

## For Immediate Release

### RATEPAYERS COMMENTS TO EVERGY'S SUSTAINABILITY TRANSFORMATION PLAN

The Citizens' Utility Ratepayer Board (CURB) strongly encourages Kansas residential and commercial ratepayers to comment on Evergy's Sustainability Transformation Plan (STP), which includes \$8.9 billion of investment through 2024 across Evergy's Kansas and Missouri territories. "The STP will definitely affect ratepayers", states David Nickel, Consumer Counsel for CURB, "It is entirely appropriate for the KCC to allow ratepayers to comment on it."

The public can now comment because the Kansas Corporation Commission (KCC) issued an order on May 6, 2021, in Docket No. 21-EKME-088-GIE (regarding the STP), establishing a comment period lasting until July 7, 2021, at 5:00 P.M. The public can submit comments concerning the STP via the following options:

1. Online: <http://kcc.ks.gov/your-opinion-matters>;
2. e-mail: [public.affairs@kcc.ks.gov](mailto:public.affairs@kcc.ks.gov); or
3. Written, directed to:  
KCC Office of Public Affairs  
1500 SW Arrowhead Rd  
Topeka, KS 66604-4027

Public comments relating to Evergy's STP should reference Docket No. 21 -EKME-088-GIE. The KCC's Public Affairs and Consumer Protection division will file a report by July 14, 2021 summarizing the public comments received.

"This is an extremely important matter to Kansas ratepayers," says Mr. Nickel. Under the STP, expenditures are expected to result in compound annual rate base growth of 5%–6% from 2019–2024. Evergy indicated it was targeting an Earnings per Share (EPS) compound annual growth rate of 6%–8% through 2024, compared to its previous target of 5%–7%. Evergy estimates the rate impact of the STP will be an annual increase of 1.6% for 2020–2024 across all of its utility customers.

CURB is wary of Evergy's claim that \$8.9 billion of investment is needed to adequately serve Kansas customers. In CURB's view, this spending level arose from a disgruntled activist shareholder (Elliott Management Corporation) who criticized Evergy publically for its inability to maximize value for key stakeholders (i.e., shareholders). Evergy and Elliott subsequently agreed that Evergy would explore either a merger transaction or a plan to cut operating and maintenance expenses and to increase capital expenditures dramatically. The STP resulted.

In connection with the STP, the Commission required a number of workshops in Docket No. 21-EKME-088-GIE, wherein Evergy would discuss the STP and field questions from several stakeholders (such as CURB and the KCC staff). CURB and other stakeholders were allowed to file comments and Evergy will respond to the comments in May.

The information in these workshops is very high-level and subject to change. Thus, the Commission cannot be expected to rule on the propriety of the STP expenditures until Evergy seeks recovery of those expenditures from ratepayers in its next rate case. Yet, CURB believes that it is appropriate for the KCC to establish some general guidelines to inform Evergy of the factors to be considered in that next rate case.

In CURB's Comments, CURB stated its primary concern is to ensure that the STP does not result in higher costs to ratepayers or deterioration of utility service in an effort to increase shareholder earnings. CURB also indicated in its comments that it is imperative for the KCC to protect the ratepayer savings that came about by the merger of Westar and Great Plains Energy (owner of Kansas City Power & Light) as approved by the KCC in 2018.

Before filing comments, members of the public may wish to read the comments filed by Evergy, KCC Staff, CURB, and other parties, which are publicly available on the KCC website at <https://estar.kcc.ks.gov/estar/portal/kcc/page/Dockets/portal.aspx> by searching for Docket No. 21-EKME-088-GIE. The public can view the workshops in this case; each begins with Evergy's presentation, followed by questions from the Commissioners, CURB, KCC Staff, and other parties. The recordings of the first three workshops and a livestream of the final (May 24) workshop can be accessed through the KCC's YouTube Channel, at <https://www.youtube.com/channel/UC-uTcucl0oyHJr-iOheuuw>.

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