to Kansas’s market conditions and the characteristics of other states that have chosen to deregulate EV charging services. Some important factors that may influence the relative success of deregulating EV charging services include EV adoption levels, the rate of new adoption, and state and local regulations, all of which Exeter will evaluate.

The next step in Exeter’s analysis is to further assess the effects of deregulating EV charging by identifying the status quo to which a deregulated market can be compared. Exeter will collect data about existing Kansas EV infrastructure to date, where it is located, how it is utilized, and the costs incurred to support this infrastructure (by customers and non-customers alike). Exeter will then construct a counterfactual scenario of how EV infrastructure may have been deployed to date had the state previously deregulated its market, and to what degree this scenario differs from actual EV services deployment. The basis for this scenario will be case studies of other states that have deregulated electric charging infrastructure. Finally, in order to assess how a deregulated market might affect costs for non-users, Exeter will use its analysis of EV cross-subsidies (see above) as the basis for an assessment of whether, and how, non-user costs may differ as a result of deregulating EV charging services.

4) Whether Kansas consumers could benefit from improved access to advanced energy solutions, including micro grids, electric vehicles, charging stations, customer generation, battery storage and transactive energy.

For this task, Exeter will summarize and synthesize the most recent, relevant reports on the benefits of advanced energy systems. This synthesis will enumerate and compare the benefits associated with individual technologies and their applicability to different customer classes. The synthesis would also describe key external drivers of consumer value (e.g., imminent retirements of coal plants, steady growth in peak demand, etc.) and evaluate whether these drivers apply to Kansas.

5) The extent to which transmission investments by Kansas electric public utilities have impacted retail rates, including any incremental regional transmission costs incurred by Kansas ratepayers for transmission investments in other states, and whether such costs
have been fully offset by financial benefits such as improved access to low-cost renewable energy and wholesale energy markets.

Exeter’s approach to evaluating the rate impacts and benefits of transmission investments would be twofold. To understand the impact of transmission investments initiated by Kansas’ investor-owned utilities (IOUs), Exeter will review each IOU’s most recent rate case filings. These filings provide a record of transmission-related expenditures and their ultimate impact on customer rates. Exeter will also review the analogous filings of the state’s co-ops and munis. To address any gaps that emerge from this review, Exeter will craft data requests to electric utilities.

For regional transmission investments, Exeter and Horizons Energy will conduct zonal market simulations using the EnCompass power planning model. This tool is capable of simulating the operation of multiple power systems as well as the transferability of power over a period of time (e.g., 20 years) on an hourly basis. Typical outputs from such models include: generation by individual plants, the cost and amount of power transferred between power markets, electricity prices, emissions, fuel consumption, and curtailments. Power market models are useful for calculating the value of transmission to a specific system. A base case is compared to an alternative scenario with additional transmission. In each case, the use of all resources is optimized to provide the lowest overall system costs. The difference in system costs between these two model runs are then attributed to transmission investments. The proportion of this value attributable to Kansas can then be compared with the proportion of costs borne by Kansas customers.

Horizons Energy’s zonal market areas for SPP are reflected in the map below:
In order to evaluate the costs and benefits of transmission lines used to export power from the state, Exeter will review studies and testimony presented by project stakeholders in the recent KCC proceedings. Exeter will determine how each project is being funded, specifically the portions of costs that flow through to ratepayers in Kansas versus those that flow through to merchant wind generators or to customers in other states. Exeter will summarize the range of benefits identified for each project. The potential benefits of new transmission lines include: jobs associated with construction and operation of the lines; jobs associated with new wind generation projects attracted to the region; the ripple effects of these jobs throughout the local economy; tax revenues for local and state governments; easement payments to homeowners; and potential improvements to in-state power reliability. Exeter will conduct input-output modeling to independently evaluate the aggregate economic impacts of identified transmission projects over a to-be-determined time span, such as 20 years. Exeter will work with its subcontractor, Metametrics, to perform this input-output modeling.
7) **How rate increases, or the associated rising costs of Kansas investor-owned electric public utilities, impact the retail electric rates of Kansas electric cooperatives and municipal utilities.**

To address how changes in IOU rates might affect co-ops or munis, Exeter will begin by describing the current mechanisms used by IOUs to charge co-ops or munis for services rendered. For example, Exeter will review Westar’s Generation Formula Rate and generation buy-back power purchase agreements (PPAs) to identify how costs are determined for full-requirements customers.¹ To collect this and other similar information, Exeter will review publicly available tariffs for each IOU. The descriptions resulting from this process will help characterize the mechanisms by which rate increases might impact costs for co-ops or munis.

Next, Exeter will request information from each IOU about the quantity of power provided to co-ops or munis as well as the total costs charged (by type and by customer), over time. Exeter will also request information about other non-standard goods and services provided by the IOUs that are reflected in total costs. This information will contextualize the relationship between co-ops, munis, and IOUs. Third, Exeter will evaluate how IOU rate changes and total costs are ultimately passed through to co-op or muni customers by assessing publicly available information regarding retail rates for the largest co-ops or munis (as determined using the data collected in the previous step).

Finally, Exeter will review the history of the applicable rate components to track how rates have changed over time. These details will then be compared to the similarly tracked changes in costs, rates, and usage for co-ops or munis. All of the findings from the above analysis will ultimately be rolled into specific rate impact estimates that describe exactly how rising IOU costs have affected co-ops or munis.

8) **Whether retail electric rates in Kansas are a material barrier to economic development in Kansas.**

To assess whether retail electric rates in Kansas are a material barrier to economic growth in the state, Exeter proposes examining several relevant metrics on both a state and regional basis. First, Exeter intends to collect economic data points for all the states in the Edison Electric Institute (EEI) West North Central region, including real gross domestic product (GDP), manufacturing or industrial output, consumer price index, employment, wages, and average electric rates, among other key indicators. Exeter will also differentiate each of the economic variables by industry sector insofar as certain customers, like energy-intensive industrial customers, are likely to be more sensitive to prices than other customers. These data can be sourced from the U.S. Bureau of Labor Statistics, U.S. Bureau of Economic Analysis, Federal Reserve, or, in the case of electric rates, EEI.

Second, Exeter intends to calculate the regional and state-specific sensitivities for each economic development measure relative to power prices. Price sensitivity in economics is measured using

elasticities, meaning proportional change of two economic variables in relation to each other. Elasticities can help indicate to what degree rates have a material impact on economic development. Third, Exeter will compare economic development in Kansas with surrounding, peer states using the above metrics.

In conducting the above assessment, Exeter will also draw from academic literature to provide relevant points of comparison from other, similar studies. Exeter can also construct econometric models to statistically control the relative impact of electricity prices on economic development. This form of analysis will be used if the preceding assessment does not provide a clear picture of how, if at all, retail electric rates influence economic development.

9) The impact of contract rates with commercial and industrial customers and economic development rates on other customer classes, including whether expanded utilization of such approaches can benefit all customers over time.

Exeter’s approach to assessing the impact of contract rates and economic development rates is described below:

- First, Exeter will identify the actual economic advantage from existing economic development rates and negotiated contract clauses. To do so, Exeter will evaluate utility tariffs and identify relevant rates, and then describe how they work and who may qualify. For example, KCP&L’s Economic Development Rate discounts qualified new customers or expansions by up to 30 percent in the first year, with declining discounts in subsequent years.

- Second, Exeter will identify the current utilization of existing economic development rates and contract rates, and the cost of participation in terms of foregone revenue. Data requests to electric utilities will be used as necessary.

- Third, Exeter will examine rate proceedings regarding economic development rates and contract rates to determine how the costs of these agreements (i.e., foregone revenue) are accounted for and who, if anyone, pays these costs. As part of this portion of the analysis, Exeter will identify whether utilities absorb a portion of costs and to what degree costs are passed on to specific customer classes. In the case of special contracts, Exeter will also assess the benefit provided by the contract relative to the alternative (i.e., customer bypasses the utility).

- Fourth, Exeter will attempt to determine whether all customers are made no worse off as a result of special rates after accounting for system-wide benefits. Among the questions

2 For example, Patrick, Blanford & Peters used a Monte Carlo simulation approach to examine how a uniform increase in electricity prices would have a dissimilar impact on different industries across states, relative to existing electricity prices and accounting for allocation of the industries across states. Source: Aron Patrick, Adam Blandford and Leonard Peters, “The Vulnerability of the United States Economy to Electricity Price Increases,” 2015.
addressed at this stage are whether special rates allow the IOU to recover the marginal cost of service or fixed costs.

- Finally, Exeter will survey how other state economic development riders work. Based on Exeter’s expertise, we will describe potential economic development rate structures Kansas utilities might adopt in terms of duration, selection criteria, caps on incentives paid, and minimum development requirements. The resultant overview will also identify key strengths and weaknesses of each approach.

In addition to the above analysis, Exeter can also develop a model that assesses the other economic benefits provided to Kansas as a whole. This assessment, conducted using input-output modeling, will help identify retail activity and jobs that result from utility incentives.

10) **Whether Kansas electric public utilities recover their costs of serving customers from each customer class on the basis of cost causation.**

To answer the question of whether Kansas IOUs recover costs on the basis of cost causation, Exeter will review recent base rate case filings for additional information about how each IOU allocates costs. Exeter will also collect information about the relative distribution of costs by customer class as part of this process. As an outcome of this review, Exeter will develop a list of questions for each utility regarding the nature of cost allocation and reasoning for specific cost allocation decisions. Once these questions are addressed, Exeter will develop a review of current practices which can then be compared to industry standards and other best practices for class cost of service.

11) **How cyber and physical security and grid stabilization efforts have affected, or are projected to affect, electric public utility rates.**

Answering the question of how reliability, resiliency, and security efforts have affected electric rates is challenging because there is limited public information on what grid security and stability measures should cost. While the North American Electric Reliability Corporation (NERC) has developed detailed cybersecurity standards for utilities to implement, cybersecurity and physical security proceedings at state public utility commissions are usually closed-door affairs, with extra precautions taken to safeguard filings from being accessed by outside parties. Thus, Exeter will rely on data requests, with appropriate safeguards as documented in confidentiality agreements between Exeter and electric utilities, in order to obtain the sensitive data needed to identify: (1) how much Kansas utilities currently spend on security, resiliency, or reliability; (2) what specific efforts have incurred costs, and what these efforts were in response to; and (3) utility spending plans for these issues going forward. Besides proprietary data, Exeter will also develop more general answers through conversations with subject matter experts. More specifically, Exeter will identify individual experts to contact directly for further information and context. These experts would likely include commission staff with grid security or stability expertise, who are tasked with helping commissions balance utility investment priorities with ratepayer impacts.
12) The value of a utility integrated resource planning process that requires state regulatory approval.

To begin addressing this task, Exeter will present the standard elements of IRP and distribution system planning (DSP) processes and discuss differences in the complexity of planning requirements, including: planning horizons, frequency of updates, the types of resources that must be included, the kinds of modeling required, and the number of scenarios that must be evaluated. Exeter will then present best practices and provide case studies to illustrate the potential value of IRPs and DSPs, as well trade-offs between simplicity and value. To the extent there is interest in performance-based regulation (PBR) as well, Exeter will summarize the policy objectives being pursued through PBR, the standard financial mechanisms through which utilities can be compensated, PBR chief advantages/disadvantages, the regulatory processes by which states are developing PBR systems, and results to date from early-adopter states.

13) Economic analysis of the price fluctuations of generation fuels on the cost of electricity.

To conduct this analysis, Exeter will rely on production cost modeling. In consultation with local experts, Exeter and Horizons Energy will develop a reference case based on a set of assumptions and projections assessed as most plausible. For natural gas, this will include an evaluation of both the basis price of Henry Hub and the costs of delivery to points within Kansas. Similarly, for coal, we will estimate both the mine mouth and delivery cost for that generation. Exeter and Horizons Energy will then develop several alternative scenarios such as high and low natural gas price scenarios and high and low coal price scenarios, drawing from short-term fuel price projections and longer-term price projections, such as those contained in the U.S. Energy Information Administration’s (EIA’s) Annual Energy Outlook report. The modeling results will depict how changes in natural gas prices and coal prices affect wholesale power prices, grid operations, and environmental emissions.
TAB 6: EXETER’S PAST COMPARABLE ENGAGEMENTS

This section addresses the requirement to provide a list of similar engagements of electric rates for other state legislatures or public utility commissioners, electric public utilities, electric cooperatives and municipalities and/or commercial and industrial customers in the past 10 years. The proposal also requires a brief analysis of each engagement and the evaluation outcomes for each study.

Exeter is an economic consulting firm specializing in the provision of assistance in the areas of public utility regulation and energy markets and economics. A significant portion of Exeter’s work is in support of clients’ litigation activities before federal and state regulatory agencies and courts. Exeter also conducts facility optimization studies for its federal government clients, through which we analyze utility service agreements and contracts, evaluate changes in regulatory arrangements, assess long-term energy supply and demand arrangements, and seek to optimize utility service agreements and procurements via specialized negotiated contracts. Exeter’s senior professional staff includes economists, accountants, financial experts, and analysts, all with advanced degrees or the equivalent experience.

Exeter’s clients include state public utility commissions, state consumer advocate offices, state attorney general offices, and federal and state government agencies. Individual federal government facilities can have significant power requirements, and as such, can resemble commercial and/or industrial customers in terms of power demand. Exeter does not work for investor-owned, electric cooperatives, or municipal electric utilities, as that would conflict with Exeter’s work for its state and federal government clients.

Exeter staff and its subcontractors have testified on well over 1,000 occasions—more than 100 of these in the past five years—before public utility commissions in more than 20 state jurisdictions, before the Federal Energy Regulatory Commission (FERC), before municipal boards of review, and before state and federal courts. Additionally, Exeter has more than 25 years of experience conducting utility rate analyses and utility studies for its Army, Air Force, and DOE clients. Exeter has conducted over 100 in-depth utility studies for federal government installations over just the past five years, including 77 for the Air Force, 27 for the Army, and 12 for the DOE National Laboratories. These studies include a comprehensive evaluation of utility rates for individual installations, options and methods for reducing utility costs, and recommendations for making effective, efficient use of utility services.

Given this extensive list of past work, Exeter thought it would be easier to summarize work for some of its larger clients, and to provide a few case studies, instead of providing summaries of hundreds of past projects.

Case Studies

National Nuclear Security Agency (NNSA), Pantex Plant—Southwestern Public Service—
In its 2015 GRC, filed in December of 2014 before the Public Utility Commission of Texas
EXETER ASSOCIATES, INC.

Consulting Services to Perform Study of Consequential Issues Materially Affecting Kansas Electricity Rates September 30, 2019 Tab 6-2

(PUCT), Southwestern Public Service (SPS) requested a $64.7 million base revenue increase, representing a 12.6% increase in base revenues and a 6.7% increase in total revenues. Exeter’s expert witnesses, Ms. Maureen Reno and Mr. Dwight Etheridge, testified on behalf of the DOE. Exeter sponsored testimony on SPS’s operations and maintenance (O&M) expense levels, cost of capital, and class revenue allocations. Mr. Etheridge, a principal with Exeter, prepared a benchmarking study on SPS’s administrative and general (A&G) and distribution O&M expenses that was presented in his direct testimony. He recommended disallowances of $10.2 million in A&G expenses and $2.3 million in distribution O&M expenses. Ms. Reno, Exeter’s independent cost of capital expert, prepared direct testimony in which she recommended that the PUCT set SPS’s ROE at 9.0% and include SPS’s short-term debt in its capital structure, thereby lowering the equity ratio from 53.97% to 51.98%. She also prepared rebuttal testimony. Both Ms. Reno and Mr. Etheridge appeared at the hearing to stand cross-examination. The PUCT’s decision resulted in an overall increase in NNSA’s Pantex plant’s electric costs by approximately $59,000, or a 0.6% total increase. This is far less than the $282,000, or 7.7%, total increase proposed under SPS’s initially filed rates.

Ft. Lee Utility Service Assessment — Exeter completed a utility contract and costs assessment for Ft. Lee in August 2015. The purpose of this utility assessment was to (1) review the electric and natural gas utility contracts; (2) provide an overview of how electric and natural gas utility services are provided to Ft. Lee; (3) conduct a cost analysis of each utility’s rate structure; and (4) identify potential cost-savings opportunities for Ft. Lee. Ft. Lee receives electric service from Dominion Virginia Power (Dominion). Exeter evaluated Dominion’s rate schedules and riders for eligibility and potential cost savings to Ft. Lee. After reviewing the billing data for Ft. Lee’s electric accounts, service requirements for Ft. Lee, eligibility requirements from Dominion’s tariff book, and other factors, Exeter determined that Ft. Lee could save approximately $721,000 annually by shifting its two largest (substation) accounts from Rate Schedule GS-4 to Rate Schedule 10 – Large General Service (LGS-10). One of the challenges that Exeter had to overcome for calculating the cost savings was that billing determinants for LGS-10 change constantly, given the very nature of the time-of-day rate design of this tariff. Exeter had several meetings and worked together with Dominion representatives to calculate the savings level and overcome this obstacle.

Army Demand Response Assessment and Guidance — Exeter was tasked by CUP to assess and evaluate demand response (DR) opportunities at all Army sites in the U.S. The first stage of this effort included a Market Study, eight site-specific assessments, and an Army National Guard (ARNG) way-forward report. The Army expanded the project to include an additional eight site-specific assessments, case studies, DR-implementing guidance materials, 56 site-specific fact sheets, an Army DR assessment database, a data and reporting strategy memo, and a comprehensive report on ARNG and U.S. Army Reserve (USAR) opportunities. Despite the significant number of working parts involved in the three-year effort, Exeter successfully engaged numerous Army stakeholders and managed multiple task timelines to close. Among the many benefits to Army include: in-depth DR analysis and strategy for individual sites, landholding commands, CUP, and the Office of the Assistant Chief of Staff for Installation Management (OACSIM); identification of approximately $6 million in current DR savings and $4 to $6 million in potential additional DR savings; and a comprehensive guidance document that addresses Office of the Assistant Secretary of Defense (OASD) DR requirements for the Army.
Vandenberg AFB Utility Service Assessment – In September 2017, Exeter completed a utility assessment of Vandenberg AFB, which included a review and cost analysis of each utility service, followed by recommendations to reduce utility costs. Exeter’s analysis was based on in-person meetings with AFCEC and installation representatives, as well as an assessment of utility tariffs, contracts, and billing and consumption data. This report focused on water rights contracts, installation of a solar facility and the applicable utility tariffed rate, demand management opportunities, and competitive versus bundled natural gas supply services. Exeter identified potential cost savings opportunities of approximately $2.4 million. In follow-up work and in response to Air Force input on water delivery priorities and volatility in natural gas prices experienced during the winter of 2018, Exeter prepared a supplement to the memorandum to revise its recommendations and provide natural gas purchasing strategies to better manage the volatility of DLA Energy’s index-based contract that is currently in place at Vandenberg AFB.

Pennsylvania Office of Consumer Advocate (OCA)

<table>
<thead>
<tr>
<th>1. Project Title</th>
<th>Columbia Gas of Pennsylvania – General Rate Case</th>
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<tbody>
<tr>
<td>2. Project Location</td>
<td>Exeter Associates</td>
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<tr>
<td>3. Contract Type</td>
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<td>4. Award Amount</td>
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<td>5. Contract Value</td>
<td>$18,802.40</td>
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<td>6. Period of Performance</td>
<td>04/2016 – 01/2017</td>
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<td>7. Completed</td>
<td>08/2016</td>
</tr>
<tr>
<td>8. Description of Work Performed</td>
<td>Serving As an Expert Witness at Utility Rate Hearings</td>
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<td></td>
<td>Exeter conducted a thorough analysis of Columbia Gas of Pennsylvania’s rate filing and presented testimony on revenue, expense, rate base, and policy issues, including issues related to the use of a fully forecasted test year. (100% of total cost.) This project is just one of many tasks assigned to Exeter by the Pennsylvania OCA each year. Exeter performs a significant amount of work for the OCA and routinely has between 5-10 open tasks and cases in a given year, including general rate cases for electricity and natural gas, and unique regulatory proceedings on issues related to default service and stranded costs.</td>
</tr>
<tr>
<td>9. Labor and Staffing</td>
<td>Jerome Mierzwa, Principal, Project Manager, Expert Witness, 30 years of experience</td>
</tr>
<tr>
<td>10. Client Contact</td>
<td>Tanya McCloskey, Consumer Advocate, Pennsylvania Office of Consumer Advocate, 555 Walnut Street, Harrisburg, PA 17101, 717-783-5048; <a href="mailto:tmccloskey@paoca.org">tmccloskey@paoca.org</a></td>
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## Defense Logistics Agency Energy (DLA Energy)

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<tr>
<th></th>
<th>Project Title</th>
<th>Electric Acquisition Support Services</th>
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<td>Project Location</td>
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<tr>
<td>3</td>
<td>Contract Type</td>
<td>Both Firm Fixed-price and Time and Material</td>
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<td>4</td>
<td>Award Amount</td>
<td>$275,181.09</td>
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<td>Contract Value</td>
<td>$255,393.02</td>
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<td>6</td>
<td>Period of Performance</td>
<td>04/2014 – 10/2017</td>
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<td>7</td>
<td>Completed</td>
<td>10/2017 (Exeter was awarded the follow-on contract on 01/16/2018)</td>
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<td>8</td>
<td>Description of Work Performed</td>
<td><strong>Utility Procurement Assistance</strong></td>
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<tr>
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<td>Exeter provides DLA Energy with a wide range of analytical technical advisory and assistance support to procure retail electricity and, to a lesser extent, renewable energy in the continental United States (CONUS) at fair and reasonable terms, while also providing overall guidance to the acquisition team. Work requires knowledge of state retail electricity restructuring and experience supporting retail entities purchasing electricity, and involves the following tasks:</td>
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<td>1. Preparation of written reports on competitive electric retail supply acquisitions;</td>
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<td>2. Evaluation of options and methods for reducing electricity-related costs, conducting economic analyses, and making recommendations;</td>
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<td>3. Evaluation of trends (in terms of electric rates) to support determination of long-range planning parameters;</td>
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<td>4. Assistance with the evaluation of supplier offers; and</td>
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<td>5. Evaluation and audit of electric supplier services and costs.</td>
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<td>9</td>
<td>Labor and Staffing</td>
<td>Christina Mudd, Principal, Project Manager, 20 years of experience</td>
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<td>Serhan Ogur, Senior Economist, Utility Rate Analyst, 15 years of experience</td>
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<tr>
<td>10</td>
<td>Client Contact</td>
<td>Lawrence Fratis, Chief, DLA Energy Elect. &amp; Renewables Div. Defense Logistics Agency Energy</td>
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<tr>
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<td>8725 John J Kingman Road, Fort Belvoir, VA 22060</td>
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<td>703-767-8392; <a href="mailto:lawrence.fratis@dla.mil">lawrence.fratis@dla.mil</a></td>
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<td>1. Project Title</td>
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<td>4. Award Amount</td>
<td>$978,200 (Base Year); $3,018,970 (Includes Base Year and Option Years 1 and 2); $3,536,333.50 (with additional 6-month extension)</td>
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<td>5. Contract Value</td>
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<td>6. Period of Performance</td>
<td>7/18/2011 – 7/17/2012 (Base Year) and Option Years 1 and 2 through 7/17/2014; modification provided an additional 6-month extension to 1/17/2015 (Exeter was awarded the follow-on contract on 01/17/2015)</td>
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<td>7. Completed</td>
<td>1/17/2015</td>
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<td>8. Description of Work Performed</td>
<td>Performing Utility Rate Analyses and Other Utility Studies, Utility Procurement Assistance and Utility Billing Due Diligence Reviews Exeter provides expert consulting services, the core elements of which include utility acquisition assessments that are fundamentally the same as the Army’s utility service assessments. Each utility assessment involves detailed billing reviews, coordination with utility providers, site visits, identification of savings opportunities, and evaluation of utility and energy management practices. In addition to providing the requirements for service assessments, Exeter also provides the following services for AFCEC: utility consultation and guidance, utility contract negotiation strategies and technical assistance, and assistance with utility and energy procurements conducted in accordance with FAR Parts 41 and 52.</td>
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<tr>
<td>9. Labor and Staffing</td>
<td>Christina Mudd, Principal, Project Manager, 20 years of experience Felipe Salcedo, Economist, 14 years of experience Nicholas DiSanti, Research Assistant, five years of experience</td>
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</tr>
<tr>
<td>10. Client Contact</td>
<td>Nancy Coleal, Chief, Utility Rates Division United States Air Force, Air Force Civil Engineer Center HQ AFCESA/CENC 139 Barnes Drive, Tyndall AFB, FL 32403 850-283-6215; <a href="mailto:Nancy.Coleal@tyndall.af.mil">Nancy.Coleal@tyndall.af.mil</a></td>
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### Army Commercial Utilities Program (CUP)

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<td>Multiple Award Task Order – Firm Fixed Price</td>
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<td>5</td>
<td><strong>Contract Value</strong></td>
<td>Task orders funded to date: $3,768,800.76</td>
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<td>9/12/2013 – 8/20/2018</td>
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<td><strong>Completed</strong></td>
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<td>8</td>
<td><strong>Description of Work Performed</strong></td>
<td>Serving As an Expert Witness at Utility Rate Hearings, Performing Utility Rate Analyses and Other Utility Studies, Utility Procurement Assistance, and Utility Billing Due Diligence Reviews</td>
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<td></td>
<td>Exeter has contributed to 19 task orders thus far, providing consulting services for utility service assessments for 23 different locations, expert witness services in five docketed rate case proceedings, expert witness services for municipal utilities, evaluation of contract negotiation opportunities for ten Army sites, evaluation of demand response opportunities Army-wide, and consideration of utility services for the U.S. Army Reserve. Additionally, Exeter evaluated the experience and results of the CUP utility assessment program, providing data analysis and briefing documents.</td>
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<tr>
<td>9</td>
<td><strong>Labor and Staffing</strong></td>
<td>Christina Mudd, Principal, Project Manager, 20 years of experience</td>
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<td>Felipe Salcedo, Economist, Assistant Project Manager, nine years of experience</td>
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<td>Matthew Hoyt, Economist, eight years of experience</td>
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<td>10</td>
<td><strong>Client Contact</strong></td>
<td>Bernard Givan, Program Manager Commercial Utilities Program (CUP)</td>
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<tr>
<td></td>
<td>U.S. Army Engineering and Support Center Huntsville</td>
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<tr>
<td></td>
<td>4820 University Square, Huntsville, AL 35816-1822</td>
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<td>(256) 895-1275; <a href="mailto:bernard.w.givan@usace.army.mil">bernard.w.givan@usace.army.mil</a></td>
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Maryland Power Plant Research Program, Renewable Portfolio Standard Study

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Maryland Power Plant Research Program, Technical Assistance in Electric Utility Economics
<table>
<thead>
<tr>
<th>1. Project Title</th>
<th>Maryland Technical Assistance in Electric Utility Economics</th>
</tr>
</thead>
<tbody>
<tr>
<td>2. Project Location</td>
<td>Exeter Associates</td>
</tr>
<tr>
<td>3. Contract Type</td>
<td>Labor Hour</td>
</tr>
<tr>
<td>4. Award Amount</td>
<td>$3.78 million</td>
</tr>
<tr>
<td>5. Contract Value</td>
<td>$3.78 million</td>
</tr>
<tr>
<td>7. Completed</td>
<td>In progress</td>
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<tr>
<td>8. Description of Work Performed</td>
<td>Economic Analysis, Policy Analysis and Regulatory Testimony</td>
</tr>
<tr>
<td></td>
<td>Exeter provides a suite of economic analysis services to</td>
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<td></td>
<td>PPRP, including assistance in generation and transmission</td>
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<td>siting cases before the Maryland Public Service Commission;</td>
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<td>analysis of proposed and pending legislation at the Maryland</td>
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<td>General Assembly; and general economic and policy analysis.</td>
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<td>Of relevance to this RFP include the following:</td>
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<tr>
<td></td>
<td>• Energy storage study—In response to legislation enacted</td>
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<tr>
<td></td>
<td>by the Maryland General Assembly, Exeter prepared a study</td>
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<tr>
<td></td>
<td>of the economic and technical potential of energy storage</td>
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<tr>
<td></td>
<td>in Maryland. The study was published in December 2018, and</td>
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<td></td>
<td>Exeter testified before the House Economic Matters Committee</td>
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<td>in February 2019 of the results of the study.</td>
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<td>• Transmission testimony—In response to a permitting</td>
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<td>application filed by Transource for a merchant transmission</td>
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<td>facility, Exeter conducted extensive research and found an</td>
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<tr>
<td></td>
<td>alternative location at much less cost than Transource’s</td>
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<td>original site.</td>
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<tr>
<td>9. Labor and Staffing</td>
<td>Kevin Porter, Principal, Project Manager, 35 years of</td>
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<tr>
<td></td>
<td>experience</td>
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<tr>
<td></td>
<td>Dwight Etheridge, Principal, 33 years of experience</td>
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<tr>
<td></td>
<td>Matthew Hoyt, Assistant Project Manager, eight years of</td>
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<td></td>
<td>experience</td>
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<td></td>
<td>Rebecca Widiss, Assistant Project Manager, seven years of</td>
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<tr>
<td></td>
<td>experience</td>
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<td>10. Client Contact</td>
<td>Helen Stewart, Program Manager</td>
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<tr>
<td></td>
<td>Maryland Power Plant Research Program</td>
</tr>
<tr>
<td></td>
<td>Tawes State Office Building B-3</td>
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<tr>
<td></td>
<td>580 Taylor Ave.</td>
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<tr>
<td></td>
<td>Annapolis, MD 21401</td>
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<td></td>
<td>(410) 260-8660; <a href="mailto:helen.stewart@maryland.gov">helen.stewart@maryland.gov</a></td>
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