

**BEFORE THE STATE CORPORATION
COMMISSION OF THE STATE OF KANSAS**

In the Matter of the Kansas Open Records)
Act Request dated February 3, 2021, by) Docket No. 21-GIMX-307-MIS
Sarah Spicer, The Wichita Eagle.)

NOTICE OF FILING OF DOCUMENTS

The Office of General Counsel for the State Corporation Commission of the State of Kansas (Commission) files the attached documents regarding the Kansas Open Records Act (KORA) request filed by Sarah Spicer, The Wichita Eagle, with the Commission on February 3, 2021. Due to the confidential nature of the records requested, the Commission will issue a decision in accordance with K.S.A. 66-1220a and its amendments.

Respectfully Submitted,

/s/ Brian G. Fedotin

Brian G. Fedotin # 19036
General Counsel
Kansas Corporation Commission
1500 SW Arrowhead Rd.
Topeka, KS 66604
(785) 271-3105 (Telephone)
(785) 271-3354 (Fax)
b.fedotin@kcc.ks.gov

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the above and foregoing has been sent electronically on this 18th day of February, 2021, to the following:

Sarah Spicer
330 N Mead
Wichita, KS 67202
sspicer@wichitaeagle.com

Cathy Dinges
Corporate Counsel
Evergy
818 South Kansas Ave.
Topeka, KS 66612
Cathy.Dinges@evergy.com

/s/ Brian G. Fedotin _____
Brian Fedotin
General Counsel

From: kora_request@kcc.state.ks.us
To: [Open Records Group](#)
Subject: KORA Request 1612398969
Date: Wednesday, February 3, 2021 6:36:10 PM

Wed Feb 3 18:36:09 2021

A KORA request was submitted with these parameters:

Name: Sarah Spicer
Address: 330 N Mead.
City: Wichita
State: Kansas
Zip: 67202
Daytime phone: 6207161252
E-mail: sspicer@wichitaeagle.com
Best contact: E-mail
Receive documents: E-mail

Description:

Dear Custodian of Records,
Under the Kansas Open Records Act ASS 45-215 et seq., I am requesting an opportunity to inspect or obtain copies of public records that detail the rate impacts of Evergy's Sustainability Transformation Plan, including the Boston Consulting Group Report and a presentation given by Evergy during the second Sustainability Transformation Plan Workshop on December 21, 2021. The presentation included information on the overall capital expenditures by state, rate impacts by Kansas jurisdiction and service territory and Evergy's clean energy transition. If there are any fees for searching or copying these records, please inform me if the cost will exceed ~20. However, I would also like to request a waiver of all fees in that the disclosure of the requested information is in the public interest and will contribute significantly to the public's understanding of current and future electric rates. I am a representative of the media, working for The Wichita Eagle, and my request is related to news gathering purposes. This information is not being sought for commercial purposes.

The Kansas Open Records Act requires a response time within three business days. If access to the records I am requesting will take longer than that time period, please contact me with information about when I might expect copies or the ability to inspect the requested records.

If you deny any or all of this request, please cite each specific exemption you feel justifies the refusal to release the information and notify me of the appeal procedures available to me under the law. Thank you for considering my request.
Sincerely,
Sarah Spicer

Specific information:
Docket No. 21-EKME-088-GIE

February 5, 2021

Sarah Spicer
330 N. Mead
Wichita, Kansas 67202
sspicer@wichitaeagle.com

RE: February 3, 2021 Request for records under the Kansas Open Records Act #1612398969

Ms. Spicer,

On February 3, 2021, we received your request pursuant to the Kansas Open Records Act (KORA) for the following:

requesting an opportunity to inspect or obtain copies of public records that detail the rate impacts of Evergy Sustainability Transformation Plan, including the Boston Consulting Group Report and a presentation given by Evergy during the second Sustainability Transformation Plan Workshop on December 21, 2021. The presentation included information on the overall capital expenditures by state, rate impacts by Kansas jurisdiction and service territory and Evergy clean energy transition.

Copies of public records may be found online as part of the Docket No. 21-EKME-088-GIE:
<https://estar.kcc.ks.gov/estar/portal/kscg/page/docket-docs/PSC/DocketDetails.aspx?DocketId=5bf302bc-3a8c-4bd9-8652-fd3e63161bc5>

We are enclosing 24 pages of documents responsive to the request for the presentation given by Evergy on December 21, 2020.

The request for the Boston Consulting Group report is denied pursuant to K.S.A. 45-221(a)(1) which states that records specifically prohibited or restricted by state statute are not subject to disclosure. Pursuant to K.S.A. 66-1220a the Commission shall not disclose or allow inspection of a trade secret or confidential information of a corporation, partnership or individual proprietorship regulated by the Commission, unless the Commission finds disclosure is warranted after consideration of four factors. Kansas Administrative Regulation (K.A.R.) 82-1-221a(b)(1) proscribes the process by which requests and disclosure of such information shall come before the Commission. The Commission will notify Evergy of your request for confidential information, which they can respond in accordance with the regulation.

The process outlined in K.A.R. 82-1-221a(b) is:

- (1) If a request for information classified as confidential is not filed as a motion in an active KCC docket, the entity seeking to maintain the confidential status of the information shall be notified by the commission of the request. The entity seeking to

maintain the confidential status shall have five working days after service, plus three days if service is by mail, to respond to this request. Any response filed with the commission in opposition to a request shall substantiate the basis for nondisclosure and shall be served upon the commission and the entity requesting disclosure. The entity requesting disclosure may reply to the response within five working days after service, plus three days if service is by mail, by serving a reply upon the entity seeking to maintain nondisclosure and upon the commission.

(2) A request made by a party to a docket for disclosure of confidential documents or information contained within the docket shall be made by motion. No party shall request disclosure from the commission of information classified as confidential until the party has requested the information in writing from the party seeking to maintain its confidential nature and this request has been denied. The motion shall proceed in accordance with the Kansas corporation commission's rules of practice and procedure, K.A.R. 82-1-201 et seq.

(3) A determination of the confidential nature of the information and whether or not to require the disclosure of the confidential information requested under paragraphs (b)(1) and (b)(2) above shall be issued by the commission in accordance with K.S.A. 66-1220a and amendments thereto.

Respectfully,



Lynn M. Retz
Official Custodian of Records
Executive Director



December 14, 2020

Kansas Corporation Commission
1500 SW Arrowhead Road
Topeka KS 66614

RE: In the Matter of the Investigation into the Sustainability Transformation Plan of
Evergy Metro, Inc., Evergy Kansas Central, Inc., and Evergy Kansas South, Inc.
(collectively Evergy); Docket No. 21-EKME-088-GIE

To whom it concerns:

Pursuant to the Commission's Order Establishing Procedural Schedule in the above-referenced docket, Evergy is filing with the Commission and providing the attached materials to the parties in advance of the workshop regarding operational efficiencies and related benefits, scheduled for December 21, 2020.

Sincerely,

A handwritten signature in blue ink that reads "Cathryn Dinges".

Cathy Dinges,
Corporate Counsel



Sustainability Transformation Plan (STP)

Operational Efficiency Workshop

Greg Greenwood

John Grace



Discussion Topics

STP and Related Benefits Overview

Operational Savings

- Benchmarked cost structure
- Cost efficiency identification and governance
- Overview of expected fuel and non-fuel savings

Cost Savings Overview by Function

Example of STP Chartered Savings Idea

Summary

STP and Related Benefits Overview

What is Evergy's Sustainability Transformation Plan (STP)?





Stakeholder Benefit of the STP

CUSTOMERS

- ✓ **Maintains Affordability**
 - Capital investments targeted to enable long-term and sustainable cost savings of an expected ~25% non-fuel O&M reduction by 2024
 - Significant fuel and purchase power savings of ~\$145M from 2019 through 2024
- ✓ **Improves Customer Experience**
 - Enables automated outage communications
 - Expands digital communications, transactions and customer self-service options
 - Modernizes rate structures to offer additional rate options tailored to different types of residential customers
- ✓ **Improves Reliability & Resiliency**
 - Capital investments in grid automation, data handling and analytics capabilities and communications infrastructure to improve grid reliability, reduce restoration times and increase overall grid resiliency

COMMUNITY

- ✓ **Provides Regionally Competitive Rates**
 - Cost savings minimize rate increases over the period of the plan and is expected to improve regional rate competitiveness
- ✓ **Enhances Economic Development**
 - Job creation as a result of investments in grid modernization projects and renewable generation
 - Investments in renewable energy and grid modernization will help attract companies by improving cost competitiveness, reliability and overall sustainability
- ✓ **Honors Community Commitments**
 - Maintains Evergy's 'People First' culture
 - No merger-related involuntary layoffs
 - Maintains local control and current community involvement and investments
 - Honors existing regulatory agreements while providing a safe work environment for employees and meeting the needs of customers

ENVIRONMENT

- ✓ **Delivers Cleaner Energy**
 - An Integrated Resource Plan that builds on Evergy's focus on sustainability with increased investment in renewable energy, including solar energy, and battery storage and expanded energy efficiency programs
 - Pursues legislative and regulatory policy changes that would allow for more rapid decarbonization through accelerating retirement of coal plants
 - Investments in grid modernization will enable easier access to and development of distributed generation and customer facing grid-edge technology
- ✓ **Engages Stakeholders**
 - A robust process to engage our customers, regulators, employees and shareholders in Evergy's transformation to a low-carbon, resilient utility



Key Areas of STP

1 **Grid Modernization:** Create detailed plans to execute on grid modernization which promotes improved resiliency and grid capabilities

2 **Cost Efficiencies:** Achieve O&M savings through well-documented and robust plans to improve efficiency

3 **Customer Experience:** Deploy technology and programs to enhance customer experience and availability of options

4 **Decarbonization:** Develop an Integrated Resource Plan (IRP) which balances the needs of various stakeholders

Decarbonization will be discussed through IRP Stakeholder meetings

Operational Savings

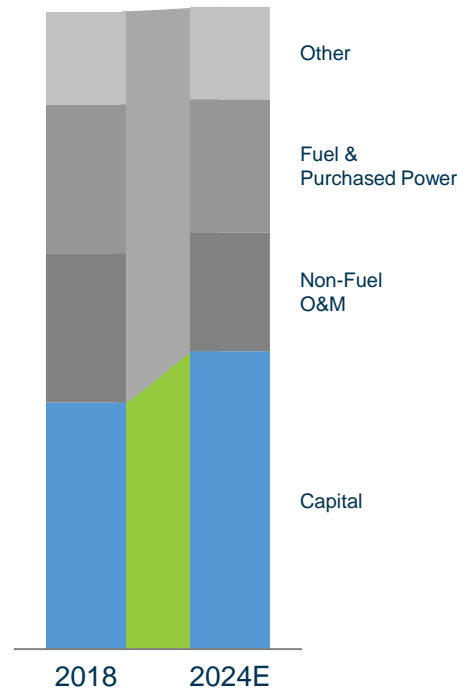
Strengthened Customer Value Proposition

STP focuses on rate stability and service enhancements

- Maintaining our merger commitments (bill credits / rate freeze)
- Minimal rate increases anticipated in customer bills, ~2% annualized
- Shifting customer bills to reflect service enhancing infrastructure, while reducing NFOM and F&PP costs



Illustrative Total Retail Rate Composition



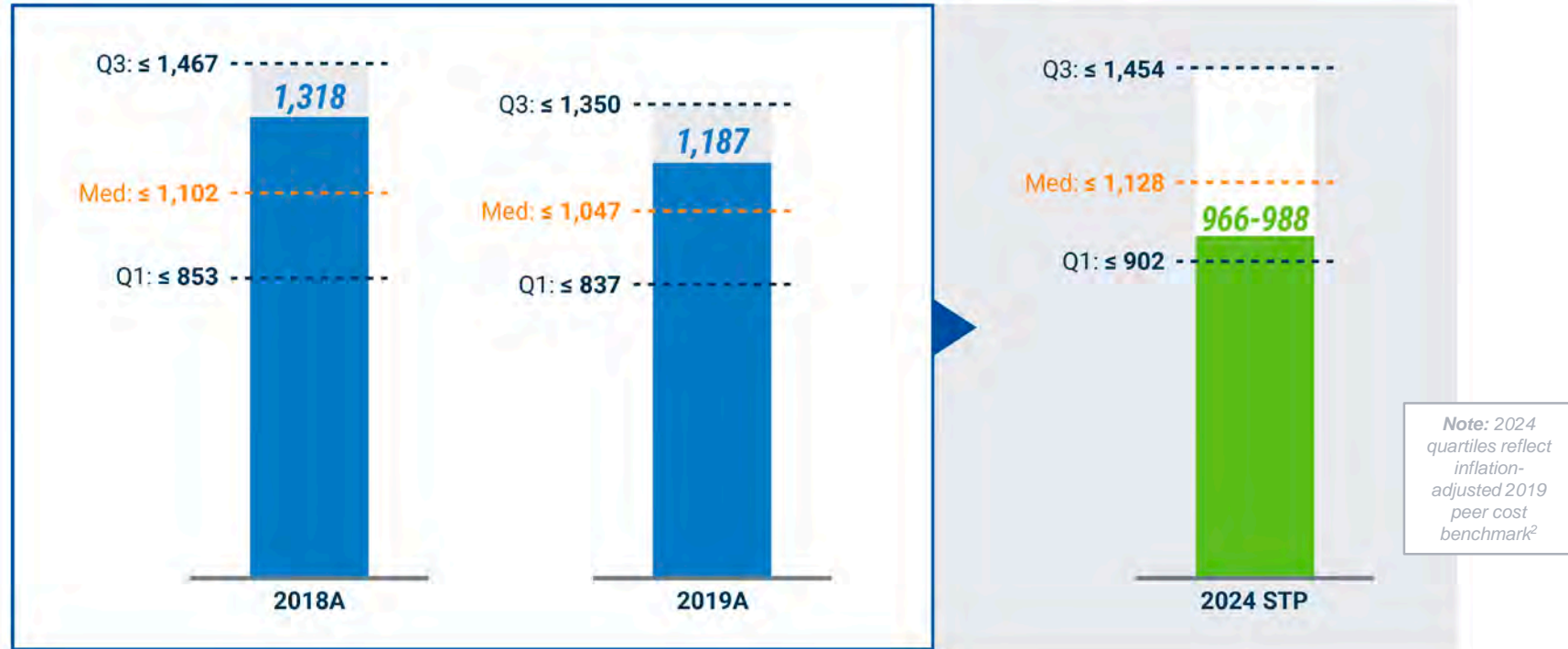
Operational efficiency efforts pursued to manage costs to our customers

Disciplined approach, focused on productivity improvements to maintain or improve our service levels

Where We've Been... Where We're Headed

Improving from 3rd Quartile to 2nd Quartile levels

NFOM¹ (\$M)



Source: Boston Consulting Group

1. Full run rate is achieved in 2024. 2. Peer cost benchmarking is done based on function-specific metrics: \$/revenue for A&G, \$/line mile for Transmission, \$/customer for Customer & Distribution, and \$/MWh for Generation. Note: IOU national peer set with customer base in between 0.5M and 3M (excluding utilities that do not own regulated generation for the generation metric); O&M cost listed includes Total Transmission Expenses \$ (excl. Trn Oper Transmission of Elec by Others \$), Total Distribution Expenses \$, Total Customer Service Expenses (Excl. EE program assistance expenses and CAE Uncollectible Accounts \$), Total Admin & General Expenses \$ (Excl. Employee pension & benefits) and non-fuel gen cost. Source: FERC form 1 analysis

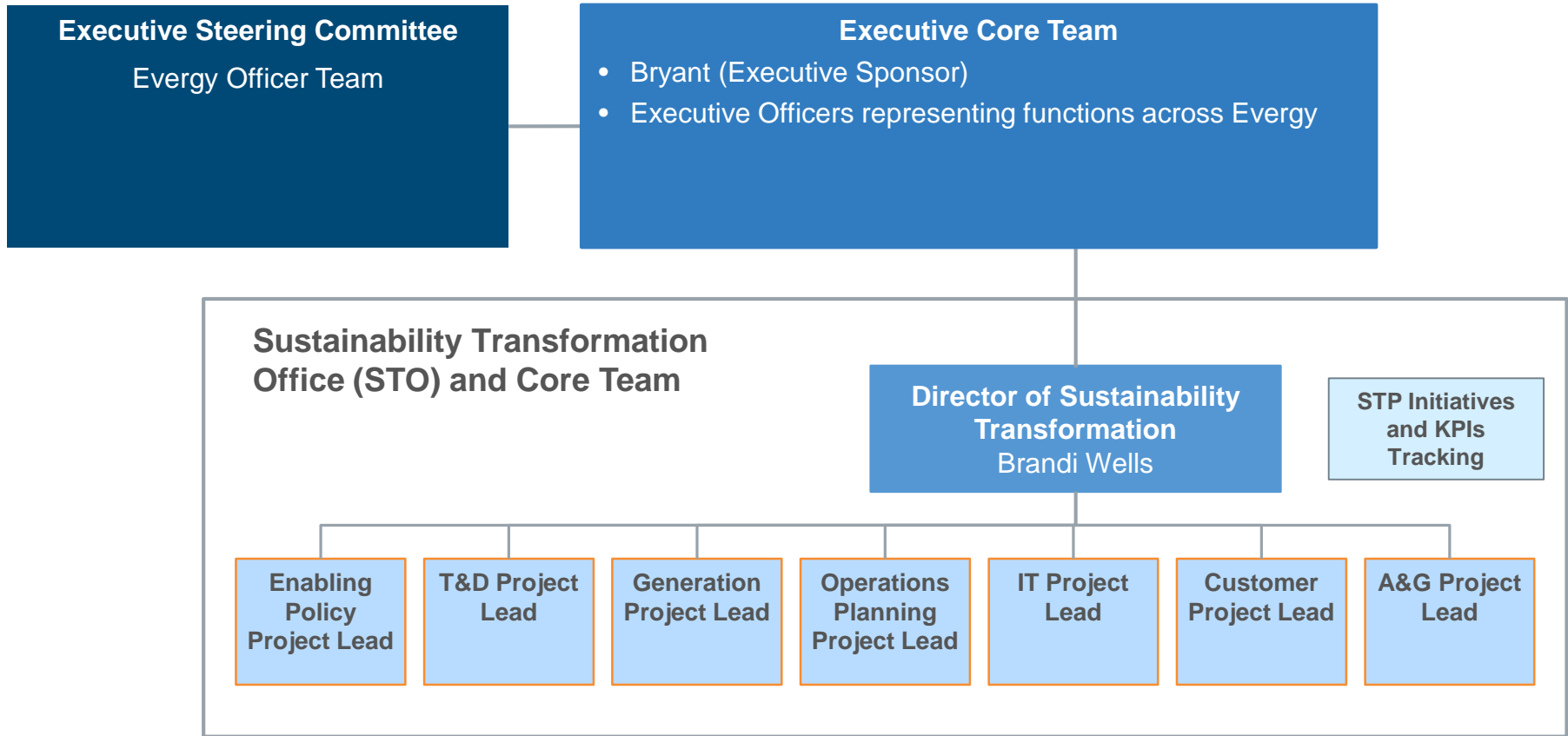
Initiatives Tracked from Definition to Completion



Process to date has identified ~ 230 chartered items for execution

Cost Savings Overview by Function

STP Governance Structure



Team mobilized and aligned across all levels of the organization to drive STP planning and execution

STP Operational Efficiency Summary

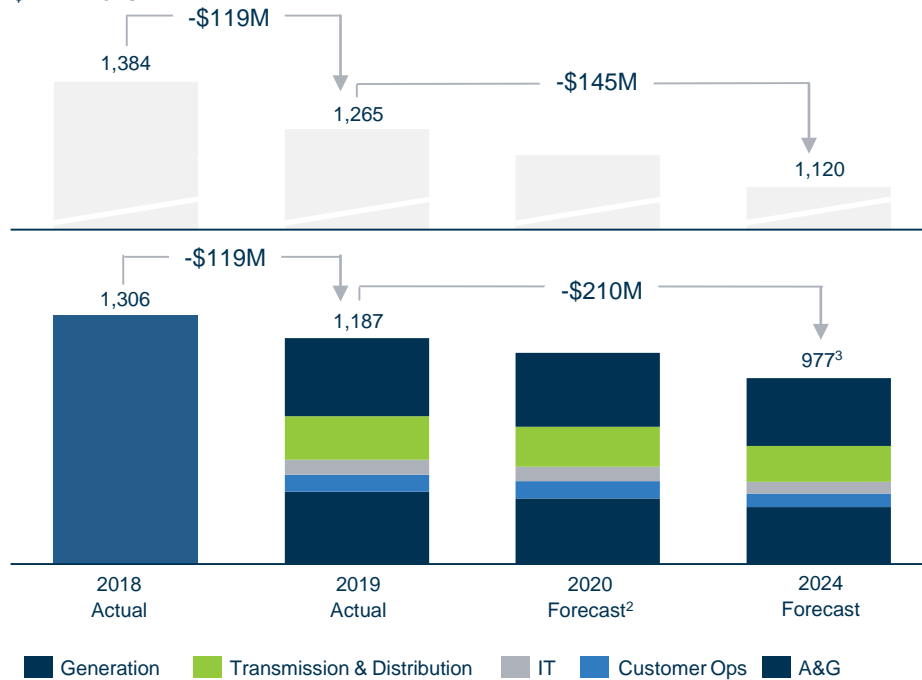
Detailed cost initiatives identified, build on merger execution track record

Energy STP Operating Expenditures Plan

\$ in millions

F&PP

Non-Fuel O&M¹



NOTE:

1. A reconciliation of adjusted O&M (non-GAAP) to O&M (GAAP) is included in the appendix.
2. 2020 adjusted O&M forecast range of 8% - 10% reduction from 2019A of \$1,187M.
3. Represents the mid-point of 2024 O&M forecast range of \$966M to \$988M.

- Fuel & Purchased Power (F&PP):** Fuel contract renegotiation, outage optimization & timing, flexible operations
- Generation:** Organizational efficiencies, operational improvements in the current fleet, supply chain and maintenance
- T&D:** Vegetation management, field work force, fleet, office real estate optimization
- IT:** Infrastructure and operating model efficiency, sourcing and procurement optimization
- Customer Ops:** Digital adoption and operating model efficiency, metering, contact center operations, account management
- A&G:** Organization optimization through attrition and scale efficiencies, procurement, benefits, digital transformation



Generation | Fuel & Purchased Power

Highest Value Initiative Areas

Area of Focus	2024 run-rate F&PP savings (\$M)
Outage Optimization <ul style="list-style-type: none"><i>Ex: Move coal fleet to 3-year outage schedule; improve schedule adherence and reduce outage duration for nuclear</i>	\$10 - \$20M
Coal Contract Renegotiations <ul style="list-style-type: none"><i>Ex: Renegotiate freight and commodity contracts</i>	\$40 - \$65M
Monitoring and Diagnostics <ul style="list-style-type: none"><i>Ex: Use advanced pattern recognition models to predict performance of vibration equipment based on online sensor data</i>	\$15 - \$25M
Flexible Operations <ul style="list-style-type: none"><i>Ex: Increase economic dispatch range of coal units and Wolf Creek to increase flexibility and capture additional margin</i>	\$2 - \$8M
Expected to contribute ~\$145M in 2024 run-rate savings	



Generation | Cost & Operational Excellence

Highest Value Initiative Areas

Area of Focus	2024 run-rate NFOM savings (\$M)
Nuclear Future State Staffing <ul style="list-style-type: none"><i>Ex: Achieve target org chart at Wolf Creek</i>	\$10 - \$20M
Fossil & Renewable Organization Efficiency <ul style="list-style-type: none"><i>Ex: Increase employee productivity with supervisor coaching</i>	\$15 - \$25M
Preventive Maintenance Optimization <ul style="list-style-type: none"><i>Ex: Reduce replacement frequency for certain parts</i>	\$10 - \$20M
Outage Optimization <ul style="list-style-type: none"><i>Ex: Adhere to target nuclear outage schedules; move coal fleet to 3-year outage schedule</i>	\$5 - \$10M

Expected to contribute 30 – 40% of 2024 NFOM run-rate savings

T&D | Cost & Operational Excellence

Highest Value Initiative Areas

Area of Focus	2024 run-rate savings (\$M)
Vegetation Management Optimization <ul style="list-style-type: none"><i>Ex: Leverage digital platform to improve workflow between Evergy & tree trimming contractors</i>	\$12 - \$16M
Field Force Optimization <ul style="list-style-type: none"><i>Ex: Synchronize and optimize direct-buried cable replacement policy</i>	\$12 - \$16M
Contractor Optimization <ul style="list-style-type: none"><i>Ex: Extend lifecycle of transmission poles by applying treatments to prevent decay</i>	\$8 - \$12M
T&D Operations Planning Optimization <ul style="list-style-type: none"><i>Ex: Reduce streetlight maintenance costs</i>	\$5 - \$9M

Expected to contribute 20 – 30% of 2024 NFOM run-rate savings

IT | Cost & Operational Excellence

Highest Value Initiative Areas

Area of Focus	2024 run-rate savings (\$M)
Chartered Efficiencies & Commitments <ul style="list-style-type: none"><i>Ex: Negotiating strategic enterprise agreements related to software costs</i>	\$10 - \$20M
IT Software <ul style="list-style-type: none"><i>Ex: Rationalizing set of IT security tools by leveraging enterprise solutions</i>	\$2 - \$5M
IT Organization Optimization <ul style="list-style-type: none"><i>Ex: Reducing contractor and FTE positions through Voluntary Exit Packages (VEPs)</i>	\$2 - \$5M
IT Services <ul style="list-style-type: none"><i>Ex: Increasing offshoring and negotiating for lower IT service contract rates</i>	\$2 - \$5M

Expected to contribute 8 – 12% of 2024 NFOM run-rate savings



Customer | Cost & Operational Excellence

Highest Value Initiative Areas

Area of Focus	2024 run-rate savings (\$M)
Customer Operations <ul style="list-style-type: none"><i>Ex: Deploying digital self-service capability to reduce call volume leading to lower O&M costs</i>	\$2 - \$5M
Metering Operations <ul style="list-style-type: none"><i>Ex: Leveraging smart meters to reduce service order costs and field labor spend</i>	\$1 - \$4M
Contact Center Ops Optimization <ul style="list-style-type: none"><i>Ex: Optimize contact center hours of operation to customer</i>	\$1 - \$3M
Cost Allocation Manual Standardization <ul style="list-style-type: none"><i>Ex: Consolidating billing services and credit management depts.</i>	\$1 - \$3M

Expected to contribute 8 – 12% of 2024 NFOM run-rate savings

A&G | Cost & Operational Excellence

Highest Value function Areas

Area of Focus	2024 run-rate savings (\$M)
One-time Costs Normalization <ul style="list-style-type: none"><i>Ex: Identify and reduce one-time costs such as bad debt expense and short-term incentives</i>	\$15M
Organization Optimization <ul style="list-style-type: none"><i>Ex: Optimize organization structure across support functions incl. Finance, HR, Supply Chain Compliance & Regulatory</i>	\$2 - \$5M
Procurement Optimization <ul style="list-style-type: none"><i>Ex: Reduce spend across categories through vendor rationalization and demand management</i>	\$2 - \$5M

Expected to contribute 15 – 25% of 2024 NFOM run-rate savings

Example of STP Chartered Savings Idea



Chemical Contract Renegotiations

Generation Operations

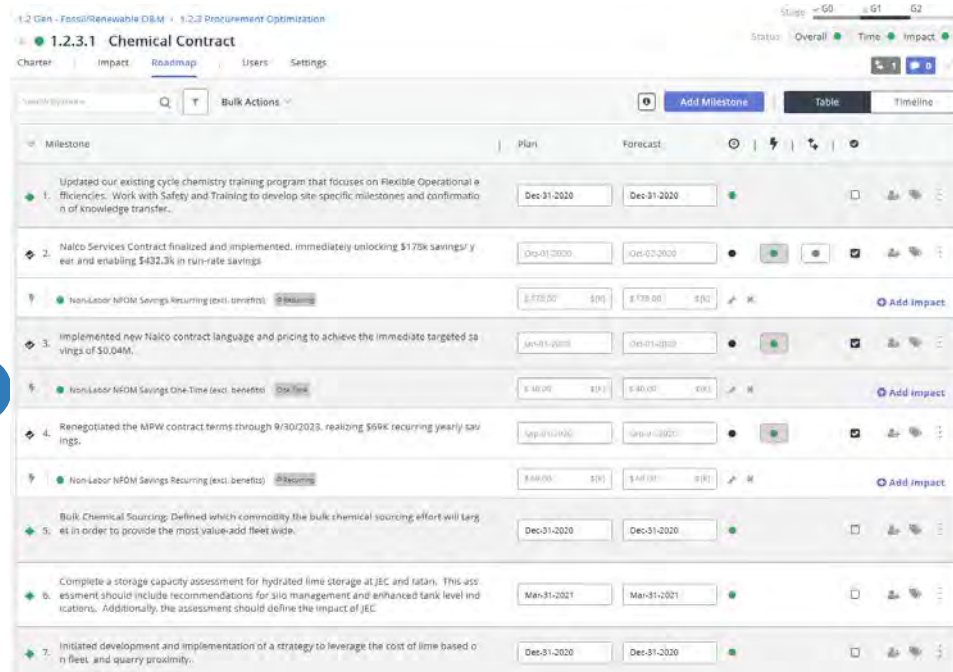
Goal: Reduce spend by \$1.3M per year on specialty and bulk chemicals related to power generation by re-evaluating supplier contracts. This will have no impact on generating station safety or reliability

Action plan:

- Finalize and implement new Specialty contract
- Consolidate, finalize and implement new bulk commodity chemical contract
- Evaluate benefits to a re-negotiated limestone contract to support
- Develop a tracking and system to monitor chemistry spend

Timeline:

- Specialty contract (complete)
- Bulk chemicals contract (Dec 2020)
- Limestone contract (Jan 2022)



The screenshot shows a project management interface for '1.2.3.1 Chemical Contract'. The interface includes a search bar, 'Bulk Actions' dropdown, and tabs for 'Add Milestone', 'Table', and 'Timeline'. The main content is a table with columns for Milestone, Plan, and Forecast. The table lists several milestones with their descriptions, start and end dates, and status indicators.

Milestone	Plan	Forecast
1. Updated our existing cycle chemistry training program that focuses on Flexible Operational efficiencies. Work with Safety and Training to develop site specific milestones and confirmation of Knowledge transfer.	Dec-31-2020	Dec-31-2020
2. Nalco Services Contract finalized and implemented. Immediately unlocking \$170k savings/ year and establishing \$432.3k in run-rate savings	Dec-01-2020	Dec-01-2020
3. Implemented new Nalco contract language and pricing to achieve the immediate targeted savings of \$0.04M.	Jan-01-2021	Dec-31-2021
4. Renegotiated the MPW contract terms through 9/30/2023, realizing \$59k recurring yearly savings.	Sept-01-2020	Sept-01-2021
5. Bulk Chemical Sourcing: Defined which commodity the bulk chemical sourcing effort will target in order to provide the most value-add fleet wide.	Dec-31-2020	Dec-31-2020
6. Complete a storage capacity assessment for hydrated lime storage at JEC and Jatan. This assessment should include recommendations for silo management and enhanced tank level indicators. Additionally, the assessment should define the impact of JEC.	Mar-31-2021	Mar-31-2021
7. Initiated development and implementation of a strategy to leverage the cost of lime based on fleet and quarry proximity.	Dec-31-2020	Dec-31-2020

Summary



Summary

STP Continues Progress Toward Cost Competitiveness

Builds on merger savings progress

Creates robust structure toward identifying and tracking cost savings

Maintains reliability and quality of service while reducing overhead costs

Stabilizes potential price increases consistent with inflation

February 5, 2021

Cathy Dinges
Evergy
818 S. Kansas Ave.
Topeka, KS 66612-1203
Cathy.Dinges@evergy.com

Re: February 3, 2021 – Open Records Request

Ms. Dinges,


As attorney of record for Evergy, this letter is to inform you that a request has been made with the Kansas Corporation Commission (KCC or Commission) to disclose certain documents that are currently designated as confidential. The request is enclosed for your review.

Pursuant to K.S.A. 45-221(a)(1), the KCC is not required to disclose records restricted by state statute. The K.S.A. 66-1220a prohibits disclosure of any confidential information of entities regulated by the KCC, except upon a contrary finding by the Commission. The K.A.R. 82-1-221a(b)(1) proscribes the process by which requests and disclosure of such information shall come before the Commission.

In accordance with K.A.R. 82-1-221a(b)(1), please respond within five (5) business days of the date of this letter substantiating the basis for nondisclosure if confidential treatment is still requested. Please be sure to serve your response, if any, on the Commission and the requestor whose information can be found below.

Please feel free to contact me if you have any questions.

Respectfully,


Lynn M. Retz
Executive Director
Custodian of Records

cc: Sarah Spicer
sspicer@wichitaeagle.com



February 9, 2021

Sent by Electronic Mail

Ms. Lynn M. Retz
Executive Director
Kansas Corporation Commission
Custodian of Records
l.retz@kcc.ks.gov

Re: February 5, 2021
Open Records Request

Dear Ms. Retz:

Per your letter to me dated February 5, 2021, Evergy Kansas Central, Inc., Evergy Kansas South, Inc. and Evergy Metro, Inc. (together as “Evergy”) is confirming the confidential designation of the information requested in the Kansas Open Records Request submitted on February 3, 2021, by Sarah Spicer.

The information requested by Ms. Spicer was produced to parties in the docket opened to review Evergy’s Sustainability Transformation Plan (“STP”), Docket No. 21-EKME-088-GIE. Evergy has explained the basis for its confidential designations at length in pleadings filed in the STP docket and incorporates all of those pleadings here. The Commission's Protective Order defines confidential information to include the following:

Confidential Information: "Confidential information" refers to information which, if disclosed, would likely result in harm to a party's economic or competitive interests or which would result in harm to the public interest, generally, and which is not otherwise available from public sources. "Confidential information" may include, but is not limited to: (1) material or documents that contain information relating directly to specific customers; (2) employee-sensitive information; (3) marketing analyses or other market-specific information relating to services offered in competition with others; (4) reports, work papers or other documentation related to work produced by internal or external auditors or consultants; (5) strategies employed, to be employed, or



under consideration; (6) contract negotiations; and, (7) information concerning trade secrets, as well as private technical, financial, and business information.

The documents requested in Ms. Spicer's Kansas Open Records Request constitute "strategies employed, to be employed, or under consideration" and "private technical, financial, and business information" and therefore qualify as confidential under this definition as well as Commission precedent. Evergy will not repeat the arguments it has made but confirms that this information remains confidential and should not be publicly disclosed.

Please let me know if you need additional information from Evergy as you review the Kansas Open Records Act request at issue.

Sincerely,

A handwritten signature in blue ink that reads "Cathryn Dinges".

Cathryn Dinges

cc: Sarah Spicer, sspicer@wichitaeagle.com

1500 SW Arrowhead Road
Topeka, KS 66604-4027



Phone: 785-271-3100
Fax: 785-271-3354
<http://kcc.ks.gov/>

Andrew J. French, Chairperson
Dwight D. Keen, Commissioner
Susan K. Duffy, Commissioner

Laura Kelly, Governor

February 9, 2021

Sarah Spicer
The Wichita Eagle
330 N. Mead
Wichita, Kansas 67202
sspicer@wichitaeagle.com

RE: February 3, 2021 Request for records under the Kansas Open Records Act #1612398969

Ms. Spicer,

The Kansas Corporation Commission has received a response from Evergy regarding your request for records under the Kansas Open Records Act, K.S.A. 45-215 *et seq.* (Copy attached)

Pursuant to K.A.R. 82-1-221a(b)(1), five business days will be allowed for you to submit a response, or by February 16, 2021.

If you have any questions, please feel free to contact me.

Respectfully,

Lynn M. Retz
Official Custodian of Records
Executive Director