

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

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

**PETITION OF COMMISSION STAFF FOR
ORDER INITIATING INVESTIGATION**

The Staff of the State Corporation Commission of the State of Kansas (Staff and Commission, respectively) hereby petitions the Commission for an order initiating a general investigation into the Sustainability Transformation Plan (STP) as discussed in a filing by Evergy Metro, Inc. d/b/a Evergy Kansas Metro, Kansas Central, Inc., and Evergy South, Inc. (collectively, Evergy or the Company) on August 13, 2020, in Docket No. 20-EKME-514-GIE (the 20-514 Docket). In support thereof Staff states the following:

1. On June 18, 2020, the Commission issued an *Order Opening General Investigation* in the 20-514 Docket (20-514 Order). The 20-514 Order granted Staff's petition in that matter seeking investigation into an Agreement that was entered into on February 28, 2020, by the Board of Directors of Evergy, and Elliott Associates, L.P., Elliott International, L.P., and affiliates (collectively Elliott Management or Elliott) (the Agreement) to consider either a Modified Standalone Plan or a Merger Transaction.

2. As part of its recommendation Staff requested Evergy be directed to file a report addressing certain questions outlined by Staff, and allow Staff and all intervening stakeholders an opportunity to respond in writing.¹ Staff recommended that Evergy submit its report no later than

¹ Docket No. 20-EMKE-514-GIE, Staff Report and Recommendation (20-514 Staff Report), p. 2, filed June 11, 2020.

two weeks after Evergy's Board decision as to whether to pursue a Modified Standalone Plan or a Merger Transaction. Staff further noted its intent to petition the Commission to open another investigative docket in the event Evergy elected to pursue a Modified Standalone Plan.²

3. As part of the Order, the Commission adopted Staff's recommendation with respect to certain reporting requirements for Evergy and proposed timelines for the docket.³

4. Consistent with the Commission's directive, Evergy filed its report on August 13, 2020, indicating its Board's decision to pursue a Modified Standalone Plan as opposed to a Merger Transaction. In addition to answering the questions posited by Staff, the report contained the planned Modified Standalone Plan, which Evergy identifies as the STP.

5. As part of the STP, Evergy acknowledges the need for stakeholder collaboration with respect to its proposed plan.⁴ In light of Evergy's election to pursue its STP, Staff hereby requests the initiation of a new investigative docket to provide Staff, stakeholders, and Evergy an avenue to collaborate and fully vet the STP. Staff's full recommendation with respect to its request is contained in the Report and Recommendation attached hereto as **Attachment A**, and incorporated herein by reference.

WHEREFORE, Staff respectfully requests the Commission grant this petition, thereby initiating an investigation as set forth above, and for any other such relief the Commission deems just and reasonable.

² 20-514 Staff Report, p. 2.

³ The procedural timeline was subsequently modified on July 30, 2020 in the Commission's *Order Granting Joint Motion for Revisions to Procedure for Docket*.

⁴ Sustainability Transformation Plan, §8, pp. 46-54.

Respectfully submitted,

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

Laura Kelly, Governor

REPORT AND RECOMMENDATION UTILITIES DIVISION

To: Chair, Susan K. Duffy
Commissioner, Dwight D. Keen
Commissioner, Andrew J. French

From: Justin Grady, Chief of Accounting and Financial Affairs
Jeff McClanahan, Director of Utilities Division

Date: August 19, 2020

Re: Recommendation to Open General Investigation to Evaluate Evergy's Sustainability Transformation Plan

EXECUTIVE SUMMARY:

On June 18, 2020, in Docket No. 20-EKME-514-GIE (20-514 Docket), the Commission authorized the opening of a general investigation to evaluate the Elliott Management (Elliott) and Evergy, Inc. (Evergy) Agreement that required Evergy to pursue a Modified Stand Alone plan or a Merger Transaction.¹ The docket was initiated based on a Staff Report and Recommendation that was filed on June 11, 2020. (Staff's 20-514 Report).² Staff's 20-514 Report indicated that Staff would request a new docket to investigate any Modified Standalone plan approved by Evergy's Board of Directors. On August 5, 2020, Evergy announced that its Board of Directors had approved a Modified Standalone Plan – its new Sustainability Transformation Plan (STP) – to drive increased value and benefits for its shareholders, customers, employees, and the communities it serves.³ This Report and Recommendation requests the Commission open a new general investigation docket to evaluate Evergy's STP plan.

BACKGROUND:

In general, Staff's 20-514 Report addressed concerns surrounding Elliott's focus on driving shareholder value creation through either a standalone plan or a merger transaction. While Staff's Report addressed in detail concerns regarding both a Modified Standalone Plan and a Merger

¹ Order Opening General Investigation, Docket No. 20-EKME-514-GIE, June 18, 2020, (20-514 Order).

² Recommendation to Open a General Investigation to Evaluate the Elliott and Evergy Agreement Requirements to Pursue a Modified Standalone Plan or a Merger Transaction, Report and Recommendation prepared by Utilities Division, Docket No. 20-EKME-514-GIE (June 11, 2020) (Staff Report).

³ Evergy's Press Release dated August 5, 2020 is attached to this Report and Recommendation.

Transaction, Staff specifically noted that in the event Evergy's Board of Director's elected to pursue a standalone plan that yet another docket would be necessary to evaluate the proposed plan. In addressing the need for a new docket, Staff stated the following:

This [20-514 Docket] investigation will not require any affirmative action by the Commission. Rather, this investigation is informational in nature, will allow all parties to be informed of Evergy's decision, and will allow Evergy to be informed of the Commission's and all stakeholders concerns regarding its decision. Staff recommends Evergy submit its report no later than two weeks after Evergy's Board of Directors makes its decision. *Staff also notes in this report that it will petition the Commission to open a new docket to evaluate any Standalone Plan that may be approved by Evergy's Board of Directors. Staff's petition will be necessary because of the potential impact on the core elements of the merger agreement approved by the Commission in the 18-095 Docket.*⁴ [Emphasis added].

Staff's 20-514 Report included an evaluation of Elliott's Open Letter to Evergy's Board of Directors, which provided an analysis on the ability of Evergy to achieve significant cost savings that would support additional capital investments in light of the recent merger that led to the creation of Evergy.⁵ Staff's Report was critical of several elements of Elliott's analysis; however, Staff also noted the following:

Staff notes that the criticisms in this Report address the benchmarking analysis and potential for Evergy cost savings presented by Elliott in the Open Letter. *This is not to suggest that Staff does not support a "no stone unturned" analysis to ensure that Evergy's cost structure is as efficient as possible, while still maintaining the level of service and reliability Evergy's customers expect.* Moreover, if a detailed analysis does indicate that sustainable additional cost savings (beyond those already identified and planned) are possible, Staff asserts that those cost savings should be flowed through the ERSP and shared with ratepayers, not be used to provide a return "on and of" new discretionary capital expenditures.⁶ [Emphasis added].

While certain financial analysts reported that Staff was opposed to any standalone plan, a careful reading of Staff's 20-514 Report clearly indicates Staff's concerns were specifically with Elliott's analysis in its Open Letter.⁷ Staff is not opposed to further evaluation of cost savings so long as any additional benefits are shared with ratepayers in a manner consistent with both the merger agreement authorized by the Commission in Docket No. 18-KCPE-095-MER (18-095 Docket) and the regulatory policy goal stated in Sub. SB 69. Moreover, a merger transaction would have required an application to approve such, while Evergy's Board of Directors theoretically could

⁴ Staff Report, p. 2.

⁵ See, Docket No. 18-KCPE-095-MER, In the Matter of the Application of Great Plains Energy Incorporated, Kansas City Power & Light Company and Westar Energy, Inc. for Approval of the Merger of Westar Energy, Inc. and Great Plains Energy Incorporated.

⁶ Staff Report, p. 25.

⁷ Bank of America Global Research, *Evergy, Inc., Will it go it alone after all?*, August 4, 2020.

approve a standalone plan and then implement such without filing an application with the Commission.

Staff's 20-514 Report recommended that Staff begin to evaluate the Strategic Review and Operating Committee process and work product immediately and that Evergy submit a report answering a number of detailed questions regarding both a standalone plan and a merger transaction. In opening the general investigation, the Commission directed Evergy to answer the questions posited by Staff.⁸

Staff's 20-514 Report also emphasized the importance of stakeholder input with respect to Evergy's decision to pursue either a standalone plane or a merger transaction, and stated the following:

While service quality and rates are not immediately impacted by the Agreement between Elliott and Evergy, the subsequent decisions made with regard to either a Modified Stand Alone Plan or Merger Transaction will affect both. As such, it is important that all stakeholders understand now how decisions made as part of the Agreement may influence service and rate trajectories. Moreover, if Evergy does not consider balancing the interests of its customers and shareholders when making its decision, it can be assured that some or all stakeholders will have some form of opposition to its selected path...⁹

On August 13, 2020, Evergy submitted its report (Evergy Report) in the 20-514 Docket. The Evergy Report addressed the detailed questions in Staff's Report as well as providing information about its Modified Standalone Plan – the Sustainability Transformation Plan (STP). In its report, Evergy notes that it is inviting stakeholder engagement in its proposed STP plan. Specifically, Evergy states:

We believe that stakeholder engagement leads to better long-term planning. Engagement with stakeholders is an integral component of Evergy's STP and long-term IRP. The stakeholder process will inform the final plan balancing the pace of decarbonization against other desired outcomes, including rate impacts that reflect associated changes in investments and total operating expenses. Our approach to collaboration will consist of ongoing engagement with a broad group of stakeholders around the STP and the long-term IRP and will include customers, government officials, environmental groups, consumer advocates and community organizations. The IRP portion of the stakeholder engagement process is more formal and usually includes stakeholders that have experience with resource planning activities. The STP encompasses not only resource planning, but cost

⁸ Order Opening General Investigation, Docket No. 20-EKME-514-GIE, June 18, 2020, (20-514 Order).

⁹ Staff Report, p. 18, 20-514 Docket.

efficiency and infrastructure investment across the entirety of Evergy. Therefore, the STP stakeholder process will include a broader group of interested parties as well as broader community input and customer research.¹⁰

ANALYSIS:

As described above, both Staff and Evergy believe a stakeholder process is the best approach to evaluating the STP. Evergy's Report also provides what it considers to be some of the key considerations in evaluating the STP. Specifically Evergy lists the following key considerations:

- Continue to deliver on our prior merger commitments
- Improve regional rate competitiveness and enhance customer experience
- Enhance key stakeholder collaboration
- Maintain a strong credit profile
- Maximize long-term shareholder value¹¹

Evergy's Report also notes that the STP aligns with its long-term energy plan, including Evergy's Integrated Resource Planning (IRP).¹² As the Commission is aware, Evergy now has an IRP process in Kansas and stakeholder meetings have started regarding the 2021 Triennial IRP (Docket No. 19-KCPE-096-CPL or 19-096 Docket). Therefore, major segments of the capital expenditure portion of the STP plan will be addressed in detail through the 19-096 Docket.

In order to evaluate the potential impact on the core elements of the merger agreement approved by the Commission in the 18-095 Docket and to gain an understanding of how the STP will effect service and rate trajectories, Staff is recommending the Commission open a separate general investigation into the STP. The general scope of the STP general investigation will be for the Commission and stakeholders to understand the details of the STP as proposed. It is also possible that modifications to the STP will be proposed as stakeholders analyze the STP and reach conclusions on its impact in Kansas. Therefore, Staff believes that it should discuss potential procedural steps with all stakeholders after the general investigation has been opened. The stakeholders will then report back to the Commission as to whether there is a consensus on procedural steps or whether there is a dispute as to what actions should be taken.

RECOMMENDATION:

Staff's specific recommendations are as follows:

- The Commission should open a general investigation into Evergy's Modified Standalone Plan known as the Sustainability Transformation Plan.

¹⁰ Evergy's Notice of Filing Report to the Commission, Appendix I, pp. 4-5, Docket No. 20-EKME-514-GIE, August 13, 2020 (Evergy Report).

¹¹ Evergy Report, Appendix I, p. 1.

¹² Evergy Report, Appendix I, p. 7.

- The Commission should make all intervening parties to the 20-514 Docket parties to the new general investigation regarding the STP.
- The Commission should set a deadline for any additional intervenors to intervene in the STP general investigation within 15 days after the general investigation is opened if they wish to participate in the procedural discussions. This intervention deadline is not meant to prohibit parties from requesting intervention after the deadline. Rather, the deadline is requested so that interested parties can begin discussing the procedural steps and procedural schedule to recommend to the Commission in a timely manner.
- The stakeholders will report to the Commission on procedural steps and a recommended procedural schedule within 45 days after the general investigation is open. The Commission and all intervening parties should be aware that major segments of the capital expenditures contemplated in the STP will be specifically modeled and analyzed in Evergy's 2021 Triennial IRP. Therefore, a procedural process should be considered to determine how the relevant information from the 2021 Triennial IRP can be incorporated into the STP general investigation so that a complete record can be established.



Evergy Announces 'Sustainability Transformation Plan'

New Five-Year Strategic Plan Delivers Increased Value Creation for Evergy Shareholders and Benefits to Evergy Customers, Employees and Communities

Transitions Evergy to Top-Quartile Electric Utility with 6% to 8% EPS CAGR through 2024, Translating into EPS of \$3.87 to \$4.25 in 2024

Rate Base Growth of 5% to 6% from 2019 to 2024 with No New Equity Required

Accelerates Expansion of Evergy's Renewables Footprint, Enabling Faster Transition to Cleaner Energy

Kansas City, MO – August 5, 2020 – Evergy, Inc. (NYSE: EVRG) today announced its new 'Sustainability Transformation Plan' (STP) to drive increased value and benefits for all of the Company's stakeholders, including Evergy's shareholders, customers, employees and the communities it serves. The Sustainability Transformation Plan was unanimously approved by Evergy's Board of Directors and follows a comprehensive, independent review that began earlier this year and was conducted by the Board's Strategic Review & Operations Committee.

"Our new Sustainability Transformation Plan accelerates our work to create a forward-thinking, sustainable energy company," said Terry Bassham, Evergy president and chief executive officer. "This plan is focused on additional investments to drive decarbonization and grid modernization, while continuing the cost conscious, financially strong and 'People First' culture fundamentals that are core to Evergy's foundation. The result is greener, more reliable and affordable energy for our customers, and enhanced earnings growth and value creation for Evergy's shareholders. We respect the views of our regulators and regulatory staff. We have had an ongoing positive dialogue with them regarding the Sustainability Transformation Plan and believe that they will recognize the meaningful benefits our plan creates."

The comprehensive review was announced in February following Evergy's entry into a cooperation agreement with Elliott Management Corporation. "We have appreciated our dialogue with Terry, the rest of the management team and the Board over the past several months," said Jeff Rosenbaum, senior portfolio manager at Elliott Management Corporation. "The new Sustainability Transformation Plan is well positioned to deliver enhanced, best-in-class rate base and earnings growth, optimize capital allocation and significantly increase operational efficiencies in Evergy's transmission and distribution networks. We look forward to continuing our engagement with the management team and the Board during the implementation phase."

Sustainability Transformation Plan

Evergy's Sustainability Transformation Plan honors prior regulatory and merger commitments made in connection with Evergy's formation, while enhancing the Company's focus on grid modernization, renewable energy investment and cost management. The plan is built around the following key tenets to ensure benefits for all stakeholders:

- **Increasing investments in critical utility infrastructure to unlock significant operational efficiencies and keep customer electricity rates competitive.** Over the next five years, Evergy expects to invest approximately \$4.8 billion in upgrades to transmission and distribution infrastructure, and customer-facing platforms to improve reliability, lower operating costs, provide further access to renewable energy and enhance the customer experience.

- **Optimizing capital allocation to create a stronger grid for the future.** The Company's new plan contemplates approximately \$500 million of investments in asset hardening, distribution automation and technology through 2024 to expedite the evolution to a smarter, more reliable and more efficient grid.
- **Accelerating Evergy's transition to a clean energy provider.** Since 2005, Evergy has retired more than 2,400 megawatts of fossil generation and added or contracted for over 4,600 megawatts of renewables, making Kansas #2 in the nation for wind generation as a percentage of total generation. Additionally, there are opportunities related to decarbonization and renewables deployment that are not included in our STP which could support additional investment depending on outcomes from our stakeholder engagement process that is under way as we update our long-term energy plan. Evergy has the potential to reduce CO₂ emissions 85% by 2030 compared to 2005 levels. The pace of decarbonization will ultimately be defined in collaboration with the Company's stakeholders. Currently, Evergy is targeting an 80% reduction by 2050.

Financial benefits of the Company's new plan include:

- **Increased system investment and rate base growth.** Under the Company's new plan, Evergy expects \$8.9 billion of base capital investments through 2024, or approximately \$1.4 billion more than its prior plan. These capital investments are expected to support 5% to 6% compounded annual rate base growth from 2019 to 2024. Evergy has identified and is currently evaluating additional projects that have the potential to create incremental capital investment opportunities. Importantly, the plan does not require any new equity issuances and maintains Evergy's strong investment grade credit metrics.
- **Enhanced earnings growth.** The Company is targeting EPS compounded annual growth of 6% to 8% through 2024, consistent with top-performing utilities, compared to its previous target of 5% to 7% through 2023.¹ This translates into a long-term guidance range of \$3.87 to \$4.25 per share in 2024.
- **Continued cost discipline.** Since closing its merger, Evergy has achieved in excess of \$250 million of merger savings, well ahead of its original target. Strong execution to-date builds a solid foundation for Evergy to achieve its plan of 25% reduction in O&M costs by 2024 from 2018 levels.² Evergy will achieve these savings while protecting jobs, supporting the continued health and safety of its employees and providing reliable service to customers.
- **Value creating total returns.** Evergy expects dividend growth in line with EPS growth targeting a payout ratio of 60% to 70%. Together with the current dividend yield of over 3% and EPS growth in the top quartile of U.S. electric utilities, Evergy plans to generate total annual shareholder returns of 9% to 11% through 2024.

Information Sharing Agreement

During the initial 90-day implementation phase of the Sustainability Transformation Plan, Evergy and Elliott will continue their collaboration. To facilitate this ongoing dialogue, Evergy and Elliott have entered

¹Growth rate over 2019 adjusted EPS of \$2.89 per share. A reconciliation of adjusted EPS guidance (non-GAAP) to projected earnings per share, the most comparable GAAP measure, is included in the appendix of the Company's Q2 2020 earnings presentation

² O&M reduction targets based on 2018 adjusted O&M of \$1.306 billion. Adjusted O&M (non-GAAP) is a financial measure that is not calculated in accordance with GAAP and may not be comparable to other companies' presentations of similarly named measures or more useful than the GAAP information. See Appendix of the Company's Q2 2020 earnings presentation



into a new Information Sharing Agreement that will allow Elliott, at its option, to receive certain non-public information and to continue to engage with members of the Board and senior management. Additionally, and consistent with the Strategic Review & Operations Committee's charter, Elliott may consult with this committee during its review and evaluation of the optimal management team to execute on the Sustainability Transformation Plan. Evergy plans to make an announcement relating to a change, if any, in senior management within 90 days.

2020 EPS Guidance

As separately announced today in connection with its second quarter 2020 results, including the contributions from Evergy' Sustainability Transformation Plan, Evergy expects 2020 GAAP EPS guidance of \$2.66 to \$2.86 and Adjusted EPS guidance of \$2.90 to \$3.10.

Conference Call and Webcast

Evergy management will host a conference call Wednesday, August 5, with the investment community at 8:30 a.m. ET (7:30 a.m. CT) to discuss this announcement and its second quarter 2020 results. Investors, media and the public may listen to the conference call by dialing (888) 353-7071, conference ID 3885865. A webcast of the live conference call will be available at investors.evergy.com.

Members of the media are invited to listen to the conference call and then contact Gina Penzig with any follow-up questions.

This earnings announcement, a package of detailed second-quarter financial information, the Company's quarterly report on Form 10-Q for the period ended June 30, 2020 and other filings the Company has made with the Securities and Exchange Commission are available on the Company's website at investors.evergy.com.

Advisors

Morgan Stanley and Goldman Sachs & Co. LLC are acting as financial advisors to Evergy, and Cravath, Swaine & Moore LLP and Morgan, Lewis & Bockius LLP are acting as legal advisors to Evergy.

Centerview Partners LLC acted as financial advisor to the Strategic Review & Operations Committee.

About Evergy, Inc.

Evergy, Inc. (NYSE: EVRG) serves approximately 1.6 million customers in Kansas and Missouri. We were formed in 2018 when long-term local energy providers KCP&L and Westar Energy merged. We generate nearly half the power we provide to homes and businesses with emission-free sources. We support our local communities where we live and work and strive to meet the needs of customers through energy savings and innovative solutions.

GAAP to Non-GAAP Earnings Guidance

	Earnings per Diluted Share Guidance
2020 Net income attributable to Evergy, Inc.	\$2.66 - \$2.86
Non-GAAP reconciling items:	
Voluntary severance costs, pre-tax ^(a)	0.16
Advisor expenses, pre-tax ^(b)	0.08
Income tax benefit ^(c)	(0.06)
Kansas corporate income tax change ^(d)	0.06
2020 Adjusted earnings (non-GAAP)	\$2.90 - \$3.10

^(a) Reflects severance costs associated with certain voluntary severance programs at the Evergy Companies.

^(b) Reflects our advisor expense incurred associated with strategic planning.

^(c) Reflects an income tax effect calculated at a statutory rate of approximately 26% with the exception of certain non-deductible items.

^(d) Reflects the revaluation of Evergy Kansas Central's, Evergy Metro's and Evergy Missouri West's deferred income tax assets and liabilities from the Kansas corporate income tax rate change.

Forward Looking Statements

Statements made in this press release that are not based on historical facts are forward-looking, may involve risks and uncertainties, and are intended to be as of the date when made. Forward-looking statements include, but are not limited to, statements relating to our strategic plan, including, without limitation, those related to earnings per share, dividend, operating and maintenance expense and capital investment goals; the outcome of regulatory and legal proceedings; future energy demand; future power prices; plans with respect to existing and potential future generation resources; the availability and cost of generation resources and energy storage; targeted emissions reductions; and other matters relating to expected financial performance or affecting future operations. Forward-looking statements are often accompanied by forward-looking words such as “anticipates,” “believes,” “expects,” “estimates,” “forecasts,” “should,” “could,” “may,” “seeks,” “intends,” “proposed,” “projects,” “planned,” “target,” “outlook,” “remain confident,” “goal,” “will” or other words of similar meaning. Forward-looking statements involve risks, uncertainties and other factors that could cause actual results to differ materially from the forward-looking information.

In connection with the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, Evergy, Inc., Evergy Kansas Central, Inc. and Evergy Metro, Inc. (collectively, the Evergy Companies) are providing a number of risks, uncertainties and other factors that could cause actual results to differ from the forward-looking information. These risks, uncertainties and other factors include, but are not limited to: economic and weather conditions and any impact on sales, prices and costs; changes in business strategy or operations; the impact of federal, state and local political, legislative, judicial and regulatory actions or developments, including deregulation, re-regulation and restructuring of the electric utility industry; decisions of regulators regarding, among other things, customer rates and the prudence of operational decisions such as capital expenditures and asset retirements; changes in applicable laws, regulations, rules, principles or practices, or the interpretations thereof, governing tax, accounting and environmental matters, including air and water quality and waste management and disposal; the impact of climate change, including increased frequency and severity of significant weather events and reduced demand for coal-based energy; prices and availability of electricity in wholesale markets; market perception of the energy industry and the Evergy Companies; the impact of the Coronavirus (COVID-19) pandemic on, among other things, sales, results of operations, financial condition, liquidity and cash flows, and also on operational issues, such as the availability and ability of our employees and suppliers

to perform the functions that are necessary to operate the Evergy Companies; changes in the energy trading markets in which the Evergy Companies participate, including retroactive repricing of transactions by regional transmission organizations and independent system operators; financial market conditions and performance, including changes in interest rates and credit spreads and in availability and cost of capital and the effects on derivatives and hedges, nuclear decommissioning trust and pension plan assets and costs; impairments of long-lived assets or goodwill; credit ratings; inflation rates; the transition to a replacement for the London Interbank Offered Rate (LIBOR) benchmark interest rate; effectiveness of risk management policies and procedures and the ability of counterparties to satisfy their contractual commitments; impact of terrorist acts, including cyber terrorism; ability to carry out marketing and sales plans; cost, availability, quality and timely provision of equipment, supplies, labor and fuel; ability to achieve generation goals and the occurrence and duration of planned and unplanned generation outages; delays and cost increases of generation, transmission, distribution or other projects; the Evergy Companies' ability to manage their transmission and distribution development plans and transmission joint ventures; the inherent risks associated with the ownership and operation of a nuclear facility, including environmental, health, safety, regulatory and financial risks; workforce risks, including those related to increased costs of, or changes in, retirement, health care and other benefits; disruption, costs and uncertainties caused by or related to the actions of individuals or entities, such as activist shareholders or special interest groups, that seek to influence our strategic plan, financial results or operations; the possibility that strategic initiatives, including mergers, acquisitions and divestitures may not create the value that they are expected to achieve in a timely manner or at all; difficulties in maintaining relationships with customers, employees, regulators or suppliers; and other risks and uncertainties.

This list of factors is not all-inclusive because it is not possible to predict all factors. Additional risks and uncertainties are discussed from time to time in current, quarterly and annual reports filed by the Evergy Companies with the Securities and Exchange Commission (SEC). Reports filed by the Evergy Companies with the SEC should also be read for more information regarding risk factors. Each forward-looking statement speaks only as of the date of the particular statement. The Evergy Companies undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise, except as required by law.

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CERTIFICATE OF SERVICE

21-EKME-____-GIE

I, the undersigned, certify that a true and correct copy of the above and foregoing Petition of Commission Staff to Initiate an Investigation was served electronically this 19th day of August, 2020, to the following:

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