BEFORE THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

In the Matter of the Investigation into Evergy Kansas Metro and Evergy Kansas Central regarding the February 2021 Winter Weather Events, as Contemplated by Docket No. 21-GIMX-303-MIS	)))))	Docket No. 21-EKME-329-GIE

COMPLIANCE REPORT OF EVERGY KANSAS METRO AND EVERGY KANSAS CENTRAL REGARDING COSTS INCURRED DURING WINTER WEATHER EVENT

COME NOW, Evergy Kansas Central, Inc., Evergy Kansas South, Inc. (together as "Evergy Kansas Central"), and Evergy Metro, Inc. d/b/a Evergy Kansas Metro ("Evergy Kansas Metro") (all collectively referenced hereinafter as "Evergy") and submit their Compliance Report regarding Costs Incurred During the 2021 Winter Weather Event pursuant to the State Corporation Commission for the State of Kansas ("Commission") Emergency Order issued on February 15, 2021, and the Commission's Order Adopting Staff's Report and Recommendation issued on March 9, 2021, in Docket No. 21-GIMX-303-MIS. Evergy requests approval of its plan for recovery of the extraordinary costs incurred as a result of the extreme weather and market conditions experienced during February 2021, as follows:

I. Background

1. As is described in the Direct Testimony of Darrin Ives, attached hereto as **Attachment A**, Winter Storm Uri was a major coast-to-coast storm that spread snowfall and damaging ice from the Northwest into the South, Midwest, and Northeast February 12-16, 2021 ("Winter Storm Uri" or "Cold Weather Event").[1] The storm was followed by the coldest

[1] The date range for Winter Storm Uri is based upon SPP's Conservative Operations timeframe of February 9 through February 20 (https://spp.org/markets-operations/current-grid-conditions/ (accessed April 20, 2021); however, some events detailed in the subsequent report timelines may have occurred before or after the event, depending upon the situation and its applicability to the Cold Weather Event.

temperatures in decades in the south-central states. The outbreak of cold air migrated in early February 2021 from the North Pole to southern Canada and the north central United States, often referred to as a "polar vortex." As a result, cold temperatures, wind chills and snow began to arrive in North Dakota, traveling through Kansas and other Midwestern states, ultimately hitting Texas and portions of the Gulf Coast.

2. To prepare for this event, Southwest Power Pool, Inc. ("SPP") declared a period of conservative operations for its 14-state balancing authority area at midnight on February 9, 2021.[2] Evergy is a member of SPP, a regional transmission organization ("RTO") mandated by the Federal Energy Regulatory Commission ("FERC") to ensure the reliable supply of power, as well as adequate transmission infrastructure and competitive wholesale electricity prices. Between February 14 and 16, 2021, the SPP issued a series of Energy Emergency Alert ("EEA") declarations, ranging from Level 1 up to Level 3, and issued two separate directives to member utilities requiring controlled interruptions of service to curtail electricity use.

3. From Evergy's perspective, Winter Storm Uri led to derates/outages of multiple generating resources throughout the winter weather event. With resources limited and increased demand due to the extreme low temperatures, higher cost resources were committed to cover the shortfall of more economic baseload and wind resources. In addition, the gas market experienced abnormally high prices and availability challenges due to supply and pipeline issues. In turn, Day Ahead demand was purchased during peak periods at the cost of the most uneconomical resources offered. Mr. Ives discusses these impacts in greater detail in his Direct Testimony.

[2] "Southwest Power Pool preparing for worsening system conditions due to extreme cold," SPP News Release (Feb. 14, 2021).

4. As a result, Evergy incurred extraordinary fuel and purchased power costs directly attributable to Winter Storm Uri. Evergy Kansas Central relies more on natural gas generation in its generation mix, which was adversely impacted by both the availability and price of natural gas. Evergy Kansas Metro, on the other hand, incurred higher fuel and purchased power costs but was able to offset those with increased off-system sales driven by its larger percentage of non-natural gas generation mix in excess of load volumes.

5. In addition to the impact on fuel and purchased power costs, Evergy also incurred increased non-fuel operating and maintenance ("O&M") expenses in order to continue to operate its generation fleet in extreme conditions. These increased O&M expenses included communication costs, overtime for Evergy employees and payroll taxes on the overtime costs, additional contractor costs, and additional materials, as discussed by Mr. Ives.

6. On February 14, 2021, Governor Kelly issued a State of Disaster Emergency due to wind chill warnings and stress on utility and natural gas providers, noting that the current subzero temperatures are causing increased energy demand, natural gas supply constraints throughout Kansas, and utilities are currently experiencing wholesale natural gas price increase from 10 to 100 times higher than normal. As a result the Commission exercised its jurisdiction pursuant to K.S.A. 77-536(a) to "protect the public from immediate danger to health, safety, and welfare" and on February 15, 2021, issued an Emergency Order in Docket No. 21-GIMX-303-MIS directing all jurisdictional natural gas and electric utilities to coordinate efforts and take all reasonably feasible, lawful, and appropriate actions to ensure adequate transportation of natural gas and electricity to interconnected, non-jurisdictional Kansas utilities.

7. In that Emergency Order, the Commission also authorized

> […]every jurisdictional electric and natural gas distribution utility that incurs extraordinary costs associated with ensuring that their customers or

> the customers of interconnected Kansas utilities that are non-jurisdictional to the Commission continue to receive utility service during this unprecedented cold weather event to defer those costs to a regulatory asset account. Such costs include but are not limited to the cost of procuring and transporting natural gas supplies for jurisdictional utility customers, costs associated with jurisdictional utilities coordinating and assisting non-jurisdictional utilities with the transportation of gas supplies, and any other reasonable costs necessary to ensure stability and reliability of natural gas and electricity service. These deferred costs may also include carrying costs at the utility's weighted average cost of capital. All deferred costs shall be segregated by detailed cost category and shall contain enough detail for the Commission to perform a subsequent review for prudence and reasonableness. This deferral is for accounting purposes only. Any decisions related to ratepayer recovery will be addressed in future proceedings.
>
> Each utility bears the burden of proof that the costs described in paragraph 4: (1) would not have been incurred but for the 2021 Winter Weather Event, and (2) are just, reasonable, and necessary to provide utility services during this extraordinary event. Once this 2021 Winter Weather Event is over, and after all costs have been accumulated and recorded, each jurisdictional utility is directed to file a compliance report in this Docket detailing the extent of such costs incurred, and present a plan to minimize the financial impacts of this event on ratepayers over a reasonable time frame.[3]

8. On March 9, 2021, the Commission issued an order in Docket No. 21-GIMX-303-MIS adopting Staff's recommendation to open a series of company-specific dockets to allow: (1) the utilities to file financial impact plans, and (2) Staff to tailor its investigation to match each utility's unique circumstances. This order resulted in the creation of the above captioned docket for Evergy. The Commission directed "each utility to file its plan to minimize the financial effects of this cold weather event into its company-specific investigation docket."[4]

[3] Emergency Order, Docket No. 21-GIMX-303-MIS, ¶¶ 4-5 (Feb. 15, 2021).
[4] Order Adopting Staff's Report and Recommendation to Open Company-Specific Investigations; Order on Petitions to Intervene of Bluemark Energy, LLC and CURB; Protective and Discovery Order, Docket No. 21-GIMX-303-MIS, ¶ 10 (March 9, 2021).

II. Compliance Report and Plan for Cost Recovery

9. As discussed above, Evergy incurred extraordinary purchased power costs, fuel costs, and non-fuel O&M expense as a result of Winter Storm Uri. Evergy discusses the details of the costs incurred and its proposal for recovery below and in the Direct Testimony of Ron Klote, attached hereto as **Attachment B**.

Evergy Kansas Central

10. Based upon preliminary figures as of July 2, 2021, subject to resettlements and a final calculation of any applicable and valid charges, Evergy Kansas Central incurred $61.5 million in fuel costs, and $119.9 million in purchased power costs (net of wholesale sales) in February 2021. In order to determine what amount of its fuel and purchased power costs was extraordinary and attributable to Winter Storm Uri, Evergy Kansas Central calculated a three-year historical average of its fuel and purchased power costs for February using 2018 thru 2020 and compared that average to the costs incurred in February 2021. Based on this calculation, which is reflected in **Exhibit RK-1** to the Direct Testimony of Ron Klote, attached hereto, Evergy Kansas Central incurred $33.7 million of fuel costs and $113.1 million of purchased power costs (net of wholesale sales) in excess of its three-year average Per the Commission's Order authorizing deferral of extraordinary costs associated with the winter weather event, Evergy Kansas Central has deferred these amounts to a regulatory asset. If Evergy Kansas Central had not deferred these fuel and purchased power costs, the entire amount would have flowed through the Retail Cost Adjustment Clause ("RECA") to customers at the time that Evergy Kansas Central begins recovery of its next Annual Cost Adjustment ("ACA") beginning in April 2022.

11. The SPP has completed an additional set of resettlements, 120 days after the winter weather event, and it is expected that Evergy Kansas Central's purchased power costs will change

once these resettlements are processed; further updates from SPP are also possible. Evergy Kansas Central will continue to track and adjust the amount deferred to the regulatory asset as necessary as a result of any resettlements which impact the total costs associated with the winter storm event.

12. Evergy Kansas Central has also incurred extraordinary non-fuel O&M expenses, as discussed above, and has separately tracked and recorded those expenses directly attributable to Winter Storm Uri. Those expenses are summarized in **Exhibit RK-2**, attached to Mr. Klote's Direct Testimony, and currently total $675,495. That amount has also been recorded to the regulatory asset previously authorized by the Commission.

13. Consistent with the Commission's order, Evergy Kansas Central will accrue a carrying charge equal to its weighted average cost of capital plus applicable taxes and proposes to recover the costs recorded to the regulatory asset as a result of Winter Storm Uri through its RECA over a two-year period beginning in April 2022 when its next ACA filing will become effective.

14. Evergy Kansas Central expects that the recovery of this regulatory asset will increase the average residential customer bill by approximately $4.69 per month through March 2024 at which time the storm related costs would be fully recovered.

Evergy Kansas Metro

15. Based upon preliminary figures, subject to resettlements and a final calculation of any applicable and valid charges, Evergy Kansas Metro incurred $8.1 million in fuel and $39.4 million in purchased power costs (net emission allowance and sales) in February 2021 for retail customers. However, Evergy Kansas Metro had off-system sales margins of $82.2 million. In order to determine what amount of its fuel, purchased power costs and off-system sales were extraordinary and attributable to Winter Storm Uri, Evergy Kansas Metro calculated a three-year historical average of its fuel, purchased power costs, and off-system sales margins for February

using 2018 thru 2020 and compared that average to the costs incurred and off-system sales margins received in February 2021. Based on this calculation, which is reflected in **Exhibit RK-4** to the Direct Testimony of Ron Klote, Evergy Kansas Metro's total energy costs and off-system sales margins for February 2021 was actually $44.6 million less than its historical three-year average of fuel and purchased power costs and off-system sales margins for February – a negative variance (customer benefit) from its average February total energy costs. Thus, Evergy Kansas Metro has deferred the amount of this customer benefit as a regulatory liability in order to return that amount to customers. This calculation is reflected in **Exhibit RK-5**, attached to Mr. Klote's testimony.

16. The SPP has issued an additional set of resettlements, 120 days after the winter weather event, and it is expected that Evergy Kansas Metro's purchased power costs will shift once these resettlements are processed; further updates from SPP are also possible. Evergy Kansas Metro will continue to track and adjust the amount deferred to the regulatory liability as necessary as a result of any resettlements.

17. Evergy Kansas Metro also incurred extraordinary non-fuel O&M expenses, as discussed above, and has separately tracked and recorded those expenses directly attributable to Winter Storm Uri. Those expenses are summarized in **Exhibit RK-2**, attached to Mr. Klote's Direct Testimony, and currently total $458,710. However, the amount of off-system sales to be credited to customers is greater than the extraordinary non-fuel O&M costs incurred by Evergy Kansas Metro, so the net impact is a regulatory liability to be returned to customers.

18. As a result of historically different allocation methodologies that have been used by the Kansas and Missouri Commissions, a gap has been created in the Company fully recovering its costs or returning excess off-system sales margins, an issue that has been previously presented to the Commission, as discussed by Evergy witness Ives. The calculations that occur under Evergy

Metro's Kansas RECA and Missouri fuel clause result in a slight over-recovery of fuel expenses incurred to serve customers and more significantly a return of greater than 100% of off-system sales margins to customers. If no adjustments are made to correct for this allocation issue, it would result in Evergy Metro's under-recovery of approximately $12.1 million in total, between both Kansas and Missouri customers.

19. Evergy Metro has determined that $5.7 million of this total amount of under-recovery should be allocated to Kansas customers. Thus, Evergy Kansas Metro proposes to offset the amount of the regulatory liability associated with Winter Storm Uri that will be returned to customers by $5.7 million in order to ensure that Evergy Kansas Metro fully recovers its costs before returning dollars to customers. Evergy Metro, Inc. is proposing similar treatment in Missouri, with an offset of the under-recovered amount attributable to Missouri customers against the regulatory liability to be returned to customers.

20. Evergy Kansas Metro proposes to flow the amount recorded to the regulatory liability as a result of Winter Storm Uri, less the amount necessary to correct for the allocation issue, together with a carrying charge equal to its weighted average cost of capital plus taxes, to customers through its ECA over a one-year period beginning in April 2022 when its next ACA filing will become effective.

WHEREFORE, Evergy requests that the Commission approve the proposals for Evergy Kansas Central to recovery its regulatory asset related to Winter Storm Uri and for Evergy Kanas Metro to return the regulatory liability associated with Winter Storm Uri to customers, with an offset to correct for the allocation issue, as discussed above.

Respectfully submitted,

/s/ Cathryn J. Dinges

Cathryn J. Dinges, #20848
Corporate Counsel
818 South Kansas Avenue
Topeka, Kansas 66612
Telephone: (785) 575-8344
Cathy.Dinges@evergy.com

ATTORNEY FOR EVERGY KANSAS CENTRAL AND EVERGY KANSAS METRO

VERIFICATION

STATE OF MISSOURI)
) ss
COUNTY OF JACKSON)

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

Subscribed and sworn to before me this 2nd day of July 2021.

Notary Public

My appointment expires: 4/26/2025

ANTHONY R. WESTENKIRCHNER
NOTARY PUBLIC - NOTARY SEAL
STATE OF MISSOURI
MY COMMISSION EXPIRES APRIL 26, 2025
PLATTE COUNTY
COMMISSION #17279952

CERTIFICATE OF SERVICE

I hereby certify that on this 2nd day of July 2021, the foregoing was electronically served on the following parties of record:

JOSEPH R. ASTRAB
CITIZENS' UTILITY RATEPAYER BOARD
1500 SW ARROWHEAD RD
TOPEKA, KS 66604
j.astrab@curb.kansas.gov

TODD E. LOVE
CITIZENS' UTILITY RATEPAYER BOARD
1500 SW ARROWHEAD RD
TOPEKA, KS 66604
t.love@curb.kansas.gov

DAVID W. NICKEL
CITIZENS' UTILITY RATEPAYER BOARD
1500 SW ARROWHEAD RD
TOPEKA, KS 66604
D.NICKEL@CURB.KANSAS.GOV

SHONDA RABB
CITIZENS' UTILITY RATEPAYER BOARD
1500 SW ARROWHEAD RD
TOPEKA, KS 66604
s.rabb@curb.kansas.gov

DELLA SMITH
CITIZENS' UTILITY RATEPAYER BOARD
1500 SW ARROWHEAD RD
TOPEKA, KS 66604
d.smith@curb.kansas.gov

CATHRYN J. DINGES
EVERGY KANSAS CENTRAL, INC
818 S KANSAS AVE
PO BOX 889
TOPEKA, KS 66601-0889
Cathy.Dinges@evergy.com

LARRY WILKUS
EVERGY KANSAS CENTRAL, INC
FLOOR #10
818 S KANSAS AVE
TOPEKA, KS 66601-0889
larry.wilkus@evergy.com

COLE BAILEY
KANSAS CORPORATION COMMISSION
1500 SW ARROWHEAD RD
TOPEKA, KS 66604
c.bailey@kcc.ks.gov

BRIAN G. FEDOTIN
KANSAS CORPORATION COMMISSION
1500 SW ARROWHEAD RD
TOPEKA, KS 66604
b.fedotin@kcc.ks.gov

LAUREN LAUSHMAN
KANSAS CORPORATION COMMISSION
1500 SW ARROWHEAD RD
TOPEKA, KS 66604
l.laushman@kcc.ks.gov

TERRI PEMBERTON
KANSAS CORPORATION COMMISSION
1500 SW ARROWHEAD RD
TOPEKA, KS 66604
t.pemberton@KCC.KS.GOV

SUSAN B. CUNNINGHAM
KANSAS ELECTRIC POWER CO-OP, INC.
600 SW CORPORATE VIEW
PO BOX 4877
TOPEKA, KS 66604-0877
scunningham@kepco.org

MARK DOLJAC
KANSAS ELECTRIC POWER CO-OP, INC.
600 SW CORPORATE VIEW
PO BOX 4877
TOPEKA, KS 66604-0877
mdoljac@kepco.org

REBECCA FOWLER
KANSAS ELECTRIC POWER CO-OP, INC.
600 SW CORPORATE VIEW
PO BOX 4877
TOPEKA, KS 66604-0877
rfowler@kepco.org

/s/ Cathryn J. Dinges
Cathryn J. Dinges

BEFORE THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

DIRECT TESTIMONY OF

DARRIN R. IVES

ON BEHALF OF
EVERGY KANSAS METRO, INC., EVERGY KANSAS CENTRAL, INC. AND EVERGY KANSAS SOUTH, INC.

IN THE MATTER OF THE INVESTIGATION INTO EVERGY KANSAS METRO AND EVERGY KANSAS CENTRAL REGARDING THE FEBRUARY 2021 WINTER WEATHER EVENTS, AS CONTEMPLATED BY DOCKET NO. 21-GIMX-303-MIS

DOCKET NO. 21-EKME-329-GIE

Q: Please state your name and business address.

A: My name is Darrin R. Ives. My business address is 1200 Main, Kansas City, Missouri 64105.

Q: By whom and in what capacity are you employed?

A: I am employed by Evergy Metro, Inc. and serve as Vice President – Regulatory Affairs for Evergy Metro, Inc. d/b/a Evergy Kansas Metro ("Evergy Kansas Metro"), Evergy Kansas Central, Inc. and Evergy South, Inc., collectively d/b/a as Evergy Kansas Central ("Evergy Kansas Central"), Evergy Metro, Inc. d/b/a as Evergy Missouri Metro ("Evergy Missouri Metro"), Evergy Missouri West, Inc. d/b/a Evergy Missouri West ("Evergy Missouri West"), the operating utilities of Evergy, Inc.

Q: On whose behalf are you testifying?

A: I am testifying on behalf of Evergy Kansas Metro and Evergy Kansas Central (collectively, "Evergy" or "Company").

Q: What are your responsibilities?

A: My responsibilities include oversight of Evergy's Regulatory Affairs Department, as well as all aspects of regulatory activities including policy, cost of service, rate design, revenue requirements, regulatory reporting, and tariff administration.

Q: Please describe your education, experience and employment history.

A: I graduated from Kansas State University in 1992 with a Bachelor of Science in Business Administration with majors in Accounting and Marketing. I received my Master of Business Administration degree from the University of Missouri-Kansas City in 2001. I am a Certified Public Accountant holding certificates from Kansas and Missouri. From 1992 to 1996, I performed audit services for the public accounting firm Coopers & Lybrand LLP. I was first employed by Kansas City Power & Light Company ("KCP&L") in 1996 and held positions of progressive responsibility in Accounting Services and was named Assistant Controller in 2007. I served as Assistant Controller until I was named Senior Director – Regulatory Affairs in April 2011. I have held my current position as Vice President – Regulatory Affairs since August 2013.

Q: Have you previously testified in a proceeding at the Kansas Corporation Commission ("Commission" or "KCC") or before any other utility regulatory agency?

A: Yes, I have testified before the Commission and the Missouri Public Service Commission ("MPSC"). I have also provided written testimony to the Federal Energy Regulatory Commission ("FERC") and testified before Kansas and Missouri legislative committees.

Q: What is the purpose of your testimony?

A: The purpose of my testimony is to provide an overview of Winter Storm Uri and the types of extraordinary costs Evergy incurred as a result of that storm and to discuss the history of and impacts from the different methodologies utilized by the Kansas and Missouri Commissions to allocate costs recovered through Evergy Metro's fuel clauses.

Q: Are there other Evergy witnesses providing direct testimony with this Compliance Report filing?

A: Yes, Evergy witness Ronald A. Klote is providing direct testimony. Mr. Klote provides Evergy Kansas Central's and Evergy Kansas Metro's Compliance Reports with detail regarding the extraordinary costs incurred as a result of Winter Storm Uri; provides Evergy's proposal for recovery of the regulatory asset from Evergy Kansas Central's customers and the return of the regulatory liability to Evergy Kansas Metro's customers; and proposes recovery of the extraordinary impact to Evergy resulting from the Evergy Metro allocation issue discussed later in my testimony.

I. Winter Storm Uri and Extraordinary Costs Incurred by Evergy

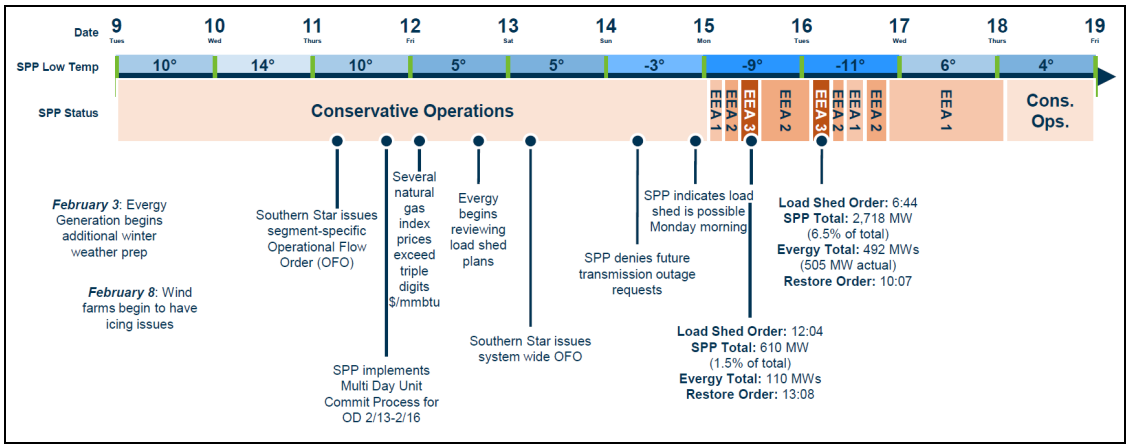
Q: Please describe Winter Storm Uri?

A: Winter Storm Uri was a major coast-to-coast storm that spread snowfall and damaging ice from the Northwest into the South, Midwest, and Northeast February 12-16, 2021 ("Winter Storm Uri" or "Cold Weather Event").[1] The storm was followed by the coldest temperatures in decades in the south-central states. The outbreak of cold air migrated in early February 2021 from the North Pole to southern Canada and the north central United States, often referred to as a "polar vortex." As a result, cold temperatures, wind chills and snow began to arrive in North Dakota, traveling through Kansas and other Midwestern states, ultimately hitting Texas and portions of the Gulf Coast. February 2021 ranked among the eleven coldest months of February on record for Kansas, as well as Missouri, Iowa, Nebraska, Oklahoma, Texas, and Arkansas.

Both the Southwest Power Pool ("SPP") and Evergy hit new winter peak load records on February 15. During Winter Storm Uri, natural gas prices spiked into triple

[1] The date range for Winter Storm Uri is based upon SPP's Conservative Operations timeframe of February 9 through February 20 (https://spp.org/markets-operations/current-grid-conditions/ (accessed April 20, 2021); however, some events detailed in the subsequent report timelines may have occurred before or after the event, depending upon the situation and its applicability to the Cold Weather Event.

digits, pushing SPP market prices to unprecedented levels. The extraordinary conditions strained generation across the entire mid-continent. Due to this confluence of conditions, in addition to SPP's more typical load balancing activities, SPP executed certain emergency actions never before taken by initiating load shed orders to its members for several hours on two days early in the week of February 15, with conditions largely subsiding by the end of the week. The graphic below provides a summary of these events:



Q: What types of extraordinary costs did Evergy incur as a result of Winter Storm Uri?

A: Evergy incurred extraordinary fuel and purchased power costs as well as increased non-fuel operating and maintenance ("O&M") expenses to continue to operate its generation fleet in extreme conditions.

Q: What caused the increase in fuel and purchased power expense?

A: Mr. Klote provides a breakdown of the increased costs in his testimony, explaining that Evergy incurred above average fuel costs and purchased power costs. As Mr. Klote explains, the most significant driver of the increase in purchased power costs – over $80 million for Evergy Kansas Central – was the substantial make-whole payments Evergy was required to make, which were much higher than historical averages as a result of the cost of natural gas for generators across SPP during the storm.

Additionally, with respect to the fuel cost impacts, compared to the previous two Evergy February generation mix averages, Evergy's coal, diesel and natural gas units were all utilized more often during the 2021 winter weather event. Nuclear use was down slightly when considered as a percentage of the total generation mix, and wind production was down by approximately fifty percent.

- Evergy began to self-commit its coal generation prior to the winter weather event on February 6th with freezing temps forecasted to begin that weekend, per Evergy's normal operating procedures for extreme weather. That resulted in coal generation outpacing its previous February average by approximately 20%.

- Evergy's diesel units saw an increase from less than 1% on average the previous two Februarys to an average of 2% during the heart of the 2021 winter weather event, February 13th – February 19th, peaking at 5% on February 15th. Fuel oil production increased due to SPP's systems conditions at the time; increased electric demand due to abnormally low temperatures, decreased wind production, and natural gas limitations which caused an increase in market prices.

- Evergy's natural gas production increased over fifty percent, averaging 7% of the generation mix during the winter weather event, compared to its previous two February's average of 3%. This is despite the natural gas limitations that the Midwest was experiencing during the winter weather event.

- Wind production was down approximately 50% from average during the winter weather event. The last two February's wind production provided 20% of Evergy's generation mix, compared to an average of 10% during the winter weather event. Part of that decrease can be attributed to a simple lack of wind in the SPP footprint during the winter weather event. There were also some wind farms impacted by icing of turbine blades from the arctic weather during the winter weather event.

With respect to purchased power expense, the SPP Market Monitor found that Winter Storm Uri had a major impact on prices during February, as spot natural gas prices at some trading hubs exceeded $1,000/MMBtu. According to the SPP MMU, the average gas price at the eight hubs used most frequently by SPP generators ranged from $129.78/MMBtu (ONG at Tulsa) to $5.35/MMBtu (Henry Hub), with the Panhandle

Eastern hub at $21.91/MMBtu. The simple average of these eight hubs was $36.61/MMBtu for the entire month of February[2], significantly higher than normal. The comparable Panhandle Eastern hub average for the prior month (January 2021) and previous two Februarys (2019 & 2020) were all below $2.50/MMBtu. These high gas costs during Winter Storm Uri were reflected in SPP's day-ahead and real-time electricity prices, where they reached peaks of $4,393/MWh early on February 18 and $4,029/MWh early on February 16, respectively.[3] The State of the Market Report explained that although offers could not exceed the hard cap of $2,000/MWh, prices can exceed the cap for reasons related to scarcity pricing when operating resources and regulation service are short, as well as when congestion and system losses occur.[4]

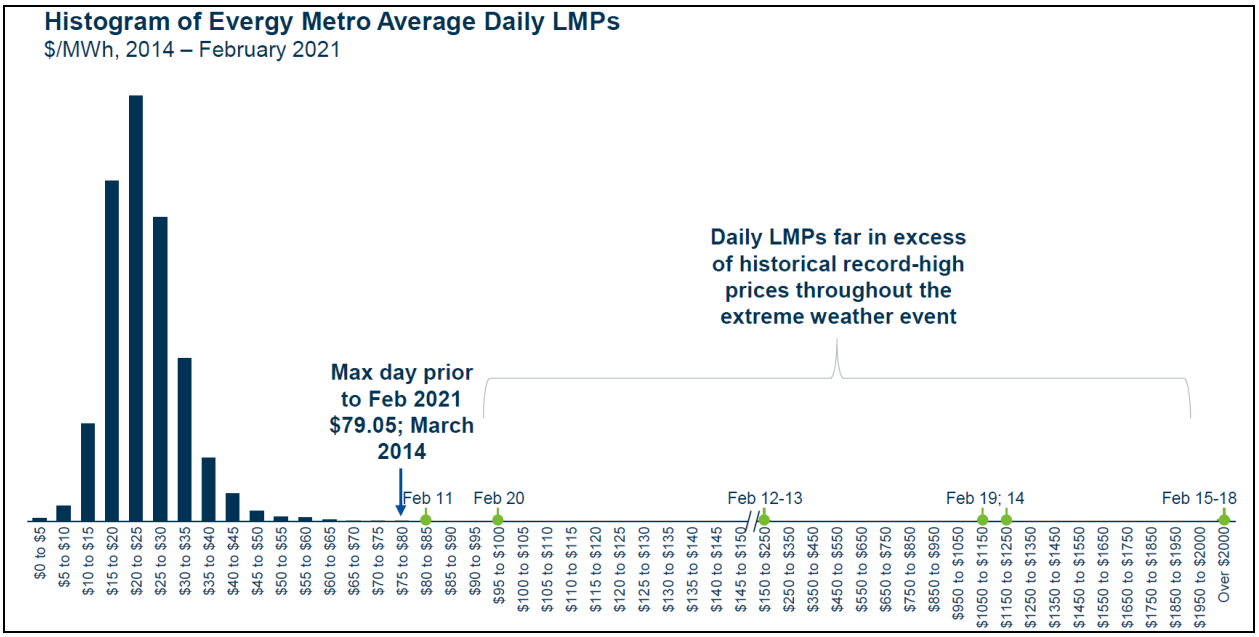
In addition to market prices being high, there were still significant make whole payment distribution charges to the loads of market participants. The SPP Market Monitor noted the significant increase in both day-ahead and real-time make-whole payments charged to market participants to compensate generating resources whose costs exceeded its revenues. Evergy Kansas Central paid $81.3 million and Evergy Metro paid $52.8 million in net make whole payments during Winter Storm Uri, which represented the majority of the increase in fuel and purchased power costs from the storm. These amounts reflect the S53 settlement statements that Evergy Kansas Central and Evergy Metro received from SPP. These figures will be updated after Evergy's books are closed in July for June activity based on the S120 statements that Evergy received from SPP as well as for any subsequent additional applicable and valid charges received.[5] The Market

[2] SPP Market Monitoring Unit, State of the Market: Winter 2021 at 3, 31 (Apr. 6, 2021).
[3] Id. at 72.
[4] Id.
[5] S120 statements are settlement statements from SPP that come 120 days after an operating day. As required by the Federal Energy Regulatory Commission in its Order No. 831 and the SPP Tariff, the S120 statements include fuel cost verification activity conducted by the SPP Market Monitor.

Monitor stated that day-ahead make-whole payments were "just under $1 billion" during the winter event, while real-time make-whole payments "totaled just over $190 million."[6]

Q: Why were Evergy's fuel and purchased power expenses extraordinary during Winter Storm Uri?

A: Evergy's fuel and purchased power costs were extraordinary for a number of reasons. First, due to the abnormally high natural gas prices discussed above, the incremental cost of generation in the market was significant. These costs were recovered from the market through both locational marginal pricing and make whole payment distribution amounts. Second, many resources within SPP, including certain of Evergy's resources, had derates/outages throughout Winter Storm Uri. With resources limited across the SPP and increased demand due to the extremely low temperatures, all available, market registered generation was committed by SPP in an attempt to balance the demand. This confluence of events drove market prices in SPP far above historic norms during this winter weather event, as is reflected in the figure below.



[6] Id. at 75-76.

In addition, the spread between day-ahead and real-time Locational Marginal Prices ("LMPs") exceeded $1,000/MWh, which was substantially above the 4-year historical average spread of -$0.80/MWh. This extremely high spread in pricing contributed to Evergy's unusually high purchased power costs. Evergy is required to purchase power to serve its customers through the SPP market; this represents Evergy's purchased power costs, which included the net make whole payments as discussed above. Additionally, Evergy sells the power it generates into the SPP market. Notably, there can be a spread between what Evergy purchases to serve its load and what it generates and sells to the market. During Winter Storm Uri, consistent with typical practice, Evergy procured for the bulk of its expected load needs through the day-ahead market. Given the inherent uncertainty associated with wind generation and curtailment uncertainty of physical imports, a significant portion of wind generation and import power was sold at real time pricing. The combination of (i) the relative mix of purchases in the day-ahead market and sales in the real-time market and (ii) the extremely high differential between day-ahead and real-time pricing contributed to Evergy's extraordinary purchased power costs.

Q: Were the impacts from Winter Storm Uri the same for Evergy Kansas Central and Evergy Kansas Metro?

A: No. As is discussed below, Evergy Kansas Central incurred significantly higher fuel and purchased power costs in February 2021 than its previous three-year average of February costs. Evergy Kansas Central relies more on natural gas generation in its generation mix, which was adversely impacted by both the availability and price of natural gas. Evergy Kansas Metro, on the other hand, also incurred higher fuel and purchased power costs but was able to offset those with increased off-system sales driven by its larger percentage of non-natural gas generation mix in excess of customer load volumes. Evergy Metro's net long generation position compared to load benefits customers in times when market prices exceed generation costs.

Q: What types of operating and maintenance expense was incurred as a result of Winter Storm Uri?

A: Evergy incurred extraordinary communication costs, costs for overtime for Evergy employees and payroll taxes on the overtime costs, additional contractor costs, and costs for additional materials.

II. Allocations Shortfall on Total Fuel, Purchase Power and Off-System Sales

Q: At a high level, what are the differences in the allocation methods that have caused Evergy Metro, Inc. not to be able to recover its authorized costs?

A: There are two main differences between the allocation methods utilized by the Kansas and Missouri Commissions – (1) a difference in the allocation of the costs associated with the utility's generation and transmission plant which KCC Staff calls "capacity-related" costs[7] and Missouri Commission Staff calls "demand-related" costs[8] and (2) a difference in the allocation of the fuel, purchased power costs and off-system sales recovered from customers through the fuel clauses. Both differences have historically caused Evergy Metro, Inc. to under-recover its authorized costs and I briefly discuss the history of each below. Specifically with respect to the impact of Winter Storm Uri, however, the allocation of off-system sales credited to customers is the allocation issue causing significant impacts to Evergy Metro, Inc.'s recovery of its storm-related costs, as I discuss in more detail below.

Q: Describe the difference in allocation methods between the two Commissions for allocation of capacity-related costs.

A: To measure capacity-related costs, both Kansas and Missouri analyze the demand of each retail jurisdiction (Kansas and Missouri) upon the utility's generation and transmission

[7] See Order on KCP&L's Application for Rate Change at 4-5, In re Kansas City Power & Light Co., No. 12-KCPE-764-RTS (Kan. Corp. Comm'n, Dec. 13, 2012).
[8] See Commission Staff Report, § IX (Jurisdictional Allocations) at 164-66, In re Kansas City Power & Light Co., No. ER-2018-0145 (filed June 19, 2018).

assets when the system must serve the customer load that coincides with peak demand. The term "coincident peak" or "CP" refers to the load in MWs in each jurisdiction that coincides with the overall system peak recorded for a particular period.

This Commission and its Staff have traditionally used a 12 Coincident Peak ("12-CP") methodology that measures the peaks that a utility experiences during each of the twelve months of a year. On the other hand, the Missouri Commission has analyzed this system peak demand using a 4-CP methodology which measures demand factors for the four summer months (June-September).

Q: Have both this Commission and the Missouri Commission recognized this issue?

A: Yes, they have. In its July 22, 2011 Order Directing Filing, the Missouri Commission stated that in KCP&L's most recent rate case it "learned of differences in the ways" that it and the KCC ordered KCP&L to allocate its non-firm off system sales. The Order noted that as a result, "KCP&L may actually lose money" on the sales which "could result in KCP&L being unable to meet its authorized rate of return in either or both jurisdictions and, more importantly, may act as a disincentive to KCP&L making off-system sales that benefit ratepayers."[9] The Order recognized that under Section 386.210.7 it can conduct a joint investigation with another public utility commission, hold joint hearings, and issue joint or concurrent orders.[10]

In a letter dated September 15, 2011 the Chairman of the Missouri Commission suggested that such a joint investigation might examine whether the two states' allocation methods "result in the over-allocation of off-system sales margins and an under-allocation of demand related costs," and whether "the Kansas or Missouri Commissions

[9] See Order Directing Filing at 1, In re Exploration of a Joint Proceeding with the Kan. Corp. Comm'n to Investigate Off-System Sales Methods of KCP&L, No. EO-2012-0020 (July 22, 2011).
[10] Id. at 1-2.

should change the method used to allocate capacity-related power supply costs and related production operations costs."[11]

The Chair of this Commission at the time declined the invitation because of a pending KCP&L case. However, he recognized that the "regulation of a utility that serves customers in multiple states is challenging …."[12]

Q: Did this Commission address this jurisdictional allocation issue in a subsequent KCP&L rate case?

A: Yes, the Commission faced the issue squarely in KCP&L's 2012 rate case where Kansas' use of the 12-CP method and Missouri's use of the 4-CP method indicated that KCP&L recovered less than 100% of its costs. It found that these different methodologies in allocating capacity-related costs caused a "discrepancy [that] creates a $10 million gap between costs deemed just and reasonable by the two state Commissions and what is collected by KCP&L."[13] Although the Commission was "sympathetic to KCP&L's situation where prudently incurred costs may be unrecoverable as a result of the different allocation methodology used in Kansas and Missouri," it declined to take unilateral action that would have "Kansas ratepayers assume responsibility for the $10 million gap."

[11] See Correspondence between Commission Chairman Kevin Gunn (dated and filed on Sept. 15, 2011) and KCC Chairman Mark Sievers (dated Oct. 17, 2011; filed Oct. 4, 2012) & Notice Closing Case (Oct. 5, 2012), In re Exploration of a Joint Proceeding with the Kan. Corp. Comm'n to Investigate Off-System Sales Methods of KCP&L, No. EO-2012-0020 (July 22, 2011).
[12] Id.
[13] See Order on KCP&L's Application for Rate Change at 4, In re Kansas City Power & Light Co., No. 12-KCPE-764-RTS (Dec. 13, 2012)

Similar to the Missouri PSC Chairman's reference to a joint investigation under Section 386.210.7, the KCC order advised KCP&L "to approach both the Kansas and Missouri Commissions and affirmatively request a joint proceeding as authorized by K.S.A 66-106(b)."[14] Because of timing (the general rate cases had concluded) and the lack of a response at the time from the Missouri Commission, no further steps were taken at that time to address the allocation issue. However, as discussed below, Evergy does plan to propose a solution to this issue in its next general rate cases.

Q: Please describe the allocation issue related to fuel, purchased-power, and off-system sales that impacts Evergy Kansas Metro's ability to fully recover its costs under the Energy Cost Adjustment (ECA).

A: As a result of different allocation methodologies that have been ordered by each of the Kansas and Missouri Commissions, an issue that has been previously presented to the Commission as discussed below, the calculations that occur under Evergy Kansas Metro's ECA result in an under-recovery of purchased power expenses and an over recovery of fuel expenses incurred to serve Kansas and Missouri customers and provide customers with a credit for off-system sales that is in excess of actual sales.

In other words, although Evergy Metro should be allowed to recover no more or no less than 100% of its prudently incurred fuel and purchased power costs and provide customers a credit for 100% of its off-system sales, the use of different allocation methods by the Missouri and Kansas Commissions does not provide for 100% recovery and provides customers a credit for off-system sales in excess of 100% of actual off-system sales. In essence, customers receive benefit for off-system sales that Evergy Metro did not achieve.

[14] Id. at 6-7. Section 66.106(b) provides: "The state corporation commission may … (1) Confer with officers of other states … on any matter pertaining to the state corporation commission's official duties; …." Under subsection (2)(C) it "make joint investigations, hold joint hearings within or outside the state and issue joint or concurrent orders in conjunction or concurrence with such official, agency, instrumentality or commission; …." See Kan. Stat. Ann. § 66.106(b)(1) & (2)(C) (2014).

If no adjustments are made to correct for this allocation issue, this would result in Evergy Metro's net under-recovery of these extraordinary costs and off-system sales revenues of approximately $12.1 million in total, between both Kansas and Missouri customers.

Q: What are the allocation methodologies that are used between the two states that impact the fuel, purchase power, and off-system sales and the aggregate impact on Winter Storm Uri costs and revenues?

A: There are two allocation methodologies that mainly impact the off-system sales revenues and fuel and purchase power cost areas. These allocation methodologies are described as follows:

Energy Allocator: The Energy allocator is derived from the total kilowatt-hour usage by the Missouri and Kansas retail customers and the firm wholesale jurisdiction.

Unused Energy ("UE1") Allocator: The Unused Energy allocator is derived from the Demand and Energy allocators. It is calculated by subtracting the actual energy usage from the "available energy". The available energy is defined as the average of the 12 coincident peak demands multiplied by the total hours in the test period.

Q: How does the issue with the allocation methodologies used for off-system sales impact Evergy Metro's recovery of costs related to Winter Storm Uri ?

A: During the cold weather event there was a significant amount of extraordinary off-system sales attributable to the Evergy Metro operations, which must be allocated between the Kansas and Missouri rate jurisdictions. Because of the different allocation methodologies used between the states with Missouri using the energy allocator methodology and Kansas using the UE1 allocator approach to allocate off-system sales the credit provided to customers for Evergy Metro's Kansas and Missouri jurisdictions combined totaled approximately 107% of Evergy Metro's actual off-system sales resulting in a credit to be

provided to customers in the amount of $13.6 million in excess of off-system sales actually occurring. Evergy witness Klote provides more details on the allocation factor differences and impacts in his direct testimony.

Q: When off-system sales are at less significant levels does the difference in allocation methodologies have a material impact?

A: Although providing a credit in the ECA calculation for Kansas and the fuel clause calculation in Missouri for off-system sales in excess of actual sales that occur is problematic, in recent years the off-system sales have not been as significant of an issue. But, during the extraordinary cold weather event when off-system sales total approximately $201.4 million for Evergy Metro the excess allocation of off-system sales was very significant. This extraordinary and material impact is very problematic as significant credits would be provided to customers in excess of actual off-system sales solely due to the different allocation methodologies ordered by the Kansas and Missouri Commissions. In other words, customers would receive credits for $13.6 million of off-system sales that were not realized by Evergy Metro.

Q: Has Evergy Kansas Metro explained the problem of the use of differing allocation methodologies as part of the fuel clause calculations to the Commission previously?

A: Yes. This issue has been brought in front of both the Kansas and Missouri Commissions several times since the UE1 allocator was put in place in 2007 and the Company has not been successful in getting the Kansas and Missouri commissions to utilize consistent allocation factors which would allow for appropriate recovery of costs. Specifically, in Docket No. 10-KCPE-415-RTS, Evergy Kansas Metro proposed to change allocation methods for off-system sales to allocate the margin associated with off-system sales in the same manner as the fixed costs associated with its generating resources used to generate the energy sold off-system. Evergy Kansas Metro explained that as a result of the UE1 allocator, it pays out more margin than it takes in and that – at that time – the Company was unable to collect about $5.6 million of its authorized revenue requirement

solely because of differences in allocation methods between Kansas and Missouri. The Commission declined to make an adjustment to the allocation method at that time.

Q: How does the allocation issue impact Evergy Kansas Metro with respect to fuel, purchased power costs, and off-system sales allocation incurred as a result of Winter Storm Uri?

A: If no adjustments are made to correct for this allocation issue, this would result in Evergy Metro's net under-recovery of approximately $12.1 million in total, between both Kansas and Missouri customers ($5.7 million would be allocated to Evergy Kansas Metro customers.) This under-recovery will have been caused by an extraordinary weather event that was outside of Evergy's control exacerbated by different allocation methodologies.

Q: How does Evergy Kansas Metro propose to address this under-recovery in this docket?

A: As Mr. Klote explains in his Direct Testimony, Evergy Metro has determined what portion of the under-recovery should be attributable to Kansas customers and proposes to offset the amount of the regulatory liability associated with Winter Storm Uri that will be returned to customers by that amount in order to ensure that Evergy Kansas Metro fully recovers its costs and returns the appropriate off-system sales to customers.

Q: Will Evergy Kansas Metro propose a more permanent solution to the two allocation issues in the future?

A: Yes, now that Winter Storm Uri has resulted in such an extraordinary outcome to highlight the allocation differences between Kansas and Missouri, and both Commissions have been asked to address the extraordinary event of Winter Storm Uri, Evergy Kansas Metro will propose a solution to correct the problem on a prospective basis in its next general rate case. The Company plans to provide in the next general rate case an analysis of the allocation issues that currently exist between the two state jurisdictions and propose in both states a workable solution that can provide the Company a more fair

potential to recover of 100% of the costs incurred by the Company and provide customers the appropriate credit for off-system sales that actually occurred. This is important to resolve as Evergy Metro should not experience recovery shortfalls for these costs solely due to the fact that it operates as one company in two different states that use different allocation methods. It should have the same treatment and recovery opportunity as any single jurisdictional utility that is subject to the jurisdiction of the Kansas and Missouri Commissions, respectively.

Q: Thank you.

BEFORE THE CORPORATION COMMISSION
OF THE STATE OF KANSAS

In the Matter of the Investigation into Evergy Kansas Metro and Evergy Kansas Central regarding the February 2021 Winter Weather Events, as Contemplated by Docket No. 21-GIMX-303-MIS	)))))	Docket No. 21-EKME-329-GIE

AFFIDAVIT OF DARRIN R. IVES

STATE OF MISSOURI)

) ss

COUNTY OF JACKSON)

Darrin R. Ives, being first duly sworn on his oath, states:

1. My name is Darrin R. Ives. I work in Kansas City, Missouri, and I am employed by Evergy Metro, Inc. and serve as Vice President – Regulatory Affairs for Evergy Metro, Inc. d/b/a as Evergy Missouri Metro ("Evergy Missouri Metro"), Evergy Missouri West, Inc. d/b/a Evergy Missouri West ("Evergy Missouri West"), Evergy Metro, Inc. d/b/a Evergy Kansas Metro ("Evergy Kansas Metro"), and Evergy Kansas Central, Inc. and Evergy South, Inc., collectively d/b/a as Evergy Kansas Central ("Evergy Kansas Central").

2. Attached hereto and made a part hereof for all purposes is my Direct Testimony on behalf of Evergy Kansas Metro and Evergy Kansas Central consisting of sixteen (16) pages, having been prepared in written form for introduction into evidence in the above-captioned docket.

3. I have knowledge of the matters set forth therein. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded, including any attachments thereto, are true and accurate to the best of my knowledge, information and belief.

Darrin R. Ives

Subscribed and sworn before me this 2nd day of July 2021.

Notary Public

My commission expires: 4/26/2025

ANTHONY R. WESTENKIRCHNER
NOTARY PUBLIC - NOTARY SEAL
STATE OF MISSOURI
MY COMMISSION EXPIRES APRIL 26, 2025
PLATTE COUNTY
COMMISSION #17279952

BEFORE THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

DIRECT TESTIMONY OF

RONALD A. KLOTE

ON BEHALF OF
EVERGY KANSAS METRO, INC., EVERGY KANSAS CENTRAL, INC. AND EVERGY KANSAS SOUTH, INC.

IN THE MATTER OF THE INVESTIGATION INTO EVERGY KANSAS METRO AND EVERGY KANSAS CENTRAL REGARDING THE FEBRUARY 2021 WINTER WEATHER EVENTS, AS CONTEMPLATED BY DOCKET NO. 21-GIMX-303-MIS

DOCKET NO. 21-EKME-329-GIE

I. Introduction

Q: Please state your name and business address.

A: My name is Ronald A. Klote. My business address is 1200 Main, Kansas City, Missouri 64105.

Q: By whom and in what capacity are you employed?

A: I am employed by Evergy Metro, Inc. and serve as Director – Regulatory Affairs for Evergy Metro, Inc. d/b/a as Evergy Missouri Metro ("Evergy Missouri Metro"), Evergy Missouri West, Inc. d/b/a Evergy Missouri West ("Evergy Missouri West"), Evergy Metro, Inc. d/b/a Evergy Kansas Metro ("Evergy Kansas Metro"), and Evergy Kansas Central, Inc. and Evergy South, Inc., collectively d/b/a as Evergy Kansas Central ("Evergy Kansas Central") the operating utilities of Evergy, Inc. (collectively, the "Company").

Q: On whose behalf are you testifying?

A: I am testifying on behalf of Evergy Kansas Central, Inc. and Evergy Kansas South, Inc. (together as "Evergy Kansas Central") and Evergy Metro, Inc. ("Evergy Kansas Metro") (altogether as "Evergy").

Q: What are your responsibilities?

A: My responsibilities include the coordination, preparation and review of financial information and schedules associated with rate cases and rider mechanism filings. In addition, my responsibilities include the coordination, preparation and review of various financial reporting and other miscellaneous regulatory filings including the Federal Energy Regulatory Commission FERC Form 1/3-Q process.

Q: Please describe your education, experience, and employment history.

A: In 1992, I received a Bachelor of Science Degree in Accountancy from the University of Missouri-Columbia. In May 2016, I completed my Master of Business Administration Degree from the University of Missouri – Kansas City. I am a Certified Public Accountant holding a certificate in the State of Missouri. In 1992, I joined Arthur Andersen, LLP holding various positions of increasing responsibilities in the auditing division. I conducted and led various auditing engagements of company financial statements. In 1995, I joined Water District No. 1 of Johnson County as a Senior Accountant. This position involved operational and financial analysis of water operations. In 1998, I joined Overland Consulting, Inc. as a Senior Consultant. This position involved special accounting and auditing projects in the electric, gas, telecommunications, and cable industries. In 2002, I joined Aquila, Inc. ("Aquila") holding various positions within the Regulatory department until 2004 when I became Director of Regulatory Accounting

Services. This position was primarily responsible for the planning and preparation of all accounting adjustments associated with regulatory filings in the electric jurisdictions. As a result of the acquisition of Aquila by Great Plains Energy Incorporated ("GPE"), I began my employment with KCP&L as Senior Manager, Regulatory Accounting in July 2008. In April 2013, I joined the Regulatory Affairs department as a Senior Manager remaining in charge of Regulatory Accounting responsibilities. In December 2015, I became Director, Regulatory Affairs responsible for the coordination, preparation and filing of rate cases and other regulatory filings in our electric jurisdictions. In June 2018 when Evergy was formed with the merger of KCP&L and Westar, I continued in the same role within Regulatory Affairs.

Q: Have you previously testified in a proceeding before the Kansas Corporation Commission ("Commission" or "KCC") or before any other utility regulatory agency?

A: Yes. I have testified before the KCC, the Missouri Public Service Commission, the California Public Utilities Commission, and the Public Utilities Commission of Colorado.

Q: What is the purpose of your testimony?

A: The purpose of my testimony is to provide Evergy Kansas Central's and Evergy Kansas Metro's Compliance Reports with detail regarding the extraordinary costs incurred as a result of Winter Storm Uri; to provide Evergy's proposal for recovery of the regulatory asset from Evergy Kansas Central's customers and the return of the regulatory liability to Evergy Kansas Metro's customers; and the proposal regarding how to address the allocation issue discussed by Mr. Ives in his Direct Testimony impacting Evergy Kansas

Metro's recovery of its fuel and purchased power costs under the RECA, which was significantly impactful to Evergy in regard to Winter Storm Uri.

I am providing Evergy's plan to: 1) recover $153.2 million in extraordinary costs (which includes carrying costs) from Evergy Kansas Central's customers over a two-year period to smooth the impact to customers; 2) return $43.9 million in extraordinary benefits (which includes carrying costs) to Evergy Kansas Metro customers, net of recovery of $5.7 million of Evergy Metro's extraordinary impact of Winter Storm Uri after taking into consideration the historic allocation differences between the Kansas and Missouri Commissions. The Company proposes to utilize the Annual Cost Adjustment ("ACA") factor calculation included in both Evergy Kansas Central's Retail Energy Cost Adjustment ("RECA") and Evergy Kansas Metro's Energy Cost Adjustment ("ECA") tariffs.

II. Evergy Kansas Central's Compliance Report and Proposal for Recovery

Q: What guidance has the Commission given with respect to deferral of costs related to Winter Storm Uri?

A: In its Emergency Order issued on February 15, 2021, in Docket No. 21-GIMX-303-MIS, the Commission authorized Evergy and other utilities to defer any "extraordinary costs associated with ensuring that their customers or the customers of interconnected Kansas utilities that are non-jurisdictional to the Commission continue to receive utility service during this unprecedented cold weather event" as a regulatory asset. The Commission indicated that these costs could include, among other costs, "reasonable costs necessary to ensure stability and reliability of natural gas and electricity service" and "may also include carrying costs at the utility's weighted average cost of capital." Consistent with this Order, Evergy Kansas Central has deferred the increased fuel and purchased power costs and non-

fuel O&M expense it incurred as a result of Winter Storm Uri. In addition, consistent with the Emergency Order, the Company is recording to the regulatory asset the deferral of carrying costs at its weighted average cost of capital plus applicable taxes.

Q: How did Evergy Kansas Central calculate the amount of fuel and purchased power costs that should be deferred consistent with the Emergency Order?

A: In order to identify the extraordinary costs associated with the weather event, the Company established a baseline to approximate normal conditions for the month of February. In order to approximate historic normal conditions in the month of February, we calculated a three-year historical average using the past February actual costs for the years 2018, 2019 and 2020 for fuel, purchased power costs and off-system sales and compared the actual costs and off-system sales that were incurred in February 2021 to that three-year average. We have retained the three-year average amounts in the respective general ledger accounts and intend to recover those amounts through the existing RECA process. The amount by which the actual February 2021 costs exceeded the historical three-year average is the amount we deferred to a regulatory asset consistent with the Emergency Order. Based upon preliminary figures, subject to future resettlements and a final calculation of applicable and valid charges, Evergy Kansas Central incurred the following actual costs in the month of February 2021 (as described further below, net Make-Whole Payment amounts are included in the "Purchased Power Costs (net sales)" row):

Fuel Costs	$61.5 mil
Uncollected Fuel	$0.8 mil
Purchased Power Costs (net sales)	$119.9 mil
Non-requirement sales	($8.9) mil
Wholesale sales	$0.8 mil
Total	$174.1 mil
Less: 3 yr. Avg Baseline	($34.9) mil
Total Above 3 yr. Avg Baseline	$139.2 mil
Less: GFR Recovery	($11.3) mil
Net Costs to Defer	$127.9 mil

When compared to the three-year historic average for the month of February, Evergy Kansas Central incurred approximately $139.2 million of extraordinary costs in excess of the three-year average of the cost and sales. This calculation is reflected in **Exhibit RK-1**, attached hereto. In addition, a portion of the $139.2 million is collected as part of the Company's Generation Formula Rate ("GFR"). The February GFR amount was excluded from the winter weather event deferral in the amount of $11.3 million. This resulted in a deferral to the winter weather regulatory asset in the amount of $127.9 million.

Q: How would the Company recover these costs if they hadn't been deferred to the winter weather regulatory asset?

A: If Evergy Kansas Central had not deferred these fuel and purchased power costs, the entire amount would flow through the RECA to customers in April 2022, when Evergy Kansas Central begins recovery of its 2021 ACA.

Q: Are the winter weather amounts final?

A: No. The Southwest Power Pool ("SPP") recently made an additional series of settlements 120 days after the winter weather event, and these settlements are resulting in adjustments to Evergy Kansas Central's purchased power costs and wholesale sales. These adjustments will be reflected in the Winter Storm Uri deferrals in July after the final close of June's financial books and analysis is complete. It is possible that additional re-settlements may occur at a later date given the unprecedented nature and impact of Winter Storm Uri. Evergy Kansas Central will continue to track and adjust the amount deferred to the regulatory asset as necessary due to the recent settlements and any other resettlements, or adjustments, that may occur.

Q: Are Make-Whole Payments ("MWP") included in the winter weather deferred costs associated with Evergy Central?

A: Yes.

Q: What are the different Make-Whole Payments that are charged by the SPP energy markets?

A: There are four main types of Make-Whole Payments in SPP: (a) Day-Ahead Make-Whole Payment, (b) Day-Ahead Make-Whole Payment distribution, (c) Real-Time Make-Whole Payment, and (d) Real-Time Make-Whole Payment distribution.

Q: What is a Make-Whole Payment in SPP markets?

A: Make-Whole Payments are needed to ensure revenue sufficiency for generating resources to cover their eligible costs associated with a commitment period. When the day-ahead locational marginal price ("LMP") in the market is not sufficient to compensate an eligible, SPP-committed generator for costs associated with the generator's day-ahead schedule,

SPP will calculate the total shortfall of dollars and allocate it across load MWs, export MWs, and cleared Virtual bid MWs. Those eligible generators receive the credits in the form of Day-Ahead Make-Whole Payments, and the load, export, and cleared Virtual bids pay the pro rata share of those in the form of a Day-Ahead Make-Whole Payment distribution amount.

Similarly, when the SPP calculated real-time LMP in the market is not sufficient to compensate an eligible, SPP committed generator for costs associated with the generator's real-time schedule, SPP will calculate the total shortfall of dollars and allocate it across all deviations in real-time from day-ahead activity. Those eligible generators receive the credits in the form of Real-Time Make-Whole Payments, and the deviations from day-ahead activity pay the pro rata share of those in the form of a Real-Time Make-Whole Payment distribution amount. Real-Time Make-Whole Payments and Real-Time Make-Whole Payment distribution amounts are calculated the same way as the Day-Ahead Make-Whole Payments and Day-Ahead Make-Whole Payment distribution, but relate to SPP's Real-Time Energy Market.

An asset owner like Evergy can do little more than estimate potential Make-Whole Payment distribution amounts based on historical amounts until seven days after the operating day when SPP produces the initial settlement statement for that operating day. These amounts can be further adjusted as resettlements occur.

Q: Why were Make-Whole Payments so significant during Winter Storm Uri?

A: The main driver of significant Make-Whole Payments during Winter Storm Uri was the cost of natural gas. Natural gas prices during the event exceeded several hundred dollars per mmbtu across the SPP footprint, which drove the costs to produce energy well above

$2,000/MWh for several days. If the LMPs for these generators did not clear high enough for the generator to recover its costs, SPP calculates the difference and collects it in the form of Make-Whole Payments from load-serving entities like Evergy.

Q: What was the net Make-Whole Payment amount incurred by Evergy Central?

A: SPP collected an $81.3 million charge (the aggregate of day-ahead and real-time Make-Whole Payment amounts) from Evergy Central. SPP determined this amount based on Evergy Central's load ratio share.

Q: How did Evergy Kansas Central determine what amount of non-fuel O&M expense should be deferred?

A: We identified extraordinary O&M expenses directly attributable to Winter Storm Uri in the areas of overtime labor and payroll taxes that were directly associated with hours worked at generating plants to support the continued operations. In addition, there were contractor and material costs incurred that were associated with this cold weather event. Those expenses are summarized in **Exhibit RK-2**, attached hereto, and currently total $675,495.

Q: Did the Emergency Order allow for carrying costs to be included in the amount that is deferred?

A: Yes. As stated in the Emergency Order, the extraordinary costs that are deferred are allowed to include carrying costs at the utility's weighted average cost of capital ("WACC"). Evergy Kansas Central has included carrying costs associated with the deferred amounts using the WACC plus applicable taxes for a total of 8.32% from Docket No. 18-WSEE-328-RTS. **Exhibit RK-3** provides the carrying costs that will be accumulated and collected over the two-year period.

Q: Please detail the total winter weather amount to be recovered.

A: Based upon preliminary figures, subject to future resettlements and a final calculation of applicable and valid charges, below is Evergy Kansas Central's total costs to be recovered from Winter Storm Uri (net Make-Whole Payment amounts are included in the "Purchased Power Costs (net sales)" row):

Net Costs to Defer (from above)	$127.9 mil
Extraordinary O&M	$0.7 mil
Subtotal	$128.6 mil
Carrying Costs	$24.6 mil
Total Winter Weather Costs to Recover	$153.2 mil

Q: How does Evergy Kansas Central propose to recover the winter weather regulatory asset from customers?

A: Evergy Kansas Central proposes to recover the costs recorded to the regulatory asset as a result of Winter Storm Uri through its RECA over a two-year period beginning in April 2022 when the 2021 ACA factor will be effective. Evergy Kansas Central proposes to spread the $153.2 million over two years by including an estimated $76.6 million amount in its 2021 ACA factor for recovery beginning April 2022 through March 2023 and then proposes to include an estimated $76.6 million in its 2022 ACA factor for recovery beginning April 2023 through March 2024. These amounts would, over the two-year period, collect the extraordinary fuel and purchase power costs, the non-fuel O&M costs and the carrying costs associated with these deferrals. Exhibit RK-3 attached to my testimony provides the calculation and recovery timeframe associated with these amounts.

Q: How will the recovery of the winter weather regulatory asset affect customers' bills?

A: Evergy Kansas Central expects that the recovery of this Winter Storm Uri regulatory asset that is proposed to be recovered over a two-year period will increase the average residential customer bill by approximately $4.69 per month.

Q: How does this compare to a situation where the Company was to only recover these costs over a one-year period?

A: The Company is proposing to spread the winter weather event costs over a two-year period. If these costs were to be spread over just a one-year period, it would cause an increase in customers' overall rates of approximately $7.79 per month for an average residential customer.

III. Evergy Kansas Metro's Compliance Report and Proposal for Return of the Regulatory Liability to Customers

Q: How did Evergy Kansas Metro calculate the amount of fuel, purchased power costs and off-system sales margins attributable to Winter Storm Uri?

A: Evergy Kansas Metro did the same calculation of a three-year average of its fuel, purchased power costs and off-system sales margins for February that we did for Evergy Kansas Central. This calculation established a historic baseline for the month to compare to actual fuel, purchase power costs and off-system sales margins; however, because of the significant off-system sales margins that were generated by Evergy Kansas Metro, the fuel, purchased power costs and off-system sales margins for February 2021 resulted in a benefit to customers after comparing it to the historic February three-year average that was calculated.

Based upon preliminary figures, subject to future resettlements and a final calculation of applicable and valid charges, Evergy Metro (i.e., in both Kansas and Missouri) incurred the following actual costs for the month of February netted against emission allowance and sales in total and jurisdictionally:

Retail Fuel Costs	$18.7 mil
Retail Purchase Power Costs	$94.3 mil
Retail Emission Allowances	($0.5) mil
Less: Retail Bulk Power Sales	($2.7) mil
Total Evergy Metro Retail Net Costs	$109.8 mil
KS Jurisdictional %	43.27%
Retail Net Costs (KS only)	$47.5 mil
Less: Off-System Sales Margin (KS Only)	($82.2) mil
Net Costs (KS Only)	($34.7)mil
Less: 3 yr avg historic baseline (KS Only)	$9.9 mil
Net Costs to Defer (KS only)	($44.6) mil

As mentioned earlier, Evergy Metro received a benefit from an increased amount of off-system sales margin as the result of Winter Storm Uri. In total Evergy Metro made approximately $161.7 million in off-system sales margin in the month of February as compared to historic normal levels. After the allocation to Every Kansas Metro, the Kansas jurisdictional basis of these off-system sales were approximately $82.2 million. This means that Evergy Kansas Metro's total energy costs and off-system sales margins for February 2021 was actually $44.6 million less than its 2018 - 2020 three-year average of fuel, purchased power costs and off-system sales margins for February creating a benefit for Evergy Kansas Metro customers.

Thus, Evergy Kansas Metro has deferred this benefit resulting from Winter Storm Uri as a regulatory liability in order to return that amount to customers. This calculation is reflected in **Exhibit RK-4**, attached hereto.

Q: Were net make whole payments discussed above included in the costs for Evergy Metro?

A: Yes.

Q: What were the net make whole payment amounts incurred by Evergy Metro?

A: SPP collected $52.8 million in total charges for day ahead Make-Whole Payment amounts) from Evergy Metro (Total Company); SPP determined this amount based on Evergy Metro's load ratio share.

Q: Will carrying costs associated with the benefit amounts deferred be calculated and included in the amounts returned to customers?

A: Yes. Consistent with the Emergency Order amounts recorded that will be returned to customers will include carrying charges at Evergy Kansas Metro's Weighted Average Cost of Capital ("WACC"). Evergy Kansas Metro has included carrying costs associated with the deferred amounts using the WACC plus applicable taxes for a total of 8.29% from Docket No. 18-KCPE-480-RTS. **Exhibit RK-5** provides the carrying costs that will be accumulated and returned over a one-year period.

Q: Are the winter weather amounts final?

A: No, as I indicated for Evergy Kansas Central, SPP recently issued a series of additional settlements 120 days after the winter weather event, and these settlements will result in an adjustment to Evergy Kansas Metro's purchased power costs and wholesale sales. These adjustments will be reflected in the Winter Storm Uri deferrals in July after the final close of June's financial books and analysis is complete. It is possible that additional re-settlements may occur at a later date given the unprecedented nature and impact of Winter Storm Uri. Evergy Kansas Metro will continue to track and adjust the amount deferred to

the regulatory liability as necessary due to any other resettlements, or adjustments, that may occur.

Q: Did Evergy Kansas Metro also incur extraordinary non-fuel O&M expense as a result of Winter Storm Uri?

A: Yes, similar to Evergy Kansas Central, non-fuel O&M expenses directly attributable to Winter Storm Uri in the areas of overtime labor and payroll taxes that were directly associated with hours worked at generating plants to support the continued operations were identified. In addition, there were contractor and material costs incurred that were associated with this cold weather event. Those expenses are summarized in Exhibit RK-2, attached hereto, and currently total $458,710 for Evergy Kansas Metro. However, the amount of off-system sales to be credited to customers is greater than the extraordinary non-fuel O&M costs incurred by Evergy Kansas Metro, so the net impact is a regulatory liability to be returned to customers.

Q: Please detail the total winter weather amount to be returned to customers.

A: Based upon preliminary figures, subject to resettlements and a final calculation of any applicable and valid penalties, below is Evergy Kansas Metro's total costs to be returned to customers from Winter Storm Uri:

Net Costs to Defer (KS only) (from above)	($44.6) mil
Extraordinary O&M (KS only)	$0.5 mil
Under recovery	$5.7 mil
Carrying Costs	($5.5) mil
Total Winter Weather Benefit to Return	($43.9) mil

Q: Does the over recovery listed above have to do with an allocation issue to the Evergy Metro Kansas jurisdiction?

A: Yes. Evergy Metro provides electrical operations in two states, Kansas and Missouri, and has tariffs unique to both states. As such, in order to separate costs and revenues between

each state, allocations must be made associated with total Evergy Metro revenue and expenses. If Evergy Metro operated only in Kansas or only in Missouri then an allocation of revenue and costs would not be necessary. Allocation methodologies between the two states exist that provide a separation of the revenue and expenses. As explained in the testimony of Evergy witness Darrin Ives, these allocation methodologies are currently different, and historically have been different, between Kansas and Missouri based on Commission approved and ordered allocation methods and factors. These can create an under-recovery or over-recovery situation that is inconsistent with the objective of the rate setting process (i.e., recovery of all prudently incurred costs). As described later in my testimony, the extraordinary impacts of Winter Storm Uri created a significant under-recovery situation for Evergy Kansas Metro.

Q: How does Evergy Kansas Metro propose to address the extraordinary allocation issue discussed by Mr. Ives as part of its plan in this docket?

A: As Mr. Ives discusses in his Direct Testimony, the difference in allocation methodologies between the two states for the fuel clauses between the Kansas and Missouri Commissions caused a significant under-recovery for Evergy Metro. The total amount of under-recovery associated with this winter event is approximately $12.1 million. Evergy Metro has determined that $5.7 of this total amount of under-recovery should be allocated to Kansas customers. Thus, Evergy Kansas Metro proposes to offset the amount of the regulatory liability associated with Winter Storm Uri that will be returned to customers by $5.7 resulting in a net amount of $43.9 million to be returned to customers under the process I described later in this testimony. Evergy Metro, Inc. is proposing similar treatment in

Missouri, with an offset of the under-recovered amount attributable to Missouri customers against the regulatory liability to be returned to customers there.

Q: How did you determine the portion of the under-recovery that should be attributed to Kansas customers?

A: The portion of under-recovery that is attributable to Evergy Kansas Metro customers was calculated using the following steps:

1. Three categories of revenues and costs were analyzed which included off-system sales, fuel and purchase power.
2. Total Evergy Metro revenues and costs that actually occurred for the month of February in each category were identified. This is the actual amount of either a credit to customers for revenue or cost charged to customers that was recorded on the income statement for Evergy Metro for the month of February.
3. Total Evergy Metro revenues and costs that will be actually credited or charged to customers through their respective fuel recovery mechanisms were identified using the current allocation methodology and accounting processes in place.
4. The actual total revenue and costs identified in section 2 compared to the actual total revenue and costs to be charged as identified in section 3 were compared which identified a total resulting amount of under or over-recovery that was caused by the extraordinary events in the month of February for the three categories. The three categories resulted in an ultimate under-recovery for Evergy Metro.

5. In order to allocate the total under or over-recovery for each revenue and cost category for Evergy Metro a ratio was established which used the sum of each states (MO and KS) allocation methodology as the denominator and the actual allocator for each state as the numerator. The resulting ratio for Evergy Kansas Metro was applied to the total under or over-recovery amount identified in section 4 above to obtain the total under or over-recovery for each revenue and cost category assigned to Evergy KS Metro.

The total net amount identified from the three categories of revenue and costs in section 5 resulted in an under-recovery from customers. This under-recovery identified was netted against the regulatory liability discussed above that resulted from off-system sales margins exceeding the extraordinary costs that occurred during the cold weather event. In this way, each state (KS and MO) received their proportionate share of the under recovery caused by the different allocation methodologies employed by each state jurisdiction.

Q: How does Evergy Kansas Metro propose to return the winter weather regulatory liability, net of the allocation issue discussed, back to customers?

A: Evergy Kansas Metro proposes to flow the net amount recorded to the regulatory liability as a result of Winter Storm Uri, less the amount necessary to correct for the allocation issue, to customers through its ACA over a one-year period beginning in April 2022 when its 2021 ACA factor will become effective. The calculation of how the amount will flow back to customers is included in Exhibit RK-5.

Q: How much of a credit can an average residential customer expect to see as a result of this regulatory liability?

A: Evergy Kansas Metro expects that the return of this Winter Storm Uri regulatory liability that is proposed to be recovered through the ACA will reduce the average residential customer bill by approximately $9.70 per month.

Q: Thank you.

BEFORE THE CORPORATION COMMISSION
OF THE STATE OF KANSAS

In the Matter of the Investigation into Evergy Kansas Metro and Evergy Kansas Central regarding the February 2021 Winter Weather Events, as Contemplated by Docket No. 21-GIMX-303-MIS	)))))	Docket No. 21-EKME-329-GIE

AFFIDAVIT OF RONALD A. KLOTE

STATE OF MISSOURI)

) ss

COUNTY OF JACKSON)

Ronald A. Klote, being first duly sworn on his oath, states:

1. My name is Ronald A. Klote. I work in Kansas City, Missouri, and I am employed by Evergy Metro, Inc. and serve as Director – Regulatory Affairs for Evergy Metro, Inc. d/b/a as Evergy Missouri Metro ("Evergy Missouri Metro"), Evergy Missouri West, Inc. d/b/a Evergy Missouri West ("Evergy Missouri West"), Evergy Metro, Inc. d/b/a Evergy Kansas Metro ("Evergy Kansas Metro"), and Evergy Kansas Central, Inc. and Evergy South, Inc., collectively d/b/a as Evergy Kansas Central ("Evergy Kansas Central").

2. Attached hereto and made a part hereof for all purposes is my Direct Testimony on behalf of Evergy Kansas Metro and Evergy Kansas Central consisting of eighteen (18) pages, having been prepared in written form for introduction into evidence in the above-captioned docket.

3. I have knowledge of the matters set forth therein. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded, including any attachments thereto, are true and accurate to the best of my knowledge, information and belief.

Ronald A. Klote

Subscribed and sworn before me this 2nd day of July 2021.

Notary Public

My commission expires: 4/26/2025

ANTHONY R. WESTENKIRCHNER
NOTARY PUBLIC - NOTARY SEAL
STATE OF MISSOURI
MY COMMISSION EXPIRES APRIL 26, 2025
PLATTE COUNTY
COMMISSION #17279952

Evergy Kansas Central, Inc.
Winter Weather AAO
Docket No. 21-EKME-329-GIE

EVERGY KANSAS CENTRAL (f/k/a WESTAR)
RETAIL ENERGY COST ADJUSTMENT (SCHEDULE RECA)

Line #		Actual Feb-18	Actual Feb-19	Actual Feb-20	Actual Feb Average	Actual Feb-21	Average vs. Actual
1	F_A Component of the RECA Tariff - Fuel Costs						
2							
3	Coal	$ 26,101,447	$ 28,160,985	$ 13,496,447	$ 22,586,293	$ 18,376,594	$ 4,209,699
4	Oil	305,582	312,727	962,496	526,935	5,322,181	(4,795,246)
5	Gas	2,077,415	1,985,692	1,538,828	1,867,312	34,015,094	(32,147,782)
6	Nuclear	2,439,105	2,265,530	2,171,851	2,292,162	2,248,888	43,274
7	Other Fuel Costs	316,414	455,066	478,056	416,512	1,493,379	(1,076,867)
8	Subtotal for Fuel Costs	31,239,963	33,180,001	18,647,679	27,689,214	61,456,136	(33,766,922)
9							
10	Uncollected for Previous Month	$ 13,653,521	$ 14,793,809	$ 11,986,344	$ 13,477,891	$ 13,275,816	$ 202,075
11	Uncollected for Current Month	(11,309,375)	(14,865,740)	(11,707,128)	(12,627,414)	(12,421,608)	(205,806)
12	Subtotal for Uncollected Fuel	2,344,146	(71,931)	279,216	850,477	854,208	(3,731)
13							
14	**Total Fuel Costs F_A Component (line 8 + line 12)**	$ 33,584,109	$ 33,108,070	$ 18,926,895	$ 28,539,691	$ 62,310,344	$ (33,770,653)
15							
16	P_A Component of the RECA Tariff - Purchased Power Costs						
17							
18	Purchased Power	$ 4,991,238	$ 3,535,675	$ 11,790,551	$ 6,772,488	$ 119,915,357	$ (113,142,869)
19	Equalization	-	0	-	0		
20	Gain/Loss on Sales of Renewable Energy Credits	35,825	10,999	13,480	20,101	12,368	7,733
21	Renewable Energy Revenues	(30,659)	(41,392)	(42,986)	(38,346)	(50,942)	12,596
22							
23	**Total Purchased Power Costs - P_A Component (18 line + line19 + line 20 + line 21)**	$ 4,996,404	$ 3,505,283	$ 11,761,045	$ 6,754,244	$ 119,876,783	$ (113,122,539)
24							
25	E_A Component of the RECA Tariff - Emission Allowances						
26							
27	**Total Emission Cost/(Revenue) - E_A Component**	$ -	$ (160)	$ -	$ (53)	$ -	$ (53)
28							
29	$NRCA_A$ Component of the RECA Tariff - Cost to Achieve Non-Requirements						
30							
31	**Total Cost to Achieve Non-Requirements - $NRCA_A$ Component**	$ 5,136,610	$ 3,769,891	$ 2,896,833	$ 3,934,445	$ 8,908,602	$ (4,974,157)
32							
33	FAR_A Component of the RECA Tariff - Actual Fuel Adjustment Revenues						
34							
35	Wholesale Customer Fuel Revenues (GFR)	$ 2,058,387	$ 1,464,569	$ 1,179,601	$ 1,567,519	$ 11,296,606	
36	Retail Fuel Revenues	30,256,864	35,680,515	28,674,172	31,537,184	32,296,169	
37							
38	**Total Fuel Adjustment Revenues - FAR_A (line 35 + line 36)**	$ 32,315,251	$ 37,145,084	$ 29,853,773	$ 33,104,703	$ 43,592,775	
39							
40	WR Component Wholesale Non-fuel in Base Rates vs. 2018 Actual						
41							
42	Demand Difference	$ (1,079,390)	$ 144,592	$ 101,225	$ (277,857)	$ 1,716,412	$ (1,994,270)
43	VOM Difference	(146,494)	2,475	(50,852)	$ (64,957)	638,520	(703,477)
44	MKEC - Lost Revenue		(3,214,120)	(3,214,120)	$ (3,214,120)	(3,214,120)	-
45							
46	**Total Wholesale Non-Fuel Difference (Line 42 + Line 43+ Line 44)**	$ (1,225,884)	$ (3,067,053)	$ (3,163,747)	$ (3,556,934)	$ (859,188)	$ (2,697,746)
47							
48	**Total Costs (line 14 + line 23 + line 27 - line 31 - line 46)**	$ 34,669,787	$ 35,910,354	$ 30,954,853	$ 34,916,371	$ 174,137,714	$ (139,221,342)

Evergy Kansas Central, Inc.
Winter Weather AAO
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KS Central RECA			
	Avg Feb	Variance from Avg Feb	Actual Feb
Fuel			
Oil	526,935	4,795,246	5,322,181
Natural Gas	1,867,312	32,147,782	34,015,094
Nuclear	2,292,162	(43,274)	2,248,888
Coal	22,586,293	(4,209,699)	18,376,594
Other	416,512	1,076,867	1,493,379
Fuel	27,689,214	33,766,922	61,456,136
Uncollected Fuel	850,477	3,731	854,208
Purchases/Sales	6,754,244	113,122,539	119,876,783
Non Requirement	(3,934,445)	(4,974,157)	(8,908,602)
Wholesale sales	3,556,934	(2,697,746)	859,188
Total	34,916,424	139,221,289	174,137,713
Collected in GFR rates	1,567,519		11,296,606
AAO		127,924,683	
	Total:	139,221,289	
	Less GFR Collection:	11,296,606	
		127,924,683	

Winter Weather Event AAO
Non-Fuel O&M Amounts:

	South	Central	Total
Contractor	$ 76,286	$ 163,598	$ 239,884
Damage Claims	$ 4,438	$ 26,410	$ 30,848
Materials	$ 50,060	$ 34,970	$ 85,030
OT Labor	$ 156,356	$ 129,680	$ 286,036
Other	$ 2,493	$ 6,742	$ 9,235
Payroll taxes on OT	$ 13,348	$ 11,114	$ 24,462
Total	**$ 302,981**	**$ 372,514**	**$ 675,495**

	MO Metro	KS Metro	Total
Contractor	$ 225,232	$ 195,313	$ 420,982
Damage Claims	$ 11,545	$ 10,045	$ 21,645
Materials	$ 69,623	$ 62,109	$ 131,961
OT Labor	$ 197,080	$ 175,701	$ 373,356
Other	$ 874	$ 779	$ 1,656
Payroll taxes on OT	$ 16,968	$ 14,763	$ 31,811
Total	**$ 521,322**	**$ 458,710**	**$ 981,411**

Winter Weather AAO - Two Year Amortization with Carrying Costs

Oil	$	4,795,246
Natural Gas	$	32,147,782
Nuclear	$	(43,274)
Coal	$	(4,209,699)
Other	$	1,076,867
Fuel	$	33,766,922
Uncollected Fuel	$	3,731
Purchases/Sales	$	113,122,539
Non Requirement	$	(4,974,157)
Wholesale	$	(2,697,746)
	$	139,221,289
Collected in GFR rates	$	11,296,606
Total FUEL	**$**	**127,924,683**
OT Labor	$	286,036
Payroll taxes on OT	$	24,462
Contractor	$	239,884
Materials	$	85,030
Other	$	9,235
Damage Claims	$	30,848
Total Non-Fuel	**$**	**675,495**
TOTAL Fuel and Non-Fuel	**$**	**128,600,178**

Deferred amount:	**$**	**128,600,178**			
Years:		2			
	$	64,300,089			
Amortization Term in Months		24		1st year total :	$ 76,607,015.32
Annual Rate		0.083239	WACC + Taxes	2nd year total:	$ 76,607,015.32
Monthly Rate		0.006936583			$ 153,214,030.64
Monthly Amount		$6,383,917.94			

Month #	Beginning balance	"Applied"	Interest	Principal	Ending Principal Bal
Mar-21	$ 128,600,178	$ -	$ 892,046	$ -	$ 129,492,224
Apr-21	$ 129,492,224	$ -	$ 898,234	$ -	$ 130,390,457
May-21	$ 130,390,457	$ -	$ 904,464	$ -	$ 131,294,922
Jun-21	$ 131,294,922	$ -	$ 910,738	$ -	$ 132,205,660
Jul-21	$ 132,205,660	$ -	$ 917,056	$ -	$ 133,122,715
Aug-21	$ 133,122,715	$ -	$ 923,417	$ -	$ 134,046,132
Sep-21	$ 134,046,132	$ -	$ 929,822	$ -	$ 134,975,954
Oct-21	$ 134,975,954	$ -	$ 936,272	$ -	$ 135,912,226
Nov-21	$ 135,912,226	$ -	$ 942,766	$ -	$ 136,854,993
Dec-21	$ 136,854,993	$ -	$ 949,306	$ -	$ 137,804,299
Jan-22	$ 137,804,299	$ -	$ 955,891	$ -	$ 138,760,190
Feb-22	$ 138,760,190	$ -	$ 962,522	$ -	$ 139,722,712
Mar-22	$ 139,722,712	$ -	$ 969,198	$ -	$ 140,691,910
Month 1 - April 2022	$ 140,691,910	$ 6,383,918	$ 975,921	$ 5,407,997	$ 135,283,913
Month 2 - May 2022	$ 135,283,913	$ 6,383,918	$ 938,408	$ 5,445,510	$ 129,838,403
Month 3 - June 2022	$ 129,838,403	$ 6,383,918	$ 900,635	$ 5,483,283	$ 124,355,120
Month 4 - July 2022	$ 124,355,120	$ 6,383,918	$ 862,600	$ 5,521,318	$ 118,833,802
Month 5 - Aug 2022	$ 118,833,802	$ 6,383,918	$ 824,301	$ 5,559,617	$ 113,274,185
Month 6 - Sept 2022	$ 113,274,185	$ 6,383,918	$ 785,736	$ 5,598,182	$ 107,676,002
Month 7 - Oct 2022	$ 107,676,002	$ 6,383,918	$ 746,904	$ 5,637,014	$ 102,038,988
Month 8 - Nov 2022	$ 102,038,988	$ 6,383,918	$ 707,802	$ 5,676,116	$ 96,362,872
Month 9 - Dec 2022	$ 96,362,872	$ 6,383,918	$ 668,429	$ 5,715,489	$ 90,647,383
Month 10 - Jan 2023	$ 90,647,383	$ 6,383,918	$ 628,783	$ 5,755,135	$ 84,892,248
Month 11 - Feb 2023	$ 84,892,248	$ 6,383,918	$ 588,862	$ 5,795,056	$ 79,097,193
Month 12 - Mar 2023	$ 79,097,193	$ 6,383,918	$ 548,664	$ 5,835,254	$ 73,261,939
Month 13 - Apr 2023	$ 73,261,939	$ 6,383,918	$ 508,188	$ 5,875,730	$ 67,386,208
Month 14 - May 2023	$ 67,386,208	$ 6,383,918	$ 467,430	$ 5,916,488	$ 61,469,721
Month 15 - June 2023	$ 61,469,721	$ 6,383,918	$ 426,390	$ 5,957,528	$ 55,512,192
Month 16 - July 2023	$ 55,512,192	$ 6,383,918	$ 385,065	$ 5,998,853	$ 49,513,339
Month 17 - Aug 2023	$ 49,513,339	$ 6,383,918	$ 343,453	$ 6,040,465	$ 43,472,875
Month 18 - Sept 2023	$ 43,472,875	$ 6,383,918	$ 301,553	$ 6,082,365	$ 37,390,510
Month 19 - Oct 2023	$ 37,390,510	$ 6,383,918	$ 259,362	$ 6,124,556	$ 31,265,955
Month 20 - Nov 2023	$ 31,265,955	$ 6,383,918	$ 216,879	$ 6,167,039	$ 25,098,916
Month 21 - Dec 2023	$ 25,098,916	$ 6,383,918	$ 174,101	$ 6,209,817	$ 18,889,098
Month 22 - Jan 2024	$ 18,889,098	$ 6,383,918	$ 131,026	$ 6,252,892	$ 12,636,206
Month 23 - Feb 2024	$ 12,636,206	$ 6,383,918	$ 87,652	$ 6,296,266	$ 6,339,940
Month 24 - Mar 2024	$ 6,339,940	$ 6,383,918	$ 43,978	$ 6,339,940	$ 0
			$ 24,613,853		

Evergy Kansas Metro, Inc.
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Kansas Metro ECA

	Avg Feb	Variance from Avg Feb	Actual Feb
Retail Fuel			
Coal	$ 8,552,125	$ 5,648,004	$ 14,200,129
Nuclear	2,311,800	(31,252)	2,280,548
Gas/Oil	27,433	2,202,723	2,230,156
Retail Fuel	$ 10,891,357	$ 7,819,476	$ 18,710,833
Retail Purchased Power	$ 13,050,941	$ 81,267,642	$ 94,318,583
Retail Emissions	(294,741)	(201,350)	(496,091)
Less Retail Bulk Power Sales	(773,679)	(1,900,282)	(2,673,961)
Metro Retail Net Costs	$ 22,873,879	$ 86,985,485	$ 109,859,364
KS retail kWh allocation	42.98%	43.35%	43.27%
KS Share Retail Costs	$ 9,831,193	$ 37,704,954	$ 47,536,147
Off System Sales Margin	$ (204,651)	$ 161,935,221	$ 161,730,570
UE1 allocation	50.36%		50.82%
KS Share OSSM	$ (103,060)	$ 82,296,477	$ 82,193,416
Net Kansas ECA Costs	$ 9,934,253	$ (44,591,523)	$ (34,657,270)

Evergy Kansas Metro, Inc.
Winter Weather AAO
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Winter Weather AAO - One Year Amortization with Carrying Costs

	Cold Weather Variance Metro 100%		Cold Weather Variance Kansas only
Retail Fuel	$ 7,819,476	43.35%	$ 3,389,450
Retail Purchased Power	81,267,642	43.35%	35,226,483
Retail Emissions	(201,350)	43.35%	(87,278)
less Retail Bulk Power Sales	(1,900,282)	43.35%	(823,701)
Retail Net Costs	$ 86,985,485		$ 37,704,954
less Off System Sales Margin	(161,935,221)		(82,296,477)
Over recovery	12,059,623		5,681,707
Non-fuel O&M	981,411		458,710
Total	$ (61,908,702)		$ (38,451,106)

Deferred amount:	$ (38,451,106)
Years:	1
	$ (38,451,106)
Amortization Term in Months	12
Annual Rate	0.082862
Monthly Rate	0.006905167
Monthly Amount	$ (3,663,382)

Month #	Beginning balance	"Applied"	Interest	Principal	Ending Principal Bal
Mar-21	$ (38,451,106)	$ -	$ (265,511)	$ -	$ (38,716,617)
Apr-21	$ (38,716,617)	$ -	$ (267,345)	$ -	$ (38,983,962)
May-21	$ (38,983,962)	$ -	$ (269,191)	$ -	$ (39,253,153)
Jun-21	$ (39,253,153)	$ -	$ (271,050)	$ -	$ (39,524,202)
Jul-21	$ (39,524,202)	$ -	$ (272,921)	$ -	$ (39,797,123)
Aug-21	$ (39,797,123)	$ -	$ (274,806)	$ -	$ (40,071,929)
Sep-21	$ (40,071,929)	$ -	$ (276,703)	$ -	$ (40,348,632)
Oct-21	$ (40,348,632)	$ -	$ (278,614)	$ -	$ (40,627,247)
Nov-21	$ (40,627,247)	$ -	$ (280,538)	$ -	$ (40,907,784)
Dec-21	$ (40,907,784)	$ -	$ (282,475)	$ -	$ (41,190,259)
Jan-22	$ (41,190,259)	$ -	$ (284,426)	$ -	$ (41,474,685)
Feb-22	$ (41,474,685)	$ -	$ (286,390)	$ -	$ (41,761,075)
Mar-22	$ (41,761,075)	$ -	$ (288,367)	$ -	$ (42,049,442)
Month 1 - April 2022	$ (42,049,442)	$ (3,663,382)	$ (290,358)	$ (3,373,023)	$ (38,676,419)
Month 2 - May 2022	$ (38,676,419)	$ (3,663,382)	$ (267,067)	$ (3,396,314)	$ (35,280,104)
Month 3 - June 2022	$ (35,280,104)	$ (3,663,382)	$ (243,615)	$ (3,419,767)	$ (31,860,338)
Month 4 - July 2022	$ (31,860,338)	$ (3,663,382)	$ (220,001)	$ (3,443,381)	$ (28,416,957)
Month 5 - Aug 2022	$ (28,416,957)	$ (3,663,382)	$ (196,224)	$ (3,467,158)	$ (24,949,799)
Month 6 - Sept 2022	$ (24,949,799)	$ (3,663,382)	$ (172,283)	$ (3,491,099)	$ (21,458,700)
Month 7 - Oct 2022	$ (21,458,700)	$ (3,663,382)	$ (148,176)	$ (3,515,206)	$ (17,943,494)
Month 8 - Nov 2022	$ (17,943,494)	$ (3,663,382)	$ (123,903)	$ (3,539,479)	$ (14,404,016)
Month 9 - Dec 2022	$ (14,404,016)	$ (3,663,382)	$ (99,462)	$ (3,563,919)	$ (10,840,096)
Month 10 - Jan 2023	$ (10,840,096)	$ (3,663,382)	$ (74,853)	$ (3,588,529)	$ (7,251,567)
Month 11 - Feb 2023	$ (7,251,567)	$ (3,663,382)	$ (50,073)	$ (3,613,308)	$ (3,638,259)
Month 12 - Mar 2023	$ (3,638,259)	$ (3,663,382)	$ (25,123)	$ (3,638,259)	$ (0)
			$ (5,509,473)		

Total :
$ (43,960,579)