

STAFF REPORT

DATE: 8/29/2022

TO: Ty Lasher, City Manager

FROM: Maria Schrock, City Attorney

RE: Contingency Fee Agreement with Foulston Siefkin LLC for SAFER & 23-EKCE-775-RTS



BACKGROUND:

- 04/25/23: Evergy filed an application with the Kansas Corporation Commission (Commission)
 - Requested a \$204 million (9.77%) rate increase for Evergy Kansas Central (EKC) customers in 23-EKCE-775-RTS.
 - Bel Aire is an EKC customer.
 - If application is approved, the prices could become effective in December 2023.

DISCUSSION:

- A coalition of municipalities
 - Streetlights Alliance for Fair Energy Rates “SAFER” coalition
 - The coalition will seek a reduction in the electric rates charged by Evergy, for providing energy to power the streetlights in the coalition members’ respective municipalities.
 - Foulston Siefkin LLC will file an intervention on behalf of the coalition members, advise, and provide counsel with a contingency fee agreement.

FINANCIAL CONSIDERATIONS

- Contingency Fee Agreement
 - Success Fee Formula

Success Fee Formula

$$\begin{array}{|c|} \hline 05/01/23 \\ \hline \text{Rate}^* \\ \text{or} \\ \text{Proposed} \\ \text{Rate} \\ \hline \end{array} \quad \text{—} \quad \begin{array}{|c|} \hline \text{Appropriate} \\ \text{Rate per} \\ \text{the} \\ \text{Commission} \\ \hline \end{array} \quad \text{=} \quad \begin{array}{|c|} \hline \text{The} \\ \text{Success} \\ \text{Factor} \\ \hline \end{array}$$

$$\begin{array}{|c|} \hline \text{The} \\ \text{Success} \\ \text{Factor} \\ \hline \end{array} \quad \times \quad \begin{array}{|c|} \hline \text{kWh's} \\ \text{Bel Aire} \\ \text{uses for} \\ \text{street lights} \\ \hline \end{array} \quad \text{=} \quad \begin{array}{|c|} \hline \text{The} \\ \text{Resulting} \\ \text{Number} \\ \hline \end{array}$$

$$\begin{array}{|c|} \hline \text{The} \\ \text{Resulting} \\ \text{Number} \\ \hline \end{array} \quad \times \quad \begin{array}{|c|} \hline 20\% \\ \text{Contingency} \\ \text{Fee} \\ \hline \end{array} \quad \text{=} \quad \begin{array}{|c|} \hline \text{The} \\ \text{Success} \\ \text{Fee} \\ \hline \end{array}$$

*Our current rate is approximately \$0.42 x 222,873 kWh's
(for the past year) = \$93,606.