

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

In the Matter of the Investigation into the)
Agreement between Evergy and Elliott)
Management to consider a Modified Standalone) Docket No. 20-EKME-514-GIE
Plan or Merger Transaction)

JOINT MOTION FOR REVISIONS TO PROCEDURE FOR DOCKET

COME NOW Staff of the State Corporation Commission of the State of Kansas (“Staff”) and Evergy Metro, Inc., Evergy Kansas Central, Inc. and Evergy Kansas South, Inc. (together as “Evergy”) (all collectively referred to herein as “Joint Movants”), and submit this Joint Motion for Revisions to the Procedure for the above-captioned docket:

1. On June 11, 2020, Staff filed its Petition, with an attached Report and Recommendation, requesting that the Commission open a general investigation into an Agreement that was entered into by Evergy’s Board of Directors and Elliott Associates, L.P., Elliott International, L.P., and affiliates (collectively “Elliott Management” or “Elliott”) on February 28, 2020 (the “Agreement”).

2. The Agreement with Elliott resulted in the appointment of two new members to Evergy's Board and the creation of a Strategic Review & Operations Committee (“SROC”) to consider the possibility of Evergy pursuing either a Modified Standalone Plan or a Merger Transaction and present its recommendation to Evergy's Board for consideration and vote. As Staff explained in its R&R, currently, the formal recommendation to the Board is due July 30, 2020, and the deadline for the Board to vote on the formal recommendation is August 17, 2020. Additionally, if Evergy pursues a Modified Standalone Plan, the deadline for publicly presenting the plan to the investor community is October 14, 2020.

3. Staff indicated in its R&R that it has concerns with both (1) the potential for a Modified Standalone Plan and the impact it could have on Evergy's service quality and on Evergy's rates and (2) the potential for a Merger Transaction because of the standards for approval of a merger in Kansas and the expectation that a proposed transaction would benefit both customers and shareholders. Staff recommended that the Commission open a general docket, allow Staff to begin confidentially reviewing SROC and board materials, and require Evergy to submit a report answering a list of questions two weeks after any such decision is made by the Board.

4. On June 17, 2020, Evergy filed a Response to Staff's R&R. Evergy explained that throughout its engagement with Elliott Management, Evergy's Board and management team have been resolute in their commitment to serving the best interests of all Evergy stakeholders, including customers, employees, shareholders and the communities Evergy serves and that any action Evergy might consider that would alter the current strategic plan will balance the interests of stakeholders as noted above, serve the interest of regional rate competitiveness, and fully comply with the terms of the merger agreement that allowed for the creation of Evergy.

5. Given that the SROC process is ongoing and the Evergy Board has yet to make any of the decisions contemplated under that process, Evergy requested that the Commission provide additional time for Evergy to respond to the questions proposed by Staff in order to allow the appropriate time for management and the Board to exercise their discretion in running the business and fulfill their respective responsibilities¹ and requested that the Commission implement increased confidentiality protections for all of the information to be reviewed by Staff in the docket before Evergy files a report responding to Staff's questions.²

¹ Evergy Response, ¶ 14.

² Evergy Response, ¶ 13.

6. The Commission issued its Order Opening General Investigation (“Order”) in the above-captioned docket on June 18, 2020, approving the Staff R&R in its entirety. Because the Order was issued the day after Evergy filed its Response, the Commission likely was not able to fully consider Evergy’s requests regarding timing and confidentiality into consideration in the Order.

7. Following issuance of the Order, Evergy and Staff had discussions about Evergy’s requests and reached an agreement regarding how the procedure for the above-captioned docket should be adjusted in order to address those concerns.

8. First, with respect to timing, Staff had initially requested – and the Commission approved in its Order – that Evergy be required to respond to their list of questions with respect to either the Modified Standalone Plan or a Merger Transaction within two weeks of a Board decision to pursue a specific option. Joint Movants have agreed that the deadline for responding to these questions should be moved to two weeks after the deadline for public disclosure required in the Agreement of any Modified Standalone Plan to the investor community, currently contemplated for October 14, 2020, or, to the extent the Board approves a merger or other business combination, two weeks after the announcement of such transaction.

9. Joint Movants agree that it is appropriate to adjust the deadline for responding to Staff’s questions because a decision by the Board would not be the final step in the process for either the Modified Standalone Plan or a merger transaction. Either option would require substantial additional work by Evergy (and the other party to the transaction in the event of a merger) before becoming final and before Evergy would be prepared to answer detailed questions like those proposed by Staff.

10. With respect to a Modified Standalone Plan, if the SROC were to recommend and Evergy's Board were to adopt the recommendation to pursue a Modified Standalone Plan that impacts Evergy's capital plan and forecast, Evergy would work through a stakeholder process, making adjustments to the plan as needed, before actually formalizing and implementing the new plan. And if a strategic combination is chosen, answering Staff's questions on the initial timeline proposed by Staff might cause parties to prejudge the transaction before Evergy and the other entity have time to put together a full merger application for Commission review.

11. Second, with respect to confidentiality, Joint Movants have agreed that the Protective Order issued in this docket should require Staff to review any SROC or Board materials onsite at the Evergy Topeka offices. This higher level of confidentiality is appropriate because Staff will be reviewing materials while the decision-making process is still occurring, which creates a need for the highest level of confidentiality given the commercial sensitivity that exists, especially with the ongoing scope of the SROC work including an ongoing strategic market check.

12. Finally, Joint Movants also agreed that the need for a high level of confidentiality and the ongoing scope of work means that the review of Board and SROC materials that is to begin immediately, before a final decision is made and publicly announced, should continue to be limited only to Staff. Once Evergy submits its responses to Staff's questions, two weeks after public announcement of its decision, those responses will be filed in the above-captioned docket and available to all intervenors who have signed nondisclosure agreements.

WHEREFORE, Staff and Evergy submit their Joint Motion for Revisions to Procedure and request that the Commission (1) extend the deadline for Evergy to respond to Staff's list of questions until two weeks after the deadline for public disclosure required in the Agreement of any Modified Standalone Plan to the investor community, currently contemplated for October 14,

2020, or, to the extent the Board approves a merger or other business combination, two weeks after the announcement of such transaction; (2) issue a Protective Order in the docket that includes the requirement for Staff's review of any SROC or Board materials to occur onsite at Evergy's offices; and (3) specifically limit the review of materials that is to begin immediately to Staff.

Respectfully submitted,

/s/ Terri J. Pemberton

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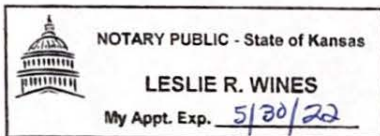
VERIFICATION

STATE OF KANSAS)
) ss
COUNTY OF SHAWNEE)

The undersigned, Cathryn Dinges, upon oath first duly sworn, states that she is Corporate Counsel for Evergy Metro, Inc. Evergy Kansas Central, Inc. and Evergy Kansas South, Inc., that she has reviewed the foregoing pleading, that she is familiar with the contents thereof, and that the statements contained therein are true and correct to the best of her knowledge and belief.

Cathryn Dinges
Cathryn Dinges

Subscribed and sworn to before me this 22nd day of June 2020.



Leslie R. Wines
Notary Public

My appointment expires: May 30, 2022

CERTIFICATE OF SERVICE

I hereby certify that on this 22nd day of June, 2020, the foregoing Response was electronically served on the following parties of record:

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