



City of Grand Island

Tuesday, December 12, 2017

Council Session

Item G-4

#2017-342 - Approving Engineering Services for the Cost of Service Study, Biennial Report and Integrated Resources Plan

Staff Contact: Tim Luchsinger, Stacy Nonhof

Council Agenda Memo

From: Timothy Luchsinger, Utilities Director
Stacy Nonhof, Assistant City Attorney

Meeting: December 12, 2017

Subject: Engineering Services – Utilities Department

Presenter(s): Timothy Luchsinger, Utilities Director

Background

The Utilities Department retains the services of a consulting engineer to perform required reoccurring engineering tasks. The current engineering services contract expires on December 31, 2017. A Request for Proposal to perform the following tasks were developed by Department management staff.

- 1) Grand Island Utilities is required by Revenue Bond Ordinance No. 9456 to retain a Consulting Engineer on a continuous basis. This Consultant provides a Biennial Report to the bonding agency, in order to affirm the financial standing of the Utilities Department's electrical fund, as well as provides operational feedback to the Department. This contract includes providing these services for the next six (6) years.
- 2) The Utilities Department has a Power Purchase Agreement with the Western Area Power Administration (WAPA). As part of this agreement, the Utilities Department must provide WAPA with an Integrated Resource Plan every five (5) years. This contract includes providing the required services for producing this document.
- 3) Periodically, as good practice, the Utilities Department performs an Electric Cost of Service Study to analyze its revenue stream as well as its internal processes to verify future sustainability. Nationally recognized utility management recommendations include performing a cost of service study every three to five years, however, as the last study conducted by Grand Island was in 2007, this task was therefore included as part of this contract.

Discussion

The Request for Proposal was advertised on Monday, November 13, 2017, and five (5) proposals were received on Tuesday, November 28, 2017, from the following Consultants:

Burns & McDonnell – Kansas City, MO
NewGen Strategies & Solutions, Inc. – Denver, CO
JK Energy Consulting – Lincoln, NE
Stanley Consultants – Englewood, CO
NMPP Energy – Lincoln, NE

Using a matrix of the Utility Department's established evaluation criteria, which included Proposal Responsiveness, Company Experience, Personnel Experience, Commercial Terms, and Engineering Fees, the proposals were reviewed by the department's division managers. A tabulation of the evaluation factors favored the proposal of JK Energy Consulting. Total fees to be paid to JK Energy to perform these tasks over the six year term of the contract are approximately \$61,500, which are also the lowest fees of the proposals submitted. The Department recommends that JK Energy is the best responsive proposal for the Engineering Services.

Alternatives

It appears that the Council has the following alternatives concerning the issue at hand. The Council may:

1. Move to approve
2. Refer the issue to a Committee
3. Postpone the issue to future date
4. Take no action on the issue

Recommendation

City Administration recommends that the Council award the Contract for Engineering Services to JK Energy Consulting of Lincoln, Nebraska.

Sample Motion

Move to approve the proposal from JK Energy Consulting for Engineering Services for the Utilities Department.



Stacy Nonhof, Purchasing Agent

*Working Together for a
Better Tomorrow, Today*

**REQUEST FOR PROPOSAL
FOR
ENGINEERING SERVICES (COST OF SERVICE STUDY, BIENNIAL REPORTS, INTEGRATED
RESOURCE PLAN)**

RFP DUE DATE: November 28, 2017 at 4:00 p.m.

DEPARTMENT: Utilities

PUBLICATION DATE: November 13, 2017

NO. POTENTIAL BIDDERS: 8

SUMMARY OF PROPOSALS RECEIVED

Burns & McDonnell
Kansas City, MO

NewGen Strategies and Solutions, Inc.
Denver, CO

JK Energy Consulting, LLC
Lincoln, NE

Stanley Consultants, Inc.
Englewood, CO

Nebraska Municipal Power Pool
Lincoln, NE

cc: Tim Luchsinger, Utilities Director
Marlan Ferguson, City Administrator
Stacy Nonhof, Purchasing Agent

Pat Gericke, Utilities Secretary
Renae Jimenez, Finance Director
Angi Schulte, Utilities Secretary

P2012

November 28, 2017

Mr. Ryan Schmitz
Assistant Utility Director
City of Grand Island
100 E. First Street
Grand Island, NE 68801

RE: Request for Proposals for Engineering Services

Dear Mr. Schmitz:

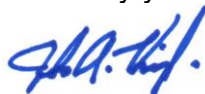
JK Energy Consulting, LLC (JKEC) is pleased to submit the attached proposal to prepare a Cost of Service Study, Biennial Report and Integrated Resource Plan for the City of Grand Island Utilities Department. The proposal responds to the request for proposals (RFP), dated November 8, 2017, and includes the scope of services, relevant experience, fee proposal and schedule.

JKEC has provided the types of services identified in the RFP to numerous other utilities in Nebraska and surrounding states since 2009. In addition, firm personnel have provided cost of service rate studies and power supply planning services since 1992. Recently, JKEC completed an electric cost of service study for the City of Fremont that considered many of the same issues that Grand Island is facing in the Southwest Power Pool Integrated Marketplace, including decreased utilization of local generating resources and increases in regional and zonal transmission charges. JKEC has prepared Integrated Resource Plans that have been accepted by Western Area Power Administration, including most recently for the City of Falls City, Nebraska, the City of Garden City, Kansas and Arkansas River Power Authority in Colorado.

Referring to the general specifications, JKEC certifies it is in compliance with each of the requirements related to fair labor standard, contributions to the Unemployment Compensation Fund and maintenance of a drug free workplace, along with registration with the federal immigration verification system.

I look forward to discussing this proposal further with you after your review process.

Sincerely yours,



John A. Krajewski, P.E.
JK Energy Consulting, LLC

PROPOSAL TO PROVIDE ENGINEERING SERVICES (COST OF SERVICE STUDY, BIENNIAL REPORTS, INTEGRATED RESOURCE PLAN)

CITY OF GRAND ISLAND UTILITIES
DEPARTMENT

NOVEMBER 28, 2017



JK Energy Consulting, LLC
650 J Street, Suite 108
Lincoln, Nebraska 68508
Telephone: 402-440-0227
Email: jk@jkenergyconsulting.com
www.jkenergyconsulting.com

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INTRODUCTION/OVERVIEW

JK Energy Consulting, LLC (JKEC) is pleased to submit this proposal to prepare a Cost of Service/Rate Design Study, Biennial Reports and Integrated Resource Plan for the City of Grand Island Utilities Department (GIUD or Utility). This proposal responds to the request for proposals (RFP), dated November 8, 2017, and includes relevant experience and qualifications, references, scopes of service, fee proposals and proposed schedules for the requested engineering services (cost of service study, biennial reports and integrated resource plan).

Following is contact information for Mr. Krajewski, who will serve as the project manager:

John A. Krajewski, P.E.
JK Energy Consulting, LLC
650 J Street, Suite 108
Lincoln, Nebraska 68508
Telephone: 402-440-0227
Facsimile: 402-438-4322
Email: jk@jkenergyconsulting.com

JKEC is a Nebraska limited liability corporation formed in 2009 by John A. Krajewski and located in Lincoln, Nebraska. The mission of JKEC is to provide *independent, objective* advice to consumers and producers of energy. Since 2009, JKEC has served more than 60 clients in five states.

John A. Krajewski, President of JKEC, has 25 years of experience in the utility industry. In operation since 2009, JKEC has served more than 60 clients in five states in power supply planning, cost of service and rate design studies, and reliability and regulatory compliance. Since JKEC is not affiliated with the City's power suppliers or design engineering firms, the City can be assured that the services provided are independent, objective and will meet the needs of the City and its ratepayers.

JKEC is familiar with the City and its existing power supply resources. As an employee of the Municipal Energy Agency of Nebraska from 2000 through 2008, Mr. Krajewski became familiar with the City's resources through negotiations related to the development of Whelan Energy Center Unit 2. As a member of the Nebraska Power Association Joint Planning Subcommittee during that time, Mr. Krajewski worked with GIUD staff on coordinated planning studies and in preparing annual Load and Capability reports. He has worked with other utilities on issues related to the Southwest Power Pool (SPP) and is familiar with the cost aspects of transmission service under its Open Access Transmission Tariff, including the Integrated Marketplace.

Mr. Krajewski is well qualified to provide the services requested and has a proven track record. The references included in this proposal attest to the ability of JKEC and Mr. Krajewski to provide easy-to-understand reports and presentations, meet the project schedule, and adhere to the agreed-upon budget.

JKEC meets the legal, commercial, and technical requirements as set forth in the RFP and is not aware of any conflicts of interest that would preclude the firm from providing this service to the City. JKEC also maintains the required insurance coverage as outlined in the RFP.

The proposed fee for each of the requested services is provided on a fixed fee basis. The proposed fee includes all applicable material, labor, travel, living expenses, taxes, permits and/or delivery charges to the Utility:

- | | |
|---------------------------------|--|
| • Cost of Service Study | \$25,000 |
| • 2017-2018 Biennial Report | \$6,000 |
| • 2019-2020 Biennial Report | \$6,500 |
| • 2021-2022 Biennial Report | \$7,000 |
| • 2022 Integrated Resource Plan | \$17,000 (2018 dollars, CPI escalator) |

It is understood that GIUD prefers to retain a single firm to provide all of the requested services; however, JKEC would honor the above pricing if the preference is to award portions of the scope (i.e. Cost of Service Study only).

QUALIFICATIONS

JKEC is a Nebraska limited liability corporation formed in 2009 by John A. Krajewski. The mission of JKEC is to provide *independent, objective* advice to consumers and producers of energy. The advice that will be provided is objective; the primary concern is to do what is right for the City and its customers. Since its formation in March 2009, Mr. Krajewski has been President of JKEC and has served 60 clients in five states. Services have been provided to municipal utilities, rural power districts, joint action agencies, and the State of Nebraska.

Mr. Krajewski has 25 years of experience in the utility industry. Prior to forming JKEC, Mr. Krajewski served as the Manager of Planning and Engineering for the Municipal Energy Agency of Nebraska (MEAN) from 2000 to 2008 and as a Project Manager with JEO Consulting Group, Inc. in 2008-2009.

Since forming JKEC, Mr. Krajewski has completed more than 50 rate studies for municipal utilities and one public power district; has prepared and submitted integrated resource plans for three municipalities and one joint action agency; and has provided annual and/or bi-annual rate reviews for six municipalities and one public power district. In addition to cost of service and rate design experience, Mr. Krajewski has expertise in power supply

planning, wholesale rate design, regulatory affairs, and has been an expert witness in local, state and federal utility issues. Mr. Krajewski is a professional engineer, registered in Nebraska, Kansas and Iowa. For more information, please refer to Mr. Krajewski's resume (see Attachment 1).

REFERENCES

JKEC is well qualified to provide the services requested and has a proven track record. References included in this section will attest to the ability of JKEC to provide easy-to-understand reports and presentations, meet the project schedule, and adhere to the agreed-upon budget. The following is a select list of similar projects, including contact information, that have been completed by Mr. Krajewski over the last five years. See Attachment 2 to this proposal for a complete list of services performed by Mr. Krajewski.

Falls City Utilities (FCU)

Through his employment with MEAN and as a consultant, Mr. Krajewski has worked with FCU for more than 16 years. Since 2010, JKEC has prepared three COS/RDS for Fall City's electric, gas, water and wastewater utilities. The rate studies considered reserve levels, future capital expenditures and financing needs, and allocation of costs to the various rate classes. Mr. Krajewski has also prepared and submitted FCU's integrated resource plan to Western Area Power Administration (Western) on four different occasions, most recently in 2017.

Reference: Alan Romine
Utility Superintendent
Falls City Utilities
2307 Barada Street
Falls City, NE 68355
Email: a.romine@fallscityne.us
Telephone: (402) 245-2533

Norris Public Power District (Norris)

Over the past eight years, JKEC has provided services to Norris, including the preparation of three cost of service and rate design studies. Mr. Krajewski has also assisted in reviewing line extension policies, including calculating required contributions in aid of construction from new customers and developed a new "economic development rate" based on a pass-through of wholesale power costs from Norris's power supplier. Most recently, JKEC developed a rate plan to consolidate the rates of Seward County Public Power District with those of Norris after the completion of a merger of the two utilities. This process involved developing a multi-year rate plan with the goal of serving all customers under a single set of rate schedules while keeping annual rate changes for any individual rates classes to an amount less than an agreed-upon threshold.

Reference: Bruce Vitosh
General Manager & CEO
Norris Public Power District
606 Irving Street
PO Box 399
Beatrice, NE 68310
Email: bvitosh@norrispower.com
Telephone: (402) 228-2829

City of Fremont, Nebraska

Mr. Krajewski has worked with the City of Fremont for the past nine years, through his employment with JEO and as a consultant. In 2015, Mr. Krajewski completed cost of service studies for the City's electric and gas utilities. Based on the results of the studies, the City approved rate changes for both utilities and implemented a transportation cost adjustment and variable commodity component for the gas utility. The key factors in the most recent electric COS/RDS were the recovery of costs for a proposed transmission line and increased costs related to the SPP Integrated Marketplace, including costs for zonal and regional transmission charges. In 2017, Mr. Krajewski prepared a COS/RDS for the City's water and wastewater utilities.

Reference: Brian Newton
General Manager
City of Fremont Department of Utilities
400 East Military Avenue
Fremont, NE 68026
Email: Brian.Newton@fremontne.gov
Telephone: (402) 727-2610

Arkansas River Power Authority (ARPA)

Through his employment with MEAN and as a consultant, Mr. Krajewski has worked with ARPA, for more than 16 years. In 2015, Mr. Krajewski assisted ARPA by proposing a new wholesale rate structure designed to encourage economic development. In 2012 and 2017, JKEC prepared and submitted ARPA's integrated resource plan to Western.

Reference: Rick Rigel
General Manager
Arkansas River Power Authority
3409 South Main
PO Box 70
Lamar, CO 81052
Email: rrigel@arpapower.org
Telephone: (719) 336-3496

City of Garden City, Kansas

Mr. Krajewski has worked with the City of Garden City since 2012 on several different issues, including power supply planning, electric rate analysis, contract negotiation and analysis of transmission interconnection options. He has prepared feasibility studies of generation options, which were in turn used as part of the supporting documentation for issuance of bonds by the City's current electric supplier, the Kansas Municipal Energy Agency.

Reference: Mike Muirhead
Public Utilities Director
City of Garden City
PO Box 998
Garden City, KS 67846
Email: mike.muirhead@gardencityks.us
Telephone: (620) 271-1577

COST OF SERVICE / RATE DESIGN STUDY

Scope of Services

Task 1: Data Collection / Kickoff Meeting. This task involves collecting retail usage, operating expense, purchased power, and other data necessary to complete the cost of service analysis. To the extent certain data is not available, alternatives to the requested data will be identified.

A kickoff meeting at the GIUD's office will be held to answer questions about the data request, discuss goals and objectives of the rate study, identify key issues, and finalize the project schedule (including applicable City Council meetings).

Task 2: Identify Capital Requirements. This task involves reviewing the GIUD's capital improvement program and identifying the cash flow requirements necessary to fund the approved projects. Appropriate funding mechanisms will be evaluated, including funding from revenue, use of reserves, issuance of debt, or a combination of the above approaches. As noted in the RFP, there may be some sensitivities related to how capital improvements are funded on a going-forward basis.

Task 3: Calculate Revenue Requirements and Financial Results. This task involves reviewing the projected operating expenses, non-retail revenues, capital requirements from Task 2, debt service expenses and other elements that make up the projected revenue requirements. Revenue requirements will be calculated for a "Test Year" and for a projected period of five additional years (2019-2023) as requested in the RFP. Projected retail revenues will be compared to projected expenses to develop projected financial results going forward. The projected financial results are used to identify necessary rate increases for future periods. Debt service coverage will be calculated to

determine compliance with bond covenants and cash reserves will be reviewed for adequacy. Projected cash reserves will be calculated and compared to operating expenses to assess if additional reserves are necessary.

Sensitivity analysis would be completed based on the following change cases:

1. Load change: increase and decrease of 5%
2. Capital improvement expenditures: increase or decrease of 20%
3. Change in funding method for capital improvements: 80% cash or 50% cash

Upon completion of the projected financial results and calculation of financial targets, a conference call or face-to-face meeting with GIUD staff will be held. The purpose of the meeting will be to determine if the projections are reasonable and identify any changes necessary prior to completing the cost of service analysis. To the extent changes to the financial results are necessary, those changes would be implemented prior to the cost of service analysis.

Task 4: Prepare Cost of Service Analysis. This task involves calculating the cost of service for each retail rate class, using generally accepted ratemaking principles for public power utilities. Principles consistent with guidelines prepared by the American Public Power Association, the National Association of Regulatory Utilities Commissioners, the Federal Energy Regulatory Commission and others will be followed.

A normalized test year budget will be prepared based on 2018 projected data. The purpose of normalization of the budget will be to ensure that one-time, unusual expenses are not included in long-term revenue requirements. Similarly, if the accrual of funding for long-term capital improvements is necessary but not included in the 2018 budget, it may be appropriate to include that amount in the normalized test year budget. If key financial ratios need to improve over time, there may be an amount included in the test year budget to phase in the necessary improvement to key financial ratios.

The various expenses incurred by the Utility will be identified and assigned to a function based on the type of service provided. For example, the cost of service will be allocated to production, transmission, distribution, and customer service. An appropriate method for allocating expenses for each function among the various rate classes will be identified. For example, purchased power costs may be allocated based on the peak demand or energy usage by each retail class, while customer service expenses may be allocated based on the weighted number of retail customers. The result of this process is an equitable allocation of system-wide costs within rates charged to customers.

JKEC does not propose to complete an end-user survey or collect time-of-use data for retail customers, with the exception of large power customers that already have hourly data recording meters. JKEC will rely on previously collected end-use load data used in previous rate studies. Coincident demand factors and class load factors will form the

basis for the cost of service analysis for those customer classes that do not have hourly data recording metering equipment. The allocated cost of service for each rate class will be compared to the projected revenues for each rate class to determine the need for future rate changes and provide guidance for the rate design process.

Task 5: Rate Design. This task involves designing retail rates for each rate class. Rate design factors will include the cost of service results as well as other goals established by GIUD. These goals may include long-term rate stability, competitiveness with neighboring utilities, financial stability, mitigation of large rate increases on particular rate classes, and funding of future capital projects. JKEC will work with GIUD staff to review these goals and establish rates that best accomplish the identified goals.

Based on the RFP, special attention will be paid to the following issues:

1. Ensure fair and reasonable rates for each rate class (referred to as “burden by rate class” in RFP).
2. Ensure rates will minimize risk to the Utility from fluctuations in energy usage and set the monthly customer charge at an adequate level to cover the cost of providing service.
3. Ensure current rate classes are reasonable and propose changes as necessary.
4. Review street light fee structure.
5. Adjust power cost adjustment (PCA) base to ensure that base rates properly reflect estimated costs of fuel and purchased power and are reflective of current market conditions, including the SPP Integrated Marketplace.

Proposed rates will be compared to neighboring utilities to ensure the rates are competitive and reasonable. JKEC will work with GIUD staff to identify appropriate comparable utilities and complete rate comparisons for up to five neighboring utilities. Rate comparisons will be based on the block sizes indicated in the RFP and will be provided in a tabular and graphical format.

Task 6: Draft Report. This task involves preparing a draft report for review by GIUD staff. The report will be suitable for review by non-utility personnel with tables that summarize the key results of the cost of service analysis. An updated rate ordinance that implements the proposed rates will be provided in electronic format. The report will be sealed by John A. Krajewski, who is a registered professional engineer in the state of Nebraska.

Task 7: Present Final Report. This task involves presenting the results to the City Council. The summary report will be suitable for review by the City Council with tables that summarize the key results of the cost of service analysis. An updated rate ordinance will be provided that implements the proposed rates. JKEC staff will present the report and be available to answer any questions.

Deliverables

1. Three (3) copies of draft summary reports (summary form of report with proposed rate ordinance) for staff review.
2. Six (6) copies of final summary report, including proposed rate ordinances, for a meeting with the City Council.
3. Six (6) copies of the final report, including all work papers, any changes resulting from City Council action and implemented rate ordinances.
4. Presentation of results to the City Council at a regularly scheduled meeting.
5. One electronic copy of the final reports, including all work papers, in Adobe Acrobat (.pdf) format.
6. One electronic copy of the proposed rate schedules in Microsoft Word format.

Schedule / Meetings

The following schedule is based on GIUD executing this agreement no later than January 1, 2018. Any delay in executing the agreement or providing requested data will result in a similar delay in subsequent milestones. This schedule provides for approval of rates by the City Council no later than June 1, 2018.

January 1, 2018:	Notice to proceed
February 1, 2018:	Meet with GIUD staff to collect data and discuss the study process (including rate design goals)
April 1, 2018:	Draft reports completed and sent to GIUD staff
April 15, 2018:	Review draft reports with City and GIUD staff
May 15, 2018:	Present final results to the City Council (including final rate ordinances) for approval
June 15, 2018:	Final version of the studies, along with work papers, submitted to the City (will reflect final action by City Council)
October 1, 2018:	Implementation of rate changes, if applicable

If additional visits are requested, billing will be based on JKEC's standard billing rate schedule (see Attachment 3 - Standard Billing Rate Schedule).

Utility Responsibility

GIUD will be responsible for the following:

- Providing requested data on a timely basis, including timely response to any questions or clarifications regarding the data.
- Reviewing the draft report on a timely basis.
- Scheduling appropriate meetings with GIUD staff and the City Council.

Fee

The lump sum fee, including billed time and out-of-pocket expenses, to provide the above-listed Scope of Services is \$25,000. Fees will be invoiced upon completion of the following milestones:

- \$2,000 will be invoiced upon completion of data request/kickoff meeting
- \$15,000 will be invoiced upon completion of the draft report
- \$3,000 will be invoiced upon review of draft report with GIUD staff
- \$3,000 will be invoiced upon presentation of the final results/ordinance with City Council
- \$2,000 will be invoiced upon submittal of the final version of rate study

Invoices will be transmitted electronically via email and are due upon receipt. Interest will accrue on unpaid balances after 30 days at a rate of 1% per month.

BIENNIAL REPORTS

Scope of Services

Task 1: Collect Information. This task involves collecting relevant information needed to prepare the biennial report, including, but not limited to:

- Audited financial statements for previous three years.
- Detailed report of revenues, operating expenses, debt service payments and other information necessary to determine compliance with the rate covenant included in the Revenue Bond Ordinance No. 9456.
- Operational information, including retail sales, generation output and outage data, capital improvement plans, and insurance certificates.

Task 2: Calculate Debt Service Coverage Ratio. This task involves calculating the debt service coverage for the previous two years. Although maintenance of a minimum debt service coverage ratio is not an explicit requirement of Section 16 of the Revenue Bond Ordinance No. 9456, it is necessary to maintain debt service coverage of at least 1.30 in order to issue additional bonds.

Task 3: Determine Compliance with Bond Covenants. This task involves reviewing the other sections of Section 16 of the Revenue Bond Ordinance No. 9456 to determine compliance. The key requirements from a rate perspective that appear to require detailed analysis by the consulting engineer include:

- Deposit of at least 10% of average revenues (net of fuel and purchased power) into Capital Improvement Account.

- Sufficient rates to collect revenue to cover the cost of principal and interest on the bonds, plus operating and maintenance costs, and provision of all necessary repairs, replacements and renewals.

There are several additional requirements that will be reviewed and discussed with GIUD staff to ensure compliance. For example, insurance coverage requirements would be confirmed by having GIUD provide insurance certificates.

Task 4: Draft Biennial Report. This task involves drafting the biennial report in a form agreeable to the City and consistent with past reports. The report will be sealed by John A. Krajewski, who is a registered professional engineer in the State of Nebraska. The report will review the information provided by the City, calculations prepared by JKEC, and a summary of findings as they relate to the bond ordinance and the covenants agreed to by the Utility.

Deliverables

1. Six (6) copies of draft report for review by GIUD staff.
2. Six (6) copies of the final report with all work papers.
3. One (1) electronic copy of final report and work papers in Adobe Acrobat (.pdf) format.

Meetings / Schedule

The proposed fee includes two site meetings: The first meeting will be held no later than the 15th of February 2019, 2021 and 2023 with GIUD staff to review the process and to collect the necessary data. An agenda and data request form will be submitted to GIUD staff at least two weeks prior to the meeting. The second meeting will be held no later than the 15th of May 2019, 2021 and 2023 to present the draft report to GIUD staff. If additional visits are requested, billing will be based on JKEC's standard billing rate schedule (see Attachment 3 - Standard Billing Rate Schedule).

The final report will be submitted to GIUD no later than the 1st of June 2019, 2021 and 2023.

Utility Responsibility

GIUD will be responsible for the following:

- Providing requested data on a timely basis, including timely response to any questions or clarifications regarding the data.
- Reviewing the draft report on a timely basis.
- Scheduling appropriate meetings with GIUD staff.

Fee

The cost to provide the above-listed Scope of Services will be a lump sum fee, which includes all billable time and out-of-pocket expenses. The City will be invoiced based on the following schedule:

- \$6,000 will be invoiced upon submittal of the 2019 final report
- \$6,500 will be invoiced upon submittal of the 2021 final report
- \$7,000 will be invoiced upon submittal of the 2023 final report

Invoices will be sent via email and due upon receipt. Interest will accrue on unpaid balances after 30 business days at a rate of 1% per month.

2022 INTEGRATED RESOURCE PLAN

Western implemented a program called the Energy Planning and Management Program (EPAMP) in 1995. EPAMP includes a provision that requires its customers to prepare and submit an IRP to Western to maintain their current allocations of power and energy from Western.

As part of the City's ongoing obligation under the EPAMP, the City must update and submit an IRP every five years. The purpose of an IRP is to develop two and five-year implementation plans to serve the City's power supply requirements at the lowest reasonable cost consistent with prudent financial and technical principles. The City submitted its last IRP in May 2017 and the next IRP is due in 2022. In 2012, the City's approach to completing the IRP did not include preparing hourly energy dispatch simulations, nor did it include developing a multi-resource capacity expansion plan since there is sufficient capacity and energy available from existing resources. It is anticipated that the approach to the 2022 IRP would be similar.

Scope of Service

Task 1: Data Collection. This task involves updating GIUD's historical and projected peak demand and energy requirements, and existing generating resources. A majority of the data required for the IRP analysis will be collected from the 2018 cost of service study.

Task 2: Prepare Load Forecast. This task involves reviewing and updating the load forecast submitted in the 2017 IRP. The review and update will ensure that the load forecast is reasonable and suitable for use in the IRP.

Task 3: Evaluate Supply Side Resources. This task involves reviewing the load forecast and comparing the projected capacity needs (including required SPP Planning Reserves). There may be additional supply side resources screened and compared to the existing resource plan. Given that GIUD has a significant capacity surplus, as noted

in the 2012 and 2017 IRP, it is likely that there will be limited need to evaluate supply side resource options.

Task 4: Evaluate Demand Side Management. This task involves evaluating demand side management (DSM) options, including energy conservation, peak shaving, load-shifting and strategic load building activities. These options will be evaluated for cost-effectiveness compared to selected supply side resources. To the extent DSM measures are less expensive to implement than new supply side resources or can result in savings relative to existing supply side options, they will be included in the IRP.

Task 5: Development of Integrated Resource Plan. This task involves developing a preferred plan of supply side resources and DSM measures. The plan will be selected based on the net present value of Total Resource Cost (TRC). The TRC looks at the cost of all supply-side resources and demand side measures to determine the preferred plan. This approach helps the utility avoid selecting DSM measures that result in total costs that exceed total benefits, even if one group of customers experiences benefits. In some cases, DSM measures that are well-received by customers or provide other non-quantifiable benefits may be selected even if the costs exceed the benefits.

Task 6: Development of Action Plans. This task involves developing two and five-year action plans based on assumptions used, analyses completed, and conclusions reached in the IRP. The action plans will include specific steps that need to be completed with specific deadlines for implementation.

Task 7: Present Results. This task involves preparing a formal report for presentation to the Grand Island City Council at a public hearing. The purpose of the hearing will be to provide information and gather input from groups and individuals with an interest in the City's IRP. This public process is required by EPAMP.

Task 8: Submit IRP to Western. This task involves submitting the approved IRP to Western using their online IRP data collection program. JKEC will work to have the City submit the IRP to Western or, if preferred, JKEC will submit the IRP on behalf of the City.

Deliverables

1. Six (6) copies of draft IRP for review by GIUD staff.
2. Six (6) copies of the final IRP with all work papers.
3. One (1) electronic copy of final IRP and work papers in Adobe Acrobat (.pdf) format for submittal to Western.

Schedule

A draft IRP will be completed no later than March 15, 2022. A public hearing will be held in April 2022. The final IRP will be submitted to GIUD no later than May 1, 2022 for submittal to Western.

Meetings

The proposed fee for the IRP includes three site meetings: The first meeting will be held in January 2022 with GIUD staff to review the process. The second meeting will be held in March 2022 to review the draft results. The final meeting will be held in April 2022 to present the final report to the Grand Island City Council and the general public.

If additional visits are requested, billing will be based on JKEC's standard billing rate schedule (see Attachment 3 - Standard Billing Rate Schedule).

Utility Responsibility

GIUD will be responsible for the following:

- Providing requested data on a timely basis, including timely response to any questions or clarifications regarding the data.
- Reviewing the draft IRP on a timely basis.
- Scheduling appropriate meetings with GIUD staff and the City Council, including notifying the general public of the hearing on the IRP.

Fee

The cost to provide the above-listed Scope of Services will be a fixed fee of \$17,000 in 2018 dollars, which includes all billable time and out-of-pocket expenses. The City will be invoiced based on the following schedule:

- \$2,000 will be invoiced after meeting with GIUD staff to review the IRP process
- \$10,000 will be invoiced after submitting the draft IRP to GIUD staff
- \$5,000 will be invoiced after presenting the final report to the Grand Island City Council and the general public

Because of the significant period of time between now and 2022, JKEC proposes that the fixed fee be indexed to the Consumer Price Index, as published by the United States Bureau of Labor Statistics (<https://www.bls.gov/cpi/>) using December 31, 2017 as the base period and the index as of December 31, 2021 as the adjusted year. The fixed fee for each milestone will be adjusted by the ratio of the CPI for December 31, 2021 to the CPI for December 31, 2017.

Invoices will be sent via email and due upon receipt. Interest will accrue on unpaid balances after 30 business days at a rate of 1% per month.

OTHER TERMS AND CONDITIONS

Any services not included in the various Scope of Services provided in this proposal will only be provided upon written agreement by GIUD and JKEC. Such services will be billed at JKEC's standard billing rate schedule, which is attached to this proposal (see

Attachment 3). Travel expenses will be billed based on the standard IRS automobile reimbursement rate, which is currently \$0.535 per mile. Any other out-of-pocket travel expenses, such as meals and lodging, will be billed based on actual cost without markup. JKEC will provide documentation of any billed out-of-pocket expense not included in the fixed fee proposal.

This proposal remains valid until January 31, 2018. If GIUD would like to proceed, it may contact JKEC by mail, telephone or email at the contact information listed on page 3 of this proposal. Upon notice to proceed, a letter agreement will be provided for execution.

If there are any questions about this proposal, please contact Mr. Krajewski at 402-440-0227 or jk@jkenergyconsulting.com.

ATTACHMENT 1 – RESUME

City of Grand Island Utilities Department
Engineering Services Proposal



Summary of Qualifications

Mr. Krajewski is a registered professional engineer with 25 years of experience in the electric utility industry, working for a joint action agency and two consulting firms. His areas of expertise include power supply resource planning, transmission access, regulatory affairs, wholesale and retail rate design, and distribution system planning. As an employee of the NMPP/MEAN, Mr. Krajewski developed the Cost of Service / Rate Design Study service. Over the last 17 years, he has prepared cost of service and rate design studies for more than 65 municipal utilities. He has also prepared over 30 power supply resource planning studies.

Some of his major accomplishments include:

- Project Manager for Nebraska's first utility scale wind farm, the Municipal Energy Agency of Nebraska (MEAN) Wind Farm in Kimball, consisting of seven 1.5 MW wind turbine generators and completed in 2002.
- Responsible for resource planning, operating budget preparation, wholesale rate design, and long-term financial and rate projections for MEAN from 2000 through 2008. Annual operating revenues for MEAN exceeded \$100 million in 2008.
- Prepared Integrated Resource Plans, resource plans, and power supply contract negotiations for utilities in eight states.
- Testified before the Federal Energy Regulatory Commission, Nebraska Power Review Board, Kansas Corporation Commission, and Hawaii Public Utilities Commission on various issues related to transmission access, application for construction of new power supply resources and retail rate issues.
- Experience in requesting transmission service, reviewing interconnection studies, and integrating new generation resources into the regional transmission system.

Work History

1992-1996	Power Supply Engineer – Municipal Energy Agency of Nebraska (MEAN)
1996-2000	Consulting Engineer – Sawvel and Associates, Inc.
2000-2008	Manager of Planning and Engineering – MEAN / NMPP Energy
2008-2009	Project Manager – JEO Consulting Group, Inc.
2009-Present	President – JK Energy Consulting, LLC

Education

Bachelor of Science, Mechanical Engineering, 1992
University of Nebraska – Lincoln

Industry Organizations / Committees

- American Public Power Association – Individual Associate Member
- Colorado Association of Municipal Utilities – Affiliated Member
- Iowa Association of Municipal Utilities – Associate Member
- National / Nebraska Society of Professional Engineers
- Mid-Continent Area Power Pool – Design Review Subcommittee, 2002-2008
- Midwest Reliability Organization – Reliability Assessment Committee, 2005-2008
- Nebraska Sub-regional Transmission Planning Group, 2000-2008
- Nebraska Power Association – Joint Planning Subcommittee, 2000-2008
- Southwest Power Pool – Cost Allocation Working Group – Nebraska representative, March 2011-present

Professional Registrations

- Professional Engineer, Year of Original Registration, License Number
- Kansas, 1999, License #15833
- Nebraska, 2000, License #9992
- Iowa, 2008, License #19210

ATTACHMENT 2 – CLIENT LIST

Attached is a complete list of projected serviced by Mr. Krajewski between 2009 and 2017.

List of Regulatory Proceedings and Other Projects
John A. Krajewski, P.E.

Regulatory Agency	Utility	Proceeding	Issues and/or Scope	Client	Year
<i>Federal</i>					
Federal Energy Regulatory Commission (FERC)	Western Resources / Kansas City Power & Light (KCPL)	Docket Nos. EC97-56-000 / ER97-4669-000	Transmission issues, load flow issues, effects of merger on operations, generation dispatch, and transmission availability	Kansas City, KS Board of Public Utilities	1999
FERC	Municipal Energy Agency of Nebraska (MEAN) / Transmission Access Policy Study Group (TAPS)	Docket No. AD04-13	Written comments and comments regarding transmission and ancillary service issues related to wind energy	MEAN / TAPS	2004
FERC	Great Plains Energy Incorporated / Westar Energy, Inc.	Docket No. EC16-146-000	Effects of merger on transmission rates, interconnection and other operational issues	Kansas City, KS Board of Public Utilities	2016
<i>State</i>					
Kansas Corporation Commission	Western Resources / KCPL	Docket No. 97-WSRG-676-MER	Transmission issues, load flow issues, effects of merger on operations, generation dispatch, and transmission availability	Kansas City, KS Board of Public Utilities	1999
Hawaii Public Utilities Commission	Hawaii Electric Light Company, Inc.	Docket No. 99-0207	Generation dispatch, need for additional generation, avoided cost determination	Division of Consumer Advocacy, State of Hawaii	2000
Nebraska Power Review Board (NPRB)	MEAN	Application No. PRB-3350	Engineering Feasibility Study for construction of wind energy generation facility	MEAN	2001
NPRB	MEAN	Application No. PRB-3376	Engineering Feasibility Study for Council Bluffs Energy Center Unit #4	MEAN	2001
District Court of Jefferson County, Nebraska	City of Fairbury, NE	Endicott Clay Products vs. City of Fairbury / Case No. CI06-195	Expert witness on rate issue	City of Fairbury, NE	2008
NPRB	City of Wisner, NE	Application No. PRB-3582-G	Engineering Feasibility Study for construction of peaking generation	City of Wisner, NE	2008
Kansas Corporation Commission	City of Garden City, KS	Docket No. 14-SEPE-287-CON	Transmission rates; transmission contract negotiation	City of Garden City, KS	2014
United States District Court for the Western District of Missouri, Springfield Division	City of Springfield, MO	Case No. 14-CV-03543-JTM	Expert witness on curtailment issue	City of Springfield, MO	2015
Kansas Corporation Commission	Kansas City Board of Public Utilities	Docket No. 16-KCPE-593-ACQ	Merger of Great Plains Energy and Westar	Kansas City, KS Board of Public Utilities	2016
<i>Local</i>					
Village Board	Village of Lyman, NE	Electric Cost of Service Study	Cost of service, rate design	Village of Lyman, NE	2001 2005
City Council	City of Bridgeport, NE	Electric Cost of Service Study	Cost of service, rate design	City of Bridgeport, NE	2001 2005
Village Board	Village of Oxford, NE	Electric Cost of Service Study	Cost of service, rate design	Village of Oxford, NE	2001
City Council	City of Curtis, NE	Electric Cost of Service Study	Cost of service, rate design	City of Curtis, NE	2001 2006
City Council	City of Bayard, NE	Electric Cost of Service Study	Cost of service, rate design, impact of loss of major industrial customer	City of Bayard, NE	2001 2006
City Council	City of Friend, NE	Electric Cost of Service Study	Cost of service, rate design	City of Friend, NE	2001

Regulatory Agency	Utility	Proceeding	Issues and/or Scope	Client	Year
Town Board of Trustees	Town of Lyons, CO	Electric Cost of Service Study	Cost of service, rate design, impact of loss of major industrial customer	Town of Lyons, CO	2002 2006
Village Board	Village of Polk, NE	Electric Cost of Service Study	Cost of service, rate design	Village of Polk, NE	2002
City Council	City of Sargent, NE	Electric Cost of Service Study	Cost of service, rate design	City of Sargent, NE	2002 2007
City Council	City of Central City, NE	Electric Cost of Service Study	Cost of service, rate design	City of Central City, NE	2002 2006
City Council	City of Holdrege, NE	Electric Cost of Service Study	Cost of service, rate design	City of Holdrege, NE	2002 2006
City Council	City of Crete, NE	Electric Cost of Service Study	Cost of service, rate design	City of Crete, NE	2002 2006 2010 2012 2013 2014 2015 2016 2017
City Council	City of Wood River, NE	Electric Cost of Service Study	Cost of service, rate design	City of Wood River, NE	2002 2004 2007 2009 2011 2014
City Council	City of Yuma, CO	Electric Cost of Service Study	Cost of service, rate design	City of Yuma, CO	2002 2015
Village Board	Village of Shickley, NE	Electric Cost of Service Study	Cost of service, rate design	Village of Shickley, NE	2002 2007 2014
City Council	City of Imperial, NE	Electric Cost of Service Study	Cost of service, rate design	City of Imperial, NE	2003 2007
City Council	City of Neligh, NE	Electric Cost of Service Study	Cost of service, rate design	City of Neligh, NE	2003
Village Board	Village of Morrill, NE	Electric Cost of Service Study	Cost of service, rate design	Village of Morrill, NE	2003
Village Board	Village of Emerson, NE	Electric Cost of Service Study	Cost of service, rate design	Village of Emerson, NE	2003
City Council	City of Kimball, NE	Electric Cost of Service Study	Cost of service, rate design	City of Kimball, NE	2003
Village Board	Village of Everly, IA	Electric Cost of Service Study	Cost of service, rate design	Village of Everly, IA	2003
Town Board of Trustees	Town of Lyons, CO	Water and Wastewater Cost of Service Study	Cost of service, rate design, impact of major capital improvements, implementation of major rate increase and structure change, sensitivity of revenue to major rate change	Town of Lyons, CO	2003
Village Board	Village of Hemingford, NE	Electric Cost of Service Study	Cost of service, rate design	Village of Hemingford, NE	2003
City Council	City of Sidney, NE	Electric Cost of Service Study	Cost of service, rate design	City of Sidney, NE	2003
City Council	City of Mitchell, NE	Electric Cost of Service Study	Cost of service, rate design	City of Mitchell, NE	2003
City Council	City of Burwell, NE	Electric Cost of Service Study	Cost of service, rate design	City of Burwell, NE	2004
City Council	City of Franklin, NE	Electric Cost of Service Study	Cost of service, rate design	City of Franklin, NE	2004 2014
Village Board	Village of Stuart, NE	Electric Cost of Service Study	Cost of service, rate design	Village of Stuart, NE	2004
City Council	City of Gothenburg, NE	Electric Cost of Service Study	Cost of service, rate design	City of Gothenburg, NE	2004
City Council	City of La Junta, CO	Electric, Water, Wastewater, Trash Cost of Service Study	Cost of service, rate design	City of La Junta, CO	2005

Regulatory Agency	Utility	Proceeding	Issues and/or Scope	Client	Year
Village Board	Village of Chappell, NE	Electric Cost of Service Study	Cost of service, rate design	Village of Chappell, NE	2005
Village Board	Village of Callaway, NE	Electric Cost of Service Study	Cost of service, rate design	Village of Callaway, NE	2005
Village Board	Village of Bradshaw, NE	Electric Cost of Service Study	Cost of service, rate design	Village of Bradshaw, NE	2005
City Council	City of Blue Hill, NE	Electric Cost of Service Study	Cost of service, rate design	City of Blue Hill, NE	2005
Village Board	Village of Arnold, NE	Electric Cost of Service Study	Cost of service, rate design	Village of Arnold, NE	2006
Village Board	Village of Ansley, NE	Electric Cost of Service Study	Cost of service, rate design	Village of Ansley, NE	2006
City Council	City of Alliance, NE	Electric Cost of Service Study	Cost of service, rate design	City of Alliance, NE	2006
City Council	City of Delta, CO	Electric, Water, Wastewater, Trash Cost of Service Study	Cost of service, rate design	City of Delta, CO	2006
City Council	City of West Point, NE	Electric Cost of Service Study	Cost of service, rate design	City of West Point, NE	2006 2010 2013
Town Board of Trustees	Town of Haxtun, CO	Electric Cost of Service Study	Cost of service, rate design	Town of Haxtun, CO	2007
City Council	City of Fairbury, NE	Electric Cost of Service Study	Cost of service, rate design	City of Fairbury, NE	2007
City Council	City of South Sioux City, NE	Electric Cost of Service Study	Cost of service, rate design	City of South Sioux City, NE	2007 2011
City Council	City of Beatrice, NE	Electric Cost of Service Study	Cost of service, rate design	City of Beatrice, NE	2008
City Council	City of Syracuse, NE	Electric Cost of Service Study	Cost of service, rate design	City of Syracuse, NE	2008
City Council	City of Battle Creek, NE	Electric Cost of Service Study	Cost of service, rate design	City of Battle Creek, NE	2008
City Council	City of Wakefield, NE	Electric Cost of Service Study	Cost of service, rate design	City of Wakefield, NE	2008 2011 2012 2013
City Council	City of Fountain, CO	Update of Electric Cost Adjustment	Cost of service, rate design	City of Fountain, CO	2008 2011 2012 2013 2014
City Council	City of Fremont, NE	Electric Cost of Service Study	Cost of service, rate design	City of Fremont, NE	2008 2010 2015
City Council	City of Fremont, NE	Water and Wastewater Cost of Service Study	Cost of service, rate design	City of Fremont, NE	2017
City Council	City of Glenwood Springs, CO	Electric, Water, Wastewater, Natural Gas Financial Analysis	Revenue adequacy analysis; cost of service, rate design, rate review	City of Glenwood Springs, CO	2008 2009 2010 2011 2012 2013 2014 2015 2016
Board of Directors	Norris Public Power District	Electric Cost of Service Study	Cost of service, rate design	Norris Public Power District	2009 2013 2014 2015
City Council	City of Falls City, NE	Electric, Water, Wastewater, Natural Gas Cost of Service Study	Cost of service, rate design	City of Falls City, NE	2010 2013 2014 2016
City Council	City of Beatrice, NE	Electric Cost of Service Study	Cost of service, rate design	JEO Consulting Group, Inc.	2010

Regulatory Agency	Utility	Proceeding	Issues and/or Scope	Client	Year
		Electric Cost of Service Study	Cost of service, rate design	City of Beatrice, NE	2014
City Council	City of Laurel, NE	Electric Cost of Service Study	Cost of service, rate design	City of Laurel, NE	2010
					2012
City Council	City of Lexington, NE	Electric Cost of Service Study	Cost of service, rate design	City of Lexington, NE	2010
					2011
City Council	City of Fountain, CO	Electric Cost of Service Study	Cost of service, rate design	City of Fountain, CO	2011
					2013
					2017
City Council	Indianola Municipal Utilities	Electric Cost of Service Study	Cost of service, rate design	City of Indianola, IA	2012
					2015
City Council	City of Sergeant Bluff, IA	Electric Cost of Service Study	Cost of service, rate design	City of Sergeant Bluff, IA	2012
					2013
					2015
Village Board	Village of Giltner, NE	Electric Cost of Service Study	Cost of service, rate design	Village of Giltner, NE	2014
Village Board	Village of Shickley, NE	Electric Cost of Service Study	Cost of service, rate design	Village of Shickley, NE	2014
City Council	City of Randolph, NE	Electric Cost of Service Study	Cost of service, rate design	City of Randolph, NE	2014
City Council	City of Fort Morgan, CO	Electric Cost of Service Study	Cost of service, rate design, rate review	City of Fort Morgan, CO	2014
					2016
Board of Utilities	Eldridge Electric & Water Utilities	Electric Cost of Service Study	Cost of service, rate design	Eldridge Electric & Water Utilities	2015
Village Board	Village of Hampton, NE	Electric Cost of Service Study	Cost of Service, rate design	Village of Hampton, NE	2015
City Council	City of Yuma, CO	Water and Wastewater Cost of Service Study	Cost of Service, rate design	City of Yuma, CO	2015
City Council	City of Fort Morgan, CO	Sanitation Cost of Service Study	Cost of service, rate design	City of Fort Morgan, CO	2016
Village Board	Village of De Witt, NE	Electric Cost of Service Study	Cost of service, rate design	Village of De Witt	2017
Non-Regulatory Projects					
	Kansas City, KS Board of Public Utilities	Evaluation of Deactivating Kaw Station	Power supply analysis, solicitation and review of proposals	Kansas City, KS Board of Public Utilities	1997
	Kansas City, KS Board of Public Utilities	Electric, Water Cost of Service Study	Cost of service, rate design	Kansas City, KS Board of Public Utilities	1997
	MEAN	Integrated Resource Plan	Power supply analysis, demand side measure evaluation	MEAN	1997
					2002
					2007
	Marshfield (WI) Electric and Water Departments	Power Supply Study	Power supply analysis, solicitation and review of proposals	Marshfield (WI) Electric and Water Departments	1998
	Manitowoc (WI) Public Utilities	Power Supply Study	Power supply analysis, solicitation and review of proposals	Manitowoc (WI) Public Utilities	1998
	Great Lakes (WI) Utilities	Power Supply Study	Power supply analysis, solicitation and review of proposals	Great Lakes (WI) Utilities	2000
	Rolla Municipal Utilities / University of Missouri - Rolla	Power Supply Study	Power supply analysis, screening analysis of generation, cogeneration and purchased power alternatives	Rolla Municipal Utilities / University of Missouri - Rolla	2000
	Nebraska City (NE) Utilities	Integrated Resource Plan	Power supply analysis, demand side measure evaluation	City of Nebraska City, NE	2002
					2007
	City of Falls City, NE	Integrated Resource Plan	Power supply analysis, demand side measure evaluation	City of Falls City, NE	2002
					2007
					2012
					2017
	Imperial (NE) Public Power District	Cogeneration Analysis	Screening analysis of generation, cogeneration and purchased power alternatives	Imperial (NE) Public Power District	2003

Regulatory Agency	Utility	Proceeding	Issues and/or Scope	Client	Year
	Nebraska City (NE) Utilities	Power Supply Study	Power supply analysis	City of Nebraska City, NE	2003
	City of Neligh, NE	Power Supply Study	Power supply analysis	City of Neligh, NE	2004
	City of Aspen, CO	Business Plan Development	Review cost of service and rate design	City of Aspen, CO	2004
	City of Gillette, WY	Power Supply Study	Power supply analysis	City of Gillette, WY	2005
	City of Wood River, NE	Contract Negotiations, Financing Assistance for Major Load Addition, Application for Power Review Board Certificate of Public Convenience and Necessity to Construct Transmission Line	Major load addition (ethanol plant)	City of Wood River, NE	2006
	Indianola Municipal Utilities	Power Supply Study	Power supply analysis	City of Indianola, IA	2008
	City of Carlisle, IA	Power Supply Study	Power supply analysis	City of Carlisle, IA	2008
	City of Wood River, NE	Distribution System Analysis	Financial assessment of distribution system, upgrades including power costs (Losses), transmission and sub-transmission service costs, and financing costs	JEO Consulting Group, Inc.	2009
	City of Sergeant Bluff, IA	Power Supply Study	Power supply analysis	City of Sergeant Bluff, IA	2009
	City of Breda, IA	Wind Energy		City of Breda, IA	2009
	City of Laurel, NE	Rate Development	Rate and contract development for major load addition	City of Laurel, NE	2009
	Indianola Municipal Utilities	Sustainability Study	CO2 emission inventory, energy use analysis, review of cost effective energy efficiency measures, review of cost effective renewable energy resources	City of Indianola, IA (with grant funding from Iowa Power Fund)	2010
	City of Jackson, OH	NERC Compliance Assistance	Prepare documentation, provide monthly updates of NERC related activities	City of Jackson, OH	2012
					2011
					2012
					2013
					2014
					2015
	ARPA	NERC Compliance Assistance	Review status of reliability compliance program and prepare letter to WECC requesting confirmation that ARPA is not subject registration on the NERC Compliance Registry	Arkansas River Power Authority	2011
	Village of Emerson, NE	Wind Energy	Financial analysis of wind energy resources	Village of Emerson, NE	2011
	City of Wayne, NE	Wind Energy	Financial analysis of wind energy resources	JEO Consulting Group, Inc.	2011
	Lamar (CO) Utility Board	Transmission Planning	Develop rate for use of 69 kV lines	City of Lamar, CO	2011
	City of Sargent, NE	Power Cost Analysis	Power cost analysis	City of Sargent, NE	2011
	ARPA	Integrated Resource Plan	Power supply analysis, demand side measure evaluation	Arkansas River Power Authority	2012
					2017
	ARPA	Power Supply Study	Power supply analysis, solicitation and review of proposals	Arkansas River Power Authority	2012
					2013
					2014
	ARPA	Long-Term Financial Planning	Rate analysis, long-term financial projections	Arkansas River Power Authority	2012
	City of Crete, NE	Local Generation	Power supply cost analysis	City of Crete, NE	2012

Regulatory Agency	Utility	Proceeding	Issues and/or Scope	Client	Year
	City of Fort Morgan, CO	NERC Compliance Assistance	Review status of reliability compliance program and prepare letter for City use documenting exemption from requirement to register under NERC Compliance Registry	City of Fort Morgan, CO	2012 2013
	Confidential municipal client		Assistance in reviewing feasibility of establishing a municipal utility	Exponential Engineering	2012 2013 2014
	City of Falls City, NE	Economic Development	Assistance in developing rates and generation/transmission plan for economic development purposes	City of Falls City, NE	2012
	City of Fountain, CO	Smart Grid Project	Assistance in developing rate for customers who choose to "opt out" of advanced metering infrastructure installation	City of Fountain, CO	2012
	City of Garden City, KS	Power Supply Study	Power supply analysis, solicitation and review of proposals	City of Garden City, KS	2012 2013 2014
	City of Guttenberg, IA	Power Supply Study	Power supply analysis, solicitation and review of proposals	City of Guttenberg, IA	2012
	Indianola Municipal Utilities	NERC Compliance Assistance	Review status of reliability compliance program and prepare letter for City use documenting exemption from requirement to register under NERC Compliance Registry	City of Indianola, IA	2012
	City of Stanhope, IA	Power Supply Study	Power supply analysis, solicitation and review of proposals	City of Stanhope, IA	2012 2013
	City of Wood River, NE	Power Supply Study	Power supply analysis, solicitation and review of proposals	City of Wood River, NE	2012 2013
	City of Pierce, NE	Joint Use of Rate	Develop rate for joint use of distribution facilities with neighboring utilities	City of Pierce / Northeast Nebraska PPD	2013
	City of West Point, IA	Power Supply Study	Power supply analysis, solicitation and review of proposals	City of West Point, IA	2013
	City of Fort Morgan, CO	Power Cost Analysis Assistance	Review of power supply costs; assistance in optimizing future resource costs; rate review	City of Fort Morgan, CO	2013 2014
	City of Auburn, IA	Power Cost Analysis Assistance	Power supply analysis, solicitation and review of proposals	City of Auburn, IA	2013 2014
	City of Laurel, NE	Power Cost Analysis Assistance	Review of power supply costs; rate review	City of Laurel, NE	2013 2014
	Verdigre Land and Wind Partners, LLC	Wind Energy	Assistance in requesting transmission interconnection	Verdigre Land and Wind Partners, LLC	2014
	Village of Snyder, NE	Power Supply Study	Power supply analysis, solicitation and review of proposals	Village of Snyder, NE	2014
	City of Coffeyville, KS	Generating Capacity	Analysis of value of generating capacity	City of Coffeyville, KS	2014
	City of Fountain, CO	NERC Compliance Assistance	Review status of reliability compliance program for City	City of Fountain, CO	2015
	City of Beatrice, NE	Power Supply Study	Power supply analysis, solicitation and review of proposals	City of Beatrice, NE	2015
	City of Glenwood Springs, CO	Local Generation	Assistance in determining the feasibility of adding local generation	City of Glenwood Springs, CO	2015

Regulatory Agency	Utility	Proceeding	Issues and/or Scope	Client	Year
	City of Sergeant Bluff, IA	Renewable Generation	Prepare economic assessment of renewable generation	City of Sergeant Bluff, IA	2015
	Confidential Client	Power Supply	Assistance in reviewing feasibility of establishing back-up electric power supply using power supply agreements and on-site generation	SEGA, Inc.	2015
	Auburn Board of Public Works	Power Supply Study	Power supply analysis, solicitation and review of proposals	Auburn Board of Public Works	2015
	City of Madison, NE	Power Supply Study	Power supply analysis, solicitation and review of proposals	City of Madison, NE	2015
	City of Seward, NE	Power Supply Study	Power supply analysis, solicitation and review of proposals	City of Seward, NE	2015
	City of Hebron, NE	Power Supply Study	Power supply analysis, solicitation and review of proposals	City of Hebron, NE	2016
	City of Valentine, NE	Power Supply Study	Power supply analysis, solicitation and review of proposals	City of Valentine, NE	2016
	City of Superior, NE	Western Area Power Administration Allocation	Assistance in assignment of City's WAPA allocation	City of Superior, NE	2017
	City of Boulder, CO	Power Supply	Assistance with evaluating hydroelectric project	City of Boulder, CO	2017
	Confidential Client	NERC Compliance Assistance	Review status of reliability compliance program	Exponential Engineering	2017
	Gridliance	Transmission	Consultant for South Central MCN transmission issue	Gridliance	2017
	Kansas City, KS Board of Public Utilities	Evaluation of Annual Transmission Revenue	Assistance with evaluating ATRR	Kansas City, KS Board of Public Utilities	2017

ATTACHMENT 3 – STANDARD BILLING RATE SCHEDULE

The following rate schedule will be used to determine monthly billings, unless an alternative fixed-fee or other billing arrangement is specified. It will also be used to determine charges for additional services requested by GIUD, but not included in the agreed-upon Scope of Services.

<u>Billable Item</u>	<u>Billing Rate</u>
John A. Krajewski, P.E.	\$133.00 per hour
Administrative staff	\$53.00 per hour
Mileage	IRS standard rate for business use 2017: \$0.535/mile
Lodging, meals, other travel	Actual cost, without markup
Copies, faxes, postage, phone, other office overheads	Included in hourly billing rate
Outside professional services	Actual cost

ENGINEERING SERVICES - CONTRACT AGREEMENT

THIS AGREEMENT made and entered into by and between **JK ENERGY CONSULTING, LLC**, hereinafter called the Contractor, and the **CITY OF GRAND ISLAND, NEBRASKA**, hereinafter called the City.

WITNESSETH:

THAT, WHEREAS, in accordance with law, the City has caused contract documents to be prepared and an advertisement calling for proposals to be published for *ENGINEERING SERVICES (COST OF SERVICE STUDY, BIENNIAL REPORT, INTEGRATED RESOURCE PLAN)*; and

WHEREAS, the City, in the manner prescribed by law, has evaluated the proposals submitted, and has determined the aforesaid Contractor to be the responsible proposer, and has duly awarded to the said Contractor a contract therefore, for the sum or sums named in the Contractor's proposal, portions thereof being attached to and made a part of this contract.

NOW, THEREFORE, in consideration of the compensation to be paid to the Contractor and of the mutual agreements herein contained, the parties have agreed and hereby agree, the City for itself and its successors, and the Contractor for itself, him/herself, or themselves, and its, his, or their successors, as follows:

ARTICLE I. That the following documents shall comprise the Contract, and shall together be referred to as the "Agreement" or the "Contract Documents";

1. This Contract Agreement.
2. City of Grand Island Request for Proposals.
3. Minimum Insurance Requirements.
4. JK Energy Consulting Proposal dated November 28, 2017.

In the event of any conflict between the terms of the Contract Documents, the provisions of the document first listed shall prevail.

ARTICLE II. That the Contractor shall (a) furnish all tools, equipment, superintendence,

transportation, and other construction materials, services and facilities; (b) provide and perform all necessary labor; and (c) in a good substantial and workmanlike manner and in accordance with the requirements, stipulations, provisions, and conditions of the contract documents as listed in the attached General Specifications, said documents forming the contract and being as fully a part thereof as if repeated verbatim herein, perform, execute, construct and complete all work included in and covered by the City's official award of this contract to the said Contractor, such award being based on the acceptance by the City of the Contractor's proposal;

ARTICLE III. That the City shall pay to the Contractor for the performance of the work embraced in this contract and the Contractor will accept as full compensation therefore the sum (subject to adjustment as provided by the contract) of **Sixty-One Thousand Five Hundred and no/100 Dollars (\$61,500.00)** for all services and work covered by and included in the contract award and designated in the foregoing Article II; payments thereof to be made in cash or its equivalent in the manner provided in the General Specifications.

The total cost of the Contract includes:

Base Bid:	\$	61,500.00	
Sales Tax on Materials/Equipment:	\$.00	
Sales Tax on Labor:	\$.00	
Total			\$ 61,500.00

The City of Grand Island, Nebraska operates on a fiscal year beginning October 1st and ending on the following September 30th. It is understood and agreed that any portion of this agreement which will be performed in a future fiscal year is contingent upon the City Council adopting budget statements and appropriations sufficient to fund such performance.

ARTICLE IV. The Contractor hereby agrees to act as agent for the City. The invoice for contractor's services will be paid after approval at the next regularly scheduled City Council meeting and occurring after departmental approval of invoice. The City Council typically meets the second and fourth Tuesday of each month. Invoices must be received well in advance of Council date to allow evaluation and processing time.

ARTICLE V. The Contractor agrees to comply with all applicable State fair labor standards in the execution of this contract as required by Section 73-102, R.R.S. 1943. The Contractor further agrees to comply with the provisions of Section 48-657, R.R.S. 1943, pertaining to contributions to the Unemployment Compensation Fund of the State of Nebraska. During the performance of this contract, the Contractor and all subcontractors agree not to discriminate in hiring or any other employment practice on the basis, of race, color, religion, sex, national origin, age or disability. The Contractor agrees to comply with all applicable Local, State and Federal rules and regulations. The Contractor agrees to maintain a drug-free workplace policy and will

provide a copy of the policy to the City upon request. Every public contractor and his, her or its subcontractors who are awarded a contract by the City for the physical performance of services within the State of Nebraska shall register with and use a federal immigration verification system to determine the work eligibility status of new employees physically performing services within the State of Nebraska.

GRATUITIES AND KICKBACKS

City Code states that it is unethical for any person to offer, give, or agree to give any City employee or former City employee, or for any City employee or former City employee to solicit, demand, accept, or agree to accept from another person, a gratuity or an offer of employment in connection with any decision, approval, disapproval, recommendation, or preparation of any part of a program requirement or a purchase request, influencing the content of any specification or procurement standard, rendering of advice, investigation, auditing, or in any other advisory capacity in any proceeding or application, request for ruling, determination, claim or controversy, or other particular matter, pertaining to any program requirement or a contract or subcontract, or to any solicitation or proposal therefor. It shall be unethical for any payment, gratuity, or offer of employment to be made by or on behalf of a subcontractor under a contract to the prime contractor or higher tier subcontractor or any person associated therewith, as an inducement for the award of a subcontract or order.

JK ENERGY CONSULTING LLC

By _____ Date _____

Title _____

CITY OF GRAND ISLAND, NEBRASKA

By _____ Date _____
Mayor

Attest: _____
City Clerk

The contract is in due form according to law and hereby approved.

Attorney for the City

Date _____

RESOLUTION 2017-342

WHEREAS, the City of Grand Island invited proposals for Engineering Services, according to plans and specifications on file with the Utilities Department; and

WHEREAS, on November 28, 2017 proposals were received, opened and reviewed; and

WHEREAS, JK Energy Consulting of Lincoln, Nebraska, submitted a proposal in accordance with the terms of the advertisement and plans and specifications and all other statutory requirements contained therein.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that proposal from JK Energy Consulting for Engineering Services for the Utilities Department is hereby approved and the Mayor is hereby authorized to sign the Contract on behalf of the City of Grand Island.

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Adopted by the City Council of the City of Grand Island, Nebraska, December 12, 2017.

Jeremy L. Jensen, Mayor

Attest:

RaNae Edwards, City Clerk

Approved as to Form	▣ _____
December 8, 2017	▣ City Attorney