



# Evergy Opening Statement

*EU-2020-0350*

*MPSC Presentation*

*November 12, 2020*





# Extraordinary Event and Extraordinary Times

- National Emergency Declared by President (March 13, 2020)
- Public Health Emergency Declared January 31, 2020
- Governor Parson directed Department of Health and Senior Service to issue orders:
  - Closing Schools
  - Closing Government Offices
  - Closing and Restricting Businesses
- Stay-At-Home and Shelter-In-Place Orders issued by Local Authorities



# Evergy's COVID-19 Customer Response Plan

- Voluntary Moratorium on Disconnection of Service for Non-Payment;
- Waiver of All Charges, Fees, and Deposits Associated With Non-Payment or Late Payment;
- Innovative Payment Plans; and
- Aggressive Customer Communications and Outreach.



## Shareholder-Funded Customer Programs

- \$2.2 Million Pledge to Support Agencies, Communities and Customers
  - \$400,000--Evergy Emergency Grants
  - \$800,000—Hometown Economic Recovery Program
  - \$1 Million—Dollar Aide and Project Deserve



# Filed Position of Parties

<i>Party ▶</i>	<i>Evergy</i>	<i>Staff</i>	<i>MECG / MIEC</i>	<i>OPC</i>	<i>Sierra Club</i>	<i>NHT</i>
Pandemic-related financial impacts ▼						
Expenses related to the protection of employees and customers such as cleaning supplies, personal protective equipment, and temperature testing	Yes	Yes	Yes	No	Did not address.	Did not address.
Information technology-related expenses incurred to enable employees to work from home including hardware, licensing and connectivity costs	Yes	Yes	Yes, except for connectivity cost	No	Did not address.	Did not address.
Waived late payment fees in excess of amounts included in the cost of service established in the most current rate case	Yes	Yes	Yes	No	Did not address.	Did not address.
Preparation and any actual sequestration of employees	Yes	Yes	Yes	No	Did not address.	Did not address.
Costs related to new assistance programs implemented to aid customer with the payment of electric bills	Yes	Yes	Yes	No	Did not address.	Did not address.
Lost revenues due to load degradation	Yes	No	No	No	No	Did not address.
Carrying costs	No <sup>(1)</sup>	No <sup>(1)</sup>	No <sup>(1)</sup>	No	Did not address.	Did not address.
Other incremental costs or savings resulting from the pandemic not included elsewhere	Yes	Yes	No, but Evergy may ask Commission for additional authority in subsequent filing.	No	Did not address.	Did not address.

<sup>(1)</sup> No deferral but addressed in next rate case.



# Non-Unanimous Stipulation & Agreement

## Primary AAO

AAO will track Incremental Costs with Cost Reductions caused by COVID-19

Costs	Reductions
O&M Expense	Travel & Training
Bad Debt Expense	Office Supplies
Customer Assistance Programs	Utility Service to Company Facilities
Waived Late Payment & Reconnection Fees	Reduced Employee Compensation & Benefits
[Para. 2]	Tax Benefits & Government Assistance
	[Para. 7]

Mar. 1, 2020

2Q

3Q

4Q

Mar. 31, 2021

## Secondary Bad Debt Expense AAO

If Actual Net Write-Offs per Quarter Exceed Net Write-Offs *in last General Rate Case* by 10% = Regulatory ASSET

If Net Write-Offs *in last General Rate Case* Exceed Actual Net Write-Offs Per Quarter by 10% = Offset to Regulatory ASSET

[Para. 8]

April 1, 2021

3Q

Sept. 30, 2021

Reports:

Initial Report (3/1-6/30/20): Due 2 weeks after Commission approval

Subsequent Quarterly Reports: Due 45 days after end of quarter





## Duration of AAOs

- Duration of Primary AAO: March 31, 2021, unless extended, renewed or terminated upon agreement of the Signatories and/or the Commission if the Signatories do not agree;
- Duration of Bad Debt AAO: September 30, 2021.
  - On a quarterly basis, if actual net write-offs differ from net write-offs by 10% or more, deferral or offset to deferral of uncollectibles expense will be triggered.

Questions

