



State of Kansas
Legislative Administrative Services

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Thomas A. Day
Director

MEMORANDUM

TO: Legislative Coordinating Council
FROM: Tom Day
DATE: September 16, 2020
RE: Change Order Request – AECOM Electric Rate Study, Phase 2

The Legislative Coordinating Council entered into a contract with AECOM on January 7, 2020 to provide the Kansas Legislature a report on other consequential issues materially affecting Kansas electricity rates. The Phase 2 report was required by 2019 Substitute for Senate Bill 69. The deadline for issuing the report was July 1, 2020.

On July 1, 2020, AECOM submitted a public and confidential report to the State Corporation Commission (KCC). The public version was heavily redacted due to the confidential information provided by the electric public utilities. The information was treated in accordance with Kansas law and KCC requirements. The KCC entered an order directing staff and AECOM to identify the basis for each redaction and confirm that the information redacted is confidential. AECOM has had multiple meetings with the utilities involved to determine what information deemed confidential by the utilities could be released and to obtain the basis for the confidential designation.

The utilities have been cooperating with AECOM, however, the process has taken a considerable amount of time and effort not contemplated in the original scope of work. Once final decisions from all the utilities on what information can be released, and the utilities' justifications for confidential designations, AECOM will then need to produce another public and confidential version of the report, so the public can see as much information as possible while honoring the law and terms of the confidentiality agreements with the utilities.

AECOM believes it is reasonable to ask for additional compensation to cover this additional work not covered by the original scope of work. The request by AECOM is attached.

Recommendation: Motion and approval to authorize the change order request of AECOM for an additional \$34,750 for services provided outside the scope of the initial agreement.

August 14, 2020

Mr. Tomas A. Day, Director
Division of Legislative
Administrative Services
Legislative Coordinating Council of
the State of Kansas
300 SW 10th Avenue, Suite 551
Topeka, KS 66612

**Reference: Agreement for Study of Retail Rates of Kansas Electric Public Utilities,
Dated January 7, 2020**

Dear Mr. Day,

AECOM is requesting a change order to our agreement and is requesting that the total compensation, as provided in Section 1.10.1 of the Agreement be increased by \$34,750, to a total of \$284,000, for services provided outside the scope of the Agreement.

As you are aware, the original scope of the Agreement called for the delivery of a report to the State Corporation Commission of the State of Kansas (KCC) in which confidential information provided by the electric public utilities was treated in accordance with Kansas law and KCC requirements. Additionally, both the statute authorizing the study and our agreement required AECOM to enter into confidentiality agreements with the state's utilities for the protection of their confidential information. Accordingly, when the project was completed, AECOM delivered to the KCC a confidential version of the study and a public version in which information deemed confidential by the utilities was redacted.

As AECOM reported to the KCC staff following the report's submission, information was generally redacted because it was deemed confidential by a specific utility, or the small sample size or use of volume weighted averages in aggregated data created a likelihood that individual utility information deemed confidential could be discoverable by other utilities and the public. Subsequently, the KCC entered an order directing staff and AECOM to file a version of the report stating the basis for each redaction and confirming that information currently redacted is indeed confidential. We are currently in the midst of that process.

To meet the requirements of the KCC's order, and everyone's ultimate goal of providing as much information to the public as possible, AECOM has had multiple meetings with the utilities involved. The purpose of these meetings has been two-fold: to determine what information previously deemed confidential by the utilities can be released and to obtain their basis (which was not previously provided) for the confidential designation.

In order for the utilities to discuss these issues with AECOM and make informed decisions regarding their confidential information, they needed to see what confidential information they provided us was used in the report and redacted. Toward that end, a new version of the report was created for each utility with their confidential information unredacted and highlighted. These new versions of the report showed each utility their specific confidential information while the confidential information of other utilities was redacted. In the case of aggregated information where there was a likelihood that another utility's confidential information could be identified, a description was provided so the utility could understand the nature of the redacted information and the methodology by which the data was aggregated. The preparation of these individualized reports was a significant undertaking. Each instance of confidential information in text and

figures had to be addressed individually for each utility. In some instances, figures also had to be recreated in order to show utilities their confidential information without revealing that of others.

While the utilities are cooperating with us, this process has taken a considerable amount of time and effort not contemplated in the original scope of work, and the discussions and related work continues. Additionally, once we receive final decisions from all of the utilities on what information they previously deemed confidential can be released and their justifications for designating the remaining information confidential, we must then produce yet another public version and another confidential version of the report for submittal to the KCC. We anticipate that this effort will require a complete redesign of the previously submitted report in order to include the justification for each individual remaining redaction.

We are certainly committed to doing this work and ensuring that the public can see as much information as possible, while also honoring the law and terms of our confidentiality agreements with the utilities. We do, however, believe it is also reasonable to ask for additional compensation to cover this additional work not covered by the original scope of work.

We thank the LCC for its consideration of this matter. Please don't hesitate to contact me if you require additional information or wish to discuss this matter further.

Yours sincerely,

AECOM Technical Services, Inc.



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