



Procurement Division
111 E Maple, PO Box 1019
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**REQUEST FOR QUALIFICATIONS #23061
Independence Power & Light (IPL) Strategic Plan**

ATTENTION RESPONDENT – COMPLETE AND RETURN WITH RESPONSE

Responding Firm Sawvel and Associates, Inc. Phone Number (419) 422-4812
(Please print or type)

Address 100 E. Main Cross Street, Suite 300 City Findlay State OH Zip 45840

Name of Authorized Agent Don Gruenemeyer Email degruen@sawvel.com

The only authorized source for Request for Qualification (RFQ) forms, addenda, and information regarding this RFQ is www.publicpurchase.com. Using RFQ forms, addenda, and information not obtained from www.publicpurchase.com creates the risk of not receiving necessary information about the RFQ that may eliminate your proposal from consideration.

Submit questions regarding this RFQ online at www.publicpurchase.com by deadline in the RFQ schedule.

Proposals shall be submitted online via www.publicpurchase.com by the date and time indicated. Paper, fax, or email responses will NOT be accepted and will not be returned to sender. Proposals are sealed in a virtual lockbox that can only be opened after the Request for Qualifications (RFQ) closing date and time, to maintain confidentiality of the proposal. All proposals are subject to the terms and conditions herein.

Submission of a proposal shall be deemed a firm offer and is not revocable within 120 days after response deadline.



July 12, 2023

Mr. Zach Walker
City Manager
City of Independence
Independence City Hall
111 E. Maple Avenue
Independence, MO 64050

**RE: Request for Qualifications – RFQ #23061
Independence Power & Light (IPL) Strategic Plan**

Dear Mr. Walker:

Sawvel and Associates, Inc. (Sawvel) is pleased to provide our qualifications and experience for your consideration regarding the RFQ for the Independence Power and Light (IPL) Strategic Plan. This response to the RFQ includes our experience, list of references and resumes of consultants with applicable experience. As described below, Sawvel is responding to the “invest” in IPL RFQ – Sawvel has not responded to the “sell” RFQ.

INTRODUCTION

Sawvel is a consulting and engineering firm that was founded in 1951. We have offices in Ohio and Kansas. Most of our clients are municipally owned utilities that operate electric, natural gas, steam, water and wastewater systems. See the attached Statement of Qualifications for more details of services that we provide to our clients. Many of the firm’s clients have utilized Sawvel’s services on a continuous basis since its founding over 70 years ago.

EXPERIENCE WITH IPL

Sawvel has provided services to IPL in the past. Our services have included preparing an Electric System Master Plan in 2008. Sawvel has prepared Cost of Service and Rate Studies in 2008, 2013 and 2015¹. These prior activities perhaps provide the best illustration of Sawvel's expertise and qualifications and organizational understanding of IPL, and Sawvel's demonstrated capability to prepare long-range capital and O&M strategies including generation, capacity requirements, T&D maintenance and upgrades and customer service improvements. Sawvel has demonstrated its qualifications and capabilities to prepare revenue requirement projections for IPL including the impact to rates and revenues, future bonds or funding requirements and the resulting competitiveness with regional electric utilities. Accordingly, Sawvel believes the most relevant referral of Sawvel's qualification and experience to perform the "invest" strategic planning study is IPL itself.

Although Sawvel has a familiarity with IPL's operations and organization, Sawvel believes that sufficient time has elapsed since providing the above referenced services that there are not any actual or perceived conflicts of interest or bias that would impact Sawvel's ability to provide a strategically objective plan.

EXPERTISE AND QUALIFICATIONS

See the attached Statement of Qualifications for more information about our expertise. Resumes are included for consultants who have prepared studies related to strategic planning for municipal electric utilities. Two specific studies are included with this RFQ response. They are "Report on Utility Organization" prepared for the City of Hamilton, Ohio and "Examination of Management and Operations" for the Kansas City, Kansas Board of Public Utilities. Two of our consultants that prepared these studies, Mr. Herz and Mr. Gruenemeyer, are included in the IPL Statement of Qualifications. Resumes are included for Mr. Herz, Mr. Gruenemeyer and Mr. Harriger, who assisted in preparing IPL Cost of Service and Rate studies and the Smoky Hills analysis.

Although each strategic planning study will be different, the attached two studies illustrate how Sawvel lays out the methodology and approach for the study performed. Also, the studies show that Sawvel's findings are presented directly, clearly and concisely. As follow up to each of these studies, Sawvel was a key team member in developing Master Plans that included capital

¹ In 2016, Sawvel assisted IPL in evaluating and successfully litigating resolution of IPL's energy costs from the Smoky Hills wind farm.

improvement plans, financial forecasts and electric rate plans that were implemented by each client. We strongly encourage you to review the studies included to gain a sense of Sawvel's ability to identify and address issues and solutions, and the steps needed to be a competitive supplier of electricity.

KEY PERSONNEL

Mr. Herz, Mr. Gruenemeyer and Mr. Harriger prepared Cost of Service and Rate Studies and the Master Plan Study for IPL. Mr. Herz prepared a publication entitled "Municipal Choices – Maintaining the Value of Your Municipal Electric Utility". This publication included a case study of the electric system of the City of Gardner, Kansas. At the time of the case study, Gardner was planning to evaluate bids to purchase its electric system from two investor-owned utilities.

Sawvel's experience includes power supply, organizational, electric rates and long-range planning for our municipal clients. We have first-hand experience with the IPL electric system from our past work with IPL. We would welcome the opportunity to assist the City of Independence using our knowledge and experience in the industry and specifically with IPL.

Sincerely,

A handwritten signature in cursive script that reads "Donald E. Gruenemeyer".

Donald E. Gruenemeyer, P.E.

President



STATEMENT OF QUALIFICATIONS

IN RESPONSE TO

REQUEST FOR QUALIFICATIONS – RFQ #23061

INDEPENDENCE POWER & LIGHT (IPL) STRATEGIC PLAN

INDEPENDENCE POWER & LIGHT

July 12, 2023

SAWVEL AND ASSOCIATES, INC.
STATEMENT OF QUALIFICATIONS

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WHO WE ARE

Sawvel and Associates, Inc. (Sawvel) is a consulting and engineering firm providing services to clients throughout the United States. We have offices in Findlay, Ohio and Burr Oak, Kansas. Founded in 1951, Sawvel provides a wide range of services including project management, distribution, transmission and power supply planning and analysis, expert testimony, contract negotiations, financial planning, policy development, cost of service studies, rate and rider design and support for wholesale power and transmission formula related rate filing intervention. We have provided services to clients located in the states of Hawaii, Indiana, Kansas, Michigan, New Mexico, Missouri, Ohio and Utah; and have provided services to clients in other states.

OUR CLIENTS

We serve a wide range of clients including the following:

- Publicly Owned Utility Systems (electric, natural gas, steam, water and wastewater)
- Governmental and Consumer Advocacy Organizations
- Industrial, Commercial and Residential Consumers

WHAT WE DO

We provide a wide range of services to our clients. Our senior consultants have in excess of 40 years of individual experience in the utilities industry. This experience enables our consultants to provide effective forward-looking advice on a wide range of topics. The following is a list of many of the topics that we are experienced in.

Resource Planning

- Hydroelectric generating plants
- Prepare power supply plans
- Evaluation and acquisition of wind and solar generation
- Planning for industrial customers
- Power supply analyses
- Contract negotiations (power supply, interconnection, transmission)
- Cogeneration and steam services
- Distributed generation
- Prepare power supply requests for proposals and evaluate responses
- Wholesale power supply agreements

Distribution Planning

- Prepare distribution system plans (electric and steam)

Expert Testimony in Rate Cases

- Federal Energy Regulatory Commission
- State Commissions (electric, natural gas, steam and water)

Electric Cost of Service and Rate Studies

- Cost of Service Studies (electric and steam)
- Rate Studies (electric and steam)
- Strategic rate planning and competitive analysis (electric and steam)
- Pole attachment rates
- Power Cost Adjustments (PCA)
- Utility rate riders (electric and steam)
- Economic Development incentive rates
- Time of Use (on-peak/off-peak) rates
- Interruptible rates

Transmission System Planning

- Interconnection planning
- Power flow studies
- Independent System Operator
- Regional Transmission Operator

Financial Analysis and Planning (all utilities)

- Revenue requirements and rates – review and planning
- Projected operating results and financial planning
- Financing assistance and related engineering reports
- Consulting Engineer Reports for note and bond financing issues

- Evaluate financial impacts of customer load additions and losses (electric, natural gas, water and wastewater)

Water and Wastewater

- Wholesale water agreements
- Wholesale wastewater agreements
- Cost of service studies
- Wholesale and retail rate studies
- Utility rate riders

Natural Gas

- Cost of service studies
- Rate studies
- Utility rate riders
- Strategic rate planning and competitive analysis
- Gas Cost Recovery (GCR) development
- Natural gas transportation agreements

RESUMES FOR KEY PERSONNEL

Resumes for key personnel of the firm are included under Consultant Resumes. The resumes include the following:

- Donald E. Gruenemeyer, P.E.
- Joseph A. Herz, P.E.
- Andrew K. Harriger
- Trey A. Shepherd
- Aaron M. Teders

CONSULTANT RESUMES

Donald E. Gruenemeyer, P.E.

Mr. Gruenemeyer is President of Sawvel and Associates, Inc. and is a registered Professional Engineer with over 43 years of experience in electric, natural gas, water and wastewater utility planning, and electric management and operations. His areas of expertise include financial forecast and utility planning, cost of service and rate design, power supply planning, transmission and distribution system planning, integrated resource planning, load forecasting and power supply cost projection, contract negotiations, utility merger studies, economic analyses, planning for deregulation, marketing and load management.

Mr. Gruenemeyer assists many clients in utility planning and revenue and expense projections to support business plans and rate planning. Many of these clients use Sawvel for this purpose on an annual basis. He has prepared over 100 cost of service and rate related studies and is currently assisting clients with Cost of Service and Rate Studies and with capital improvement implementation plans. The capital improvement implementation assistance involves new substations and transmission lines.

He has managed power supply planning projects for municipal utilities in Arkansas, Ohio, Kansas, Wisconsin, Indiana, Missouri and Utah. Several studies involved assessing the feasibility of installing peaking generation. Other studies involved assessing purchased power proposals, assessing the feasibility of retaining existing generating units and estimating the market price of purchase power.

His activities include assisting clients in the transition to the PJM RTO and Midwest Independent System Operator. He is actively involved in evaluating the cost of new generating projects for clients in Ohio, Michigan, Kansas and Utah. He has assisted these clients in preparing due diligence and negotiating fuel, ownership and operating agreements for these projects.

Mr. Gruenemeyer has participated in several regulatory proceedings on behalf of municipal clients before the FERC, the Hawaii Public Utilities Commission, the Kansas Corporation Commission, the Ohio Commission and the Michigan Commission. These proceedings involved customer choice, unbundled rates and power supply cost evaluations.

Mr. Gruenemeyer assisted an agency in Kansas with a \$40,000,000 municipal bond financing to enable the agency to construct three electric generating units. This effort involved coordinating with the Client, the Financial Advisor and others on the finance team. Mr. Gruenemeyer prepared the Consulting Engineer's report for inclusion in the Official Statement for the Bonds.

Education

University of Nebraska
B.S., Electrical Engineering, Power Systems, 1979

Registration

Professional Engineer — Missouri

Professional Organizations

The Institute of Electrical and Electronics Engineers, Inc.
Power Engineering Society
American Public Power Association

Joseph A. Herz, P.E.

Mr. Herz is Vice President of Sawvel and Associates, Inc. and is a registered Professional Engineer with over 50 years of experience in the areas of public utility planning, financing, operations and management for electric, natural gas, steam, water and wastewater utilities.

Mr. Herz's professional experience includes rate studies, planning and analytical studies related to electric power supply, transmission arrangements, feasibility studies, economic analyses and contract negotiations. Mr. Herz has conducted detailed cost-of-service, rate, financial, power supply and transmission studies involving various investor, municipal and cooperative-owned systems.

Mr. Herz has testified on numerous occasions as an expert witness concerning regulatory matters. Mr. Herz has participated in more than 100 regulatory proceedings and has testified before 14 state regulatory commissions and the FERC on electric, gas, steam, and water utility services.

Mr. Herz is experienced in long-range planning for the acquisition and/or expansion of utility systems, engineering, financial and economic feasibility investigations and analyses. Power supply experience includes evaluating the technical and financial feasibility of transmission and power supply resources and related arrangements; power pooling, including integration of transmission and generating facilities; and, preparation and negotiation of related power supply and transmission contracts. Mr. Herz has served as an independent arbitrator on power supply contract disputes and has served as an expert in federal district court cases involving utility matters.

Education

University of Nebraska
B.S., Electrical Engineering

Registration

Professional Engineer — Kansas

Professional Organizations

American Public Power Association
The Institute of Electrical and Electronics Engineers, Inc.

National Society of Professional Engineers

Kansas Society of Professional Engineers

Andrew K. Harriger

Mr. Harriger is a consultant with 15 years of experience in utility planning and rates. His experience includes electric power supply planning and cost projections and class cost of service and retail rate design for electric and natural gas utilities.

He has completed long-term power supply planning for several municipal utilities in Ohio, the Utah Municipal Power Agency and an Electric System Master Plan for Independence Power & Light. Many studies assessed the economic feasibility of baseload, intermediate, and peaking generation. Other studies involved evaluating purchased power proposals including wind and solar, assessing the feasibility of retaining existing generating units and estimating the market price of energy. He has prepared power supply system production simulation analyses to assess long-term power supply plans for several clients.

Mr. Harriger has prepared more than 30 class cost of service and rate related studies for municipal electric and gas systems in Indiana, Kansas, Missouri, Ohio and Utah. He has prepared power cost adjustment analyses and bill comparisons to neighboring utilities for municipal utilities in Indiana, Kansas, Missouri and Ohio.

Mr. Harriger assisted in completing several technical and economic feasibility studies for hydroelectric projects on the Ohio River for American Municipal Power, Inc. These studies involved estimating total annual power costs of each project by estimating operation and maintenance, transmission, capital, and financing costs. These feasibility studies were also used as consulting engineer's reports in support of financing a total of approximately \$2.5 billion of municipal tax-exempt bonds, Build America bonds, taxable bonds, and Clean Renewable Energy bonds. He also evaluated the technical and economic feasibility of installing landfill gas generation at a landfill in Ohio. Mr. Harriger prepared a consulting engineer's report in support of financing approximately \$104 million in bond anticipation notes to refund long term debt for the City of Hamilton, Ohio electric system.

Mr. Harriger provides ongoing assistance with long-term utility financial planning and power cost adjustment calculation for multiple cities, towns and villages in Indiana and Ohio. He has also assisted municipal utilities in Indiana, Ohio and Utah with electric rate alternatives including a rate stabilization adder, a green energy rate, a solar renewable generation rate, unfunded governmental and environmental mandate adders and partial requirement service rates.

He has also prepared or provided assistance in preparing cost of service and rate design testimony and analysis in regulatory proceedings in Kansas, New Mexico and Texas. He has prepared analysis of hourly generation, allocation and hourly market energy prices of a wind farm in Kansas in support of an expert report for a Federal Court Case in Kansas City, Missouri.

Mr. Harriger prepared a public right-of-way rate study for the City of Memphis, Tennessee and similar studies for two large governmental entities in Maryland and Oregon.

Education

University of Toledo
B.S., Electrical Engineering Technology, 2007

Professional Organizations

The Institute of Electrical and Electronics Engineers, Inc.
American Public Power Association

Trey A. Shepherd

Mr. Shepherd is an electrical engineer specializing in electric utility planning and rates. His experience includes electric power supply planning and cost projections and class cost of service and retail rate design for electric and water utilities.

Mr. Shepherd has prepared class cost of service and rate studies for municipal electric and water systems in Michigan and Ohio. He has prepared power cost adjustment analyses and bill comparisons to neighboring utilities for municipal utilities in Kansas, Michigan, and Ohio.

Mr. Shepherd provides expert testimony for regulatory proceedings in Hawaii on behalf of the Consumer Advocate that involved assessing the reasonableness of production simulation results, compliance with State Renewable Portfolio requirements, generation additions including solar and wind, resource plans, and fuel adjustment clauses. He assists with rate cases involving HECO, MECO, HELCO and KIUC.

He has completed long-term power supply planning for municipal utilities in Ohio, Michigan, and Kansas. Studies involved evaluating purchased power proposals, assessing the feasibility of retaining existing generating units and estimating the market price of purchase power. He has prepared production simulation analyses using a Monte Carlo Simulation to assess power supply plans.

He has assisted municipal electric utilities with estimating the cost of interconnecting solar facilities to the electric grid. Mr. Shepherd has also economically evaluated adding solar and wind projects to an electric utility's power supply portfolio. He has completed screening analyses of renewable resource alternatives including solar, wind and energy storage projects proposed in response to request for proposals. He has assisted with requests for power supply proposals on behalf of several municipal electric utilities in Ohio and Kansas.

Mr. Shepherd coordinated power supply, transmission and distribution study efforts for Master Plans that were prepared for Osawatomie, Kansas and Ottawa, Kansas. The Master Plans included 20-year power supply plans and transmission and distribution capital improvements.

He has prepared consulting engineer's reports in support of bond financings for the City of Hamilton, Ohio, City of Bowling Green, Ohio, Village of Holiday City, Ohio and the Village of Versailles, Ohio. The reports included a review of the operational and financial condition of the utility.

Mr. Shepherd coordinated power supply planning activities for a group of 120 municipal electric utilities in Kansas. This effort involved power supply plans for each individual City, requests for proposals for power supply, and presenting the plans at regional meetings and at the Joint Action Agency annual meeting.

Education

Ohio Northern University
B.S., Electrical Engineering, 2008

Professional Organizations

The Institute of Electrical and Electronics Engineers, Inc.
American Public Power Association

Aaron M. Teders

Mr. Teders is a mechanical engineer with over 15 years of experience in electric utility planning, rates and solar photovoltaic electric (solar) design and evaluation. His experience includes electric power supply cost projections, power supply planning for electric utilities, cost of service and rate studies, solar net metering rate design and behind the meter generation interconnection and parallel operation.

He has completed long-term power supply planning for several municipal utilities in Ohio. Many studies assessed the economic feasibility of baseload, intermediate, and peaking generation. Other studies involved evaluating purchased power proposals including wind and solar, assessing the feasibility of installing new generating units and estimating the market price of purchased power. He is currently preparing an evaluation of installing or participating in utility scale PV electric facilities for a group of municipal utilities in Ohio.

Mr. Teders has assisted municipal utilities in drafting and implementing net metering programs including net metering rate tariffs. These programs and/or rate tariffs included estimating the impact of electric generation behind customers' meters to the electric utility and the impact on individual customer classes.

Mr. Teders assisted in completing an economic feasibility study for an existing combustion turbine peaking plant for the Utah Municipal Power Agency (UMPA). This project involved estimating total annual power costs of the project by estimating operation and maintenance, capital and financing costs. This study included an extensive due diligence review concerning the existing combustion turbines, plant condition and current environmental restrictions. He prepared a detailed twenty year capital improvement plan for purposes of financing and capital planning.

He has prepared consulting engineer's reports in support of bond finances for the Village of Holiday City, Ohio; Village of Jackson Center, Ohio; Village of Woodsfield, Ohio and Village of Newton Falls, Ohio electric utilities. The reports included a review of the operation and financial condition of the electric utility.

Mr. Teders completed cost of service and rate studies for the City of Tipp City, Ohio, Towns of Etna Green and Argos in Indiana and the Village of Woodsfield Ohio. He has assisted in preparing power cost adjustment analyses and bill comparisons for the Village of Holiday City, Ohio, the Village of Jackson Center, Ohio, the City of Celina, Ohio and the Town of Bremen, Indiana.

Mr. Teders provides ongoing assistance with long-term utility financial planning and power cost adjustment calculation for multiple cities, towns and villages in Indiana and Ohio. Mr. Teders was previously employed by a firm where he specifically worked in the Alternative Energy and Energy Efficiency division. He prepared solar assessments at client sites and evaluated client's current utility rate structure to estimate potential savings. He was lead designer of behind the meter solar facilities and

managed the installations including permitting and Generation Attribute Tracking System (GATS) account creation for Solar Renewable Energy Credits (SREC) receipt. Mr. Teders prepared Energy Efficiency proposals for commercial and municipal clients specializing in lighting retrofits. Each proposal included estimated energy savings and project payback using electric utility rates, rebates and/or Energy Efficiency programs.

Education

University of Toledo
B.S., Mechanical Engineering Technology, 2005

Professional Organizations

American Public Power Association
The Institute of Electrical and Electronics Engineers, Inc.

EXAMPLES OF PROJECT EXPERIENCE

EXAMPLES OF RELATED PROJECT EXPERIENCE

Master Planning

- ***Master Plan Study - City of Independence, Missouri (IPL)***

Sawvel participated as a subconsultant in the development of a Master Plan Study for IPL. The purpose of the Master Plan Study was to provide an assessment of IPL's power supply and transmission/distribution systems for a 20 year planning period. This study included evaluations of IPL's existing production facilities and transmission/distribution systems, and the review of potential self-build options, off-system power supply options, and energy conservation and demand-side resources. Sawvel was responsible for screening analyses and supervision of production simulation, and reviewing all power supply planning activities, including the creation of an RFP and the analysis of the RFP responses. Sawvel was also responsible for the overall review of both phases of the complete Master Plan Study report.

- ***Master Planning - City of Hamilton, Ohio (Hamilton)***

Sawvel has provided ongoing services to Hamilton for the past 25 years. An Organizational Study was prepared that recommended changes to Hamilton's Utilities to be more effective and efficient in the future. Sawvel prepares generating dispatch analyses, financial forecasts and power cost adjustment projections (Electric, Water, Wastewater and Gas). Sawvel assisted Hamilton with several long-range power supply planning projects. We assisted Hamilton with planning a new coal-fired generating plant and an application for a license for the Meldahl Hydroelectric facility located on the Ohio River. These tasks involve estimating facility costs, contract negotiations and preparing an economic dispatch model of the Hamilton system. Additional services we provide Hamilton include rate studies, rate comparisons, financial forecasts and economic development in support of its business plans.

- ***Master Planning - City of Ottawa, Kansas (Ottawa)***

Sawvel prepared an Electric System Master Plan for the City of Ottawa, Kansas. The Master Plan included a 20-year plan for generation, transmission and distribution system facilities. The plan included a 20-year financial forecast and an indicative projection of future electric rate adjustments needed to provide adequate revenue.

We prepared an electric cost of service and rate study for Ottawa in 2018. This involved preparing historical and projected operating results and revenue requirements, cost of service analysis and rate design. The goal of the rate study was to maintain the financial health of the electric system and move rates closer to cost of service. As part of this process, we prepared rate comparisons to neighboring utilities to review competitiveness.

- ***Power Supply Planning – Kansas Municipal Energy Agency, Kansas***

Sawvel was asked by the Task Force representing the Aquila/MKEC cities and Kansas Municipal Energy Agency (KMEA) to prepare a long term power supply plan for each of the twenty-two Aquila/MKEC cities and the total group. We compared existing resources to requirements and identified the type and amount of resources needed.

- ***Kansas Municipal Utilities (KMU)***

KMU has been a Sawvel client since 2005. We have assisted KMU with providing educational services for KMU's municipal electric utility members. Most recently, we assisted KMU in developing a Distributed Generation (DG) Toolkit that provided the Interconnection Agreement and related documents that each municipal member could use to implement Parallel Generation under Kansas Law. The toolkit provided the documents needed for Residential and Commercial renewable DG for wind turbines and solar panels owned by customers. Sawvel prepared many of the technical documents and presented and explained the Toolkit at a KMU sponsored Distributed Generation Toolkit workshop in 2018.

- ***Electric Cost of Service and Rate Study – Holiday City, Ohio***

The Village of Holiday City has been a client since 2000 when Sawvel assisted the Village with acquiring its distribution system. We prepared a business plan and an electric cost of service and rate study for Holiday City when it acquired retail customers with its distribution system. This involved preparing historical and projected operating results and revenue requirements, cost of service analysis and rate design. We recently completed another cost of service and rate study and the goal of the rate study was to maintain the financial health of the electric system and move rates closer to cost of service. As part of this process, we prepared rate comparisons to neighboring utilities to review competitiveness.

- ***Municipal Choice – Maintaining the Value of Your Municipal Electric Utility Including a Case Study of the Electric System of Gardner, Kansas – Kansas Municipal Utilities (KMU)***

Sawvel prepared a white paper for KMU about maintaining the value of a municipally owned electric utility. This paper included the electric system of Gardner, Kansas as a case study because of the city's then consideration of selling its electric utility. Sawvel also provided a presentation before the Garner City Council and developed rate comparisons by rate schedule with current and future Kansas City Power & Light rates. This case study also included a review of the City's power supply arrangements.

- ***Western Area Service Group – Ohio***

Sawvel prepared electric rate studies and reviewed power supply options for several municipal wholesale customers of DP&L. We assisted in negotiations for transmission services that resulted in a ten-year fixed rate with greater scheduling flexibility and open access to the DP&L transmission system in 1995. Sawvel assisted each of the 13 municipal utilities with power supply plans that were implemented in 2006 through 2012. Sawvel continues to assist the group with power supply analyses on an annual basis.

- ***Economic Analysis of Power Supply Purchase and Sale Agreement Negotiations - Wyandotte Department of Municipal Service, Wyandotte, Michigan (WMS)***

Sawvel assisted WMS in reviewing power supply alternatives. Power supply proposals were requested and screened to identify the lowest cost proposals. An economic comparison of the low cost proposals was developed to identify the preferred power supply plan. Sawvel assisted WMS in negotiations for potential power supply purchases and sales agreements.

- ***Economic Analysis of Power Supply Plans - Northern Indiana Towns (NIT)***

Sawvel assisted the NIT in reviewing power supply alternatives. The NIT is a group of 7 towns in Indiana that have joined together to find economic solutions for their power supply needs. Power supply proposals were requested and screened to identify the lowest cost proposals. An economic comparison of the low cost proposals was developed to identify the preferred power supply plan. Sawvel assisted the NIT in negotiating a ten-year power supply agreement with Indiana Municipal Power Agency (IMPA). Sawvel provides on-going consulting services to several of the Towns with power supply planning, rate planning and renewable energy integration.

- ***Electric Cost of Service and Rate Study – Town of Bremen, Indiana***

Sawvel has provided ongoing services to Bremen since 1978. We recently completed a cost of service and rate study. This involved preparing historical and projected operating results and revenue requirements, cost of service analysis and rate design. We prepared a rate plan that maintained healthy fund balances in accordance with minimum fund balance guidelines and moved rates closer to cost of service.

- ***Electric Cost of Service and Rate Study – Etna Green, Indiana***

The Town of Etna Green has been a client since 1978. We have prepared several electric cost of service and rate studies for Etna Green. This involved preparing historical and projected operating results and revenue requirements, cost of service analysis and rate design. The goal of the rate study was to maintain the financial health of the electric system and move rates

closer to cost of service. As part of this process, we prepared rate comparisons to neighboring utilities to review competitiveness.

- ***Economic Analysis of Power Supply Proposals - Utah Municipal Power Agency (UMPA)***

Sawvel assisted UMPA in reviewing power supply alternatives. The UMPA is a group of 6 municipals in Utah that have joined together to find economic solutions for their power supply needs. Power supply proposals were requested and screened to identify the lowest cost proposals. An economic comparison of the low cost proposals was developed to identify the preferred power supply plan. Sawvel assisted the UMPA in power supply contract negotiations.

- ***Cogeneration Feasibility Study - City of Imperial, Nebraska (Imperial)***

Sawvel prepared a Cogeneration Feasibility Study for Imperial. The purpose of the study was to assess the feasibility of constructing a cogeneration project in Imperial to supply electricity to the municipality and supply steam to an industrial customer considering locating in Imperial. The cost of constructing and operating a cogeneration project was estimated. Estimated revenues from the sale of steam were calculated and a proposed term sheet was offered to the industrial customer. The net cost of electricity was calculated and compared to the status quo.

- ***Review of Production Simulation – Division of Consumer Advocacy, Hawaii***

Sawvel provided expert testimony for the Consumer Advocate’s position on the Hawaii Electric and Light Company’s (HELCO’s) estimated test year fuel and purchased power expense, generation efficiency factor (sales heat rate), fuel inventory and energy cost factor at current rates based on production simulation results.

- ***Evaluation of New Generating Station – Division of Consumer Advocacy, Hawaii***

Sawvel provided expert testimony in the Hawaii Electric Company’s (HECO’s) request for approval to commit funds in excess of \$2,500,000 for the purchase and installation of a project involving a generating station and transmission additions in the Campbell Industrial Park.

- ***Project Capital and Operating Costs – American Municipal Power, Ohio***

Sawvel evaluated the Prairie State Energy Campus Project (Prairie State Project). An economic analysis spreadsheet model was prepared to project capital and operating costs for the Prairie State Project for a 30-year study period assuming a participation level of 150 MW

or 9.4% of the project. Projected Prairie State project costs were compared to a 20-year purchase power agreement and to projected market prices.

- ***Assessment of Power Supply Costs and Economic Analysis - Piqua, Ohio Municipal Power System (Piqua)***

Piqua had a purchased power contract that was expiring and was interested in identifying resources to replace the expiring contract. Costs for several different power supply alternatives were estimated, including participating in a peaking generation project. Sawvel assisted in negotiations with power suppliers and assisted in Federal Energy Regulatory Commission proceedings on behalf of Piqua. This project resulted in renegotiating a below market price, 5-year agreement for all requirements supply and a sell back of combustion turbine capacity. Other on-going services we provide to Piqua are cost of service, rate studies and rate comparisons.

Financial Forecast, Cost of Service and Rate Design

- ***Electric Cost of Service and Rate Design Study – Independence, Missouri***

Sawvel prepared an Electric Cost of Service and Rate Design Study for the city of Independence. We projected revenues and revenue requirements (financial forecast) and prepared and analyzed cost of service results. Based on the results, we were able to compare the revenues from each of the customer classes under current rates and design and recommend rates, including a revised power cost adjustment, that were consistent with the City's guidelines and objectives.

- ***Electric Review of Revenue Requirements and Revenues from Rates – Hillsboro, Kansas***

Sawvel prepared an Electric Review of Revenue Requirements and Revenues from Rates for the city of Hillsboro. We reviewed the City's rate ordinance, developed projections of electric revenues, expenses and fund balances (financial forecast) and recommended overall electric rate adjustments, including the development of a power cost adder, consistent with the City's guidelines and objectives. This study also included a review and recommendations regarding the City's power supply arrangements.

- ***Electric Rate Plan – Russell, Kansas***

Sawvel prepared an Electric Rate Plan for the city of Russell. We reviewed the City's most recent cost of service study, provided an objective review of the City's financial forecast model and determined the City's revenue requirements and needed overall rate adjustments for a 5 year forecast period. This study also included recommendations regarding their rate

ordinance and a review and recommendations regarding the City's power supply arrangements.

- ***Review of Electric System Projected Revenue Requirements and Rates – Hamilton, Ohio (Hamilton)***

Sawvel has provided ongoing services to Hamilton for the past 30 years. Sawvel assisted the City of Hamilton, Ohio (semi-annually) with the review of the electric system revenue requirements (financial forecast) and electric rates, including capital improvements and the power cost adder. Sawvel is currently preparing a Cost of Service and Rate Study for the City that includes updating the cost of service model and bill comparisons to neighboring utilities.

- ***Cost of Service Analysis and Rate Planning - Kansas City, Kansas Board of Public Utilities (KCK-BPU)***

Sawvel assisted KCK-BPU in preparing cost of service and rate studies (electric and water). This involved preparing historical and projected operating results and revenue requirements (financial forecast), cost of service modeling, designing rates that maintained the financial health of the system and moved toward the cost of service and preparing rate comparisons to neighboring utilities to ensure competitiveness. The studies indicated that revenues were not meeting revenue requirements. We assisted KCK-BPU in preparing a rate plan to phase in revenue increases. We prepared an SPP transmission system review to assist in improving transmission access.

- ***Electric Cost of Service and Rate Design – Wyandotte Department of Municipal Service, Wyandotte, Michigan (WMS)***

Sawvel prepared and analyzed cost of service model results for the test year and compared it to revenues from the electric, steam and hot water services customer classes under current rates. We designed and recommended rates that were consistent with WMS guidelines and objectives. We assisted WMS in negotiating a high-pressure steam sales agreement with a large industrial customer. We completed an update of the historical and projected operating results and revenue requirements (financial forecast) and modified its power cost adder.

- ***Electric Cost of Service and Rate Design Study – Celina, Ohio***

Sawvel has prepared several Electric Cost of Service and Rate Design Studies for the city of Celina. We projected revenues and revenue requirements (financial forecast) and prepared and analyzed cost of service results. Based on the results, we were able to compare the revenues from each of the customer classes under current rates and design and recommend rates that are consistent with the City's guidelines and objectives.

- ***Cost of Service Analysis and Rate Planning - Piqua, Ohio Municipal Power System (Piqua)***

Sawvel provides ongoing services to Piqua. We have assisted Piqua in preparing a ten-year business plan and multiple Rate Plans. This involved preparing historical and projected operating results and revenue requirements (financial forecast), cost of service model, designing rates that maintained the financial health of the system and moved toward the cost of service and preparing rate comparisons to a neighboring utility to ensure competitiveness. The Rate Plan results were presented in public forums.

- ***Review of Electric System Revenue Requirements and Rates – Galion, Ohio (Galion)***

Galion was placed in fiscal emergency by the Ohio State Auditor because of a significant deficit in Galion’s budget. Sawvel assisted Galion by reviewing of the electric system revenue requirements (financial forecast) and electric rates, including capital improvements and power cost adder. We recommended a rate plan to return the electric system to a financially healthy condition over a period of five years. We also provide power supply planning assistance to Galion and review the power cost adder on a regular basis (semi-annually).

- ***Review of Electric System Revenue Requirements and Rates – Bowling Green, Ohio (BGMU)***

The BGMU electric system load nearly doubled since the previous cost of service and rate study and power supply costs increased substantially. Sawvel assisted BGMU in reviewing the electric system revenue requirements (financial forecast) and electric rates, including capital improvements and the power cost adder. We provide on-going power supply planning, financial forecasting and cost of service and rate design assistance to BGMU.

RELEVANT PROJECT EXPERIENCE AND REFERENCES

Sawvel is an established firm recognized for its capacity to perform services similar to the requested services in this request for qualifications since its founding in 1951. As requested, Sawvel provides the following references for clients that Sawvel has provided similar consulting services. Descriptions of these services and other similar services can be found later in this section.

1. Independence Power & Light
Ms. Dayla Schwartz
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2. City of Garden City, Kansas
Mr. Mike Muirhead
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3. Kansas Municipal Utilities
Mr. Brad Mears
Executive Director
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(620) 241-1423
4. City of Eudora, Kansas
Mr. Eldon Brown
Electric Superintendent
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5. Bowling Green Municipal Utilities
Mr. Brian O'Connell
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6. Village of Jackson Center, Ohio
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7. City of Hamilton, Ohio
Mr. Edwin Porter
Executive Director of Infrastructure
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8. City of Piqua, Ohio
Mr. Ed Krieger
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Piqua Municipal Power System
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9. City of Celina, Ohio
Mr. Jeff Hazel
Mayor
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