

BEFORE THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

In the Matter of the Application of Evergy Metro,)
Inc., Evergy Kansas Central, Inc. and Evergy)
Kansas South, Inc. for an Accounting Authority) Docket No. 20-EKME-454-ACT
Order Allowing the Companies to Record and)
Preserve Costs Related to COVID-19 Expenses)

**RESPONSE OF EVERGY METRO, INC., EVERGY KANSAS CENTRAL, INC. AND
EVERGY KANSAS SOUTH, INC. TO KIC AND KLER REPLY**

COME NOW Evergy Metro, Inc. (“Evergy Kansas Metro”), Evergy Kansas Central, Inc. and Evergy Kansas South, Inc. (together as “Evergy Kansas Central”) (collectively referred to herein as “Evergy”) and file this Response to the Reply of Kansas Industrial Consumers Group, Inc. (“KIC”) and Kansans for Lower Electric Rates, Inc. (“KLER”) to the Responses of Evergy and Staff to the KIC and KLER Application to Intervene. In support of its Response, Evergy states as follows:

1. Evergy filed its Application in the above-captioned docket on May 6, 2020, requesting an Accounting Authority Order (“AAO”) to defer extraordinary costs and lost revenues, plus associated carrying costs, incurred as a result of the COVID-19 pandemic. On May 20, 2020, Staff filed its Report and Recommendation, recommending approval of Evergy’s Application for an AAO and recommending certain reporting requirements. On May 27, Citizens’ Utility Ratepayer Board (“CURB”) filed its Response to the Staff Report and Recommendation and indicated that it also supports Evergy’s Application for an AAO.

2. Also, on May 27, 2020, KIC and KLER filed their Application for Intervention. On June 3, 2020, Evergy and Staff filed Responses to KIC’s and KLER’s Application for Intervention. Both Evergy and Staff indicated that they did not oppose KIC’s and KLER’s intervention but disagreed with the positions taken in KIC’s and KLER’s Application for

Intervention and with KIC/KLER's request for a hearing. KIC and KLER filed a Reply to Evergy's and Staff's Response on June 5, 2020.

3. In KIC/KLER's Response, they illogically and erroneously argue that the Commission should reject Evergy's AAO request because the Commission should not increase rates during the COVID-19 pandemic and because the AAO request does not comply with the rate moratorium provisions of the Merger Stipulation and Agreement in Docket No. 18-KCPE-095-MER ("Merger S&A"). KIC/KLER's arguments completely mischaracterize the nature of Evergy's request in this docket and the provisions of the Merger S&A, are misleading and inaccurate, do not warrant that a hearing should be conducted in this proceeding and should be rejected.

4. First, KIC/KLER ignored multiple statements by Evergy – made in Evergy's initial Application in this docket and Evergy's response to KIC/KLER's intervention – that Evergy is not seeking to change rates in this docket. Instead, Evergy simply requested deferral of costs and lost revenues related to the COVID-19 pandemic so that they can be considered in a future rate case. As a result, KIC/KLER's discussion about whether or not the Commission should increase rates during the pandemic is completely irrelevant to the Commission's decision in this docket.

5. Second, KIC/KLER misconstrued the provisions of the Merger S&A related to the rate case moratorium. As indicated above, Evergy is not seeking to change rates in this docket and has not filed a general rate case during the moratorium period so the rate case moratorium from the Merger S&A is not implicated whatsoever by Evergy's request for an AAO.

6. Additionally, the language KIC/KLER cited in its Reply regarding extraordinary events is in the section of the Merger S&A regarding service quality standards and is not applicable

at all to a discussion about the rate case moratorium. The rate case moratorium section of the Merger S&A has its own “force majeure” language, which states:

Notwithstanding the above, in the event of changes in law or regulations, or the occurrence of events outside the control of Westar or KCP&L that result in a material adverse impact to Westar or KCP&L, Westar and KCP&L, as applicable, may file an application with the Commission proposing methods to address the impact of the events, including the possibility of changes in base rates. The non-Applicant Signatories shall have the right to contest any such application, including whether the impact of the change or event is material to the company making the claim, and whether the proposed remedy in the application is reasonable.¹

This language would arguably allow Evergy to file a general rate case given the extraordinary impacts caused by the COVID-19 pandemic; however, that is not what Evergy has requested in this docket. Again, Evergy has only requested approval of an AAO allowing it to defer costs incurred and revenues lost due to the pandemic for consideration in a future rate case, which will not occur until after the expiration of the rate case moratorium established in the Merger S&A.

7. As Staff concluded in its Response to KIC/KLER’s Intervention, it is not necessary for the Commission to set Evergy’s Application for a hearing “because the concerns raised by KIC/KLER will be appropriately addressed at such time when Evergy seeks recovery of costs identified and tracked as part of any accounting authority order (AAO) the Commission may approve in this docket.”²

8. Therefore, Evergy requests that the Commission reject the arguments made by KIC/KLER in their Application for Intervention and Reply regarding whether the Commission should approve the AAO and grant Evergy the authority to track and defer in a regulatory asset all

¹ Merger S&A, at ¶ 32(iii).

² Staff’s Reply to CURB’s Response to Staff’s Report and Recommendation and KIC and KLER’s Application to Intervene, p. 1.

incremental expenses and other financial impacts including lost revenues, related to the COVID-19 pandemic, as discussed in detail in Evergy's initial Application.

Respectfully submitted,

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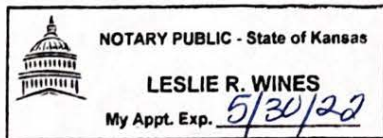
VERIFICATION

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 10th day of June 2020.



Leslie R. Wines
Notary Public

My appointment expires May 30, 2022

CERTIFICATE OF SERVICE

I hereby certify that on this 10th day of June, 2020, the foregoing **Response** was electronically filed with the Kansas Corporation Commission and that one copy was delivered electronically to all parties on the service list as follows:

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