

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of the Application of Evergy Metro, Inc.)
d/b/a Evergy Missouri Metro For Authority to)
Issue Debt Securities.) **File No. EF-2023-0241**

STAFF RECOMMENDATION

COMES NOW Staff of the Missouri Public Service Commission, by and through counsel, and for its Staff Recommendation in this matter submits the accompanying Memorandum and in support thereof respectfully states as follows:

1. On February 27, 2023, Evergy Metro, Inc. d/b/a Evergy Missouri Metro (“Evergy Metro”) submitted an application, pursuant to Sections 393.180, 393.190, and 393.200, of the Revised Statutes of Missouri (“RSMo”), 20 CSR 4240-10.125, 20 CSR 4240-2.060, 20 CSR 4240- 2.080(14), and 20 CSR 4240-4.017(1)(D), requesting authorization to issue General Mortgage Bonds in principal amount up to \$300,000,000, through December 31, 2023, in order to refinance existing 3.15% Senior Notes which are due March 15, 2023, as well as seek funds for capital investments.

2. The Company also requested waiver of the 60-day notice requirement under 20 CSR 4240-4.017(1)(D) and expedited treatment of its application in accordance with 20 CSR 4240-2.080(14) so that the Commission’s order will become effective no later than March 31, 2023.

3. On February 28, 2023, the Commission ordered Staff to file an expedited recommendation regarding Evergy Metro’s application, and if Staff needs to additional time to prepare a recommendation, then it may request additional time.

4. On March 7, Staff filed a status report requesting an extension of time to file its recommendation to March 24, 2023, stating that additional time is required to analyze

the acquired data and information from Evergy Metro, Inc. d/b/a Evergy Missouri Metro (Evergy Metro), and to complete its investigation.

5. On March 8, 2023, Evergy Metro filed its response to Staff's status report. In its response, Evergy Metro explains that its ability to access the capital markets before upcoming April blackout period will be affected by the March 24, 2023 recommendation deadline. Evergy Metro states that it has met with Staff and Staff has indicated that a March 17, 2023 recommendation date is acceptable, provided Evergy metro provides certain data request responses in a timely manner.

6. On March 8, 2023, the Commission Ordered Staff to file its recommendation regarding Evergy Metro's application by March 17, 2023.

7. As discussed in detail in the accompanying Memorandum, Staff recommends that the Commission approve the application submitted by Evergy Metro, subject to the following conditions:

A. That nothing in the Commission's order shall be considered a finding by the Commission of the value of this transaction for rate making purposes, and that the Commission reserve the right to consider the rate making treatment to be afforded the financing transaction and its impact on cost of capital, in any later rate proceeding;

B. That the Company shall file with the Commission within thirty (30) days of issuance of any financing authorized pursuant to a Commission order in this proceeding, a report including the amount of secured indebtedness issued, date of issuance, interest rate (initial rate if variable), maturity date, redemption schedules or special terms, if any, use of proceeds, estimated expenses, and loan or indenture agreement concerning each issuance. In addition, the Company shall also provide the

analysis, to include but not be limited to, indicative pricing information provided by investment banks it performed to determine that the terms for the debt it decided to issue were the most reasonable at the time;

C. That the Company shall file with the Commission through its electronic filing and information system (“EFIS”) any information concerning communication with credit rating agencies concerning this issuance;

D. That the Company shall file with the Commission as a non-case related submission in EFIS under “Resources” - “Non-Case Related Query” - “Ordered Submission” any credit rating agency reports published on Evergy Metro’s or Evergy Inc’s corporate credit quality or the credit quality of its securities;

E. That the Company be required to file a five-year capitalization expenditure schedule in future finance cases;

F. That to the extent that any non-regulated investments made by the Company or Evergy, Inc. and affiliated companies may potentially impact the Company’s credit quality and resulting credit ratings, the Company shall notify Staff of such possibility and provide a status report to the Commission; and

G. That the Commission’s grant of authority shall expire three years from the effective date of the order in this proceeding.

WHEREFORE Staff recommends the Commission issue an order approving the application submitted by Evergy Metro, subject to the conditions set forth above, on an expedited basis, and waiving the 60-day notice requirement under 20 CSR 4240-4.017(1)(D).

Respectfully submitted,

/s/ J. Scott Stacey

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been transmitted by electronic mail to counsel of record this 13th day of March, 2023.

/s/ J. Scott Stacey